SUBMITTED CONFIDENTIALLY TO THE SECURITIES AND EXCHANGE COMMISSION ON OCTOBER 6, 2017.

This draft registration statement has not been publicly filed with the United States Securities and Exchange Commission and all information herein remains strictly confidential.

As filed with the Securities and Exchange Commission on , 2017.

Registration No. 333-

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

Form S-1

REGISTRATION STATEMENT UNDER
THE SECURITIES ACT OF 1933

Motus GI Holdings, Inc.
(Exact Name of Registrant as Specified in its Charter)

Delaware	3841	81-4042793
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

Keren Hayesod 22
Tirat Carmel, Israel, 3902638
Telephone: 786 459 1831
(Address, including zip code, and telephone number, including area code, of principal executive offices)

Mark Pomeranz
Chief Executive Officer
Motus GI Holdings, Inc.
1301 East Broward Boulevard, 3rd Floor
Ft. Lauderdale, FL 33301
Telephone: 786 459 1831
(Address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Steven M. Skolnick, Esq.
Michael J. Lerner, Esq.
Lowenstein Sandler LLP
1251 Avenue of the Americas
New York, New York 10020
Telephone: (212) 262-6700

Approximate date of proposed sale to public: As soon as practicable on or after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box. [ ]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company”, and

“emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer [ ] Accelerated filer [ ]

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

Smaller reporting company [X]

Emerging growth company [X]

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. [X]

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to Be Registered	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee(2)
Common Stock, par value $0.001 per share	$	$
Total	$	**$**

(1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(o) under the Securities Act of 1933. Includes the offering price of shares that the underwriters have the option to purchase to cover over-allotments, if any.

(2) Calculated pursuant to Rule 457(o) based on an estimate of the proposed maximum aggregate offering price of the securities registered hereunder to be sold by the registrant.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to such Section 8(a), may determine.

The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the Securities and Exchange Commission declares our registration statement effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any state where the offer or sale is not permitted.

Preliminary Prospectus Subject to Completion, dated October 6, 2017

Motus GI Holdings, Inc.

Shares
Common Stock

This is Motus GI Holdings, Inc.'s initial public offering. We are selling shares of our common stock.

We expect the public offering price to be between $ and $ per share. Currently, no public market exists for the shares. After pricing of the offering, we expect that the shares will trade on the NASDAQ Capital Market under the symbol "MOTS."

We are an "emerging growth company" under the federal securities laws and, as such, we intend to comply with certain reduced public company reporting requirements. See "Prospectus Summary—Implications of Being an Emerging Growth Company"

Investing in our common stock involves risks that are described in the "Risk Factors" section beginning on page 6 of this prospectus.

	Per Share	Total
Public offering price	$	$
Underwriting discount(1)	$	$
Proceeds, before expenses, to us	$	$

(1) We refer you to "Underwriting" beginning on page 91 of this prospectus for additional information regarding total underwriter compensation.

The underwriters may also exercise their option to purchase up to an additional shares from us at the public offering price, less the underwriting discount, for 30 days after the date of this prospectus.

The shares will be ready for delivery on or about , 2017.

Certain of our existing stockholders, including stockholders affiliated with certain of our directors, have indicated an interest in purchasing up to an aggregate of approximately $ million in shares of our common stock in this offering at the initial public offering price. However, because indications of interest are not binding agreements or commitments to purchase, the underwriters could determine to sell more, less or no shares to any of these potential investors and any of these potential investors could determine to purchase more, less or no shares in this offering.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2017.

TABLE OF CONTENTS

You should rely only on the information contained in this prospectus and any related free writing prospectus that we may provide to you in connection with this offering. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate only as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

For investors outside the United States: neither we nor any of the underwriters has done anything that would permit this offering or possession or distribution of this prospectus or any free writing prospectus we may provide to you in connection with this offering in any jurisdiction where action for that purpose is required, other than in the United States. You are required to inform yourselves about and to observe any restrictions relating to this offering and the distribution of this prospectus and any such free writing prospectus outside of the United States.

In this prospectus, we rely on and refer to information and statistics regarding our industry. We obtained this statistical, market and other industry data and forecasts from publicly available information.

PROSPECTUS SUMMARY

This summary highlights information contained in other parts of this prospectus. Because it is a summary, it does not contain all of the information that you should consider in making your investment decision. Before investing in our common stock, ***you should read the entire prospectus carefully, including our consolidated financial statements and the related notes included in this prospectus and the information set forth under the headings "Risk Factors" on page 6 and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 36.***

When used herein, unless the context requires otherwise, references to the "Company," "Holdings," "we," "our" and "us" refer to Motus GI Holdings, Inc., a Delaware corporation, collectively with our direct wholly-owned subsidiaries, Motus GI Medical Technologies, Ltd., an Israeli corporation, and Motus GI, Inc., a Delaware corporation.

All trademarks or trade names referred to in this prospectus are the property of their respective owners. Solely for convenience, the trademarks and trade names in this prospectus are referred to without the ® and ™ symbols, but such references should not be construed as any indicator that their respective owners will not assert, to the fullest extent under applicable law, their rights thereto. We do not intend the use or display of other companies' trademarks and trade names to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

Our Company

General

We have developed a single-use medical device system (the "Pure-Vu system"), cleared by the United States Food and Drug Administration (the "FDA"), that cleanses the colon during a colonoscopy procedure thereby reducing the dependency on unpleasant and time consuming pre-procedural colonoscopy preparation regimens to ensure clear visualization of the colon mucosa which is critical to procedural success. The Pure-Vu system has been designed to integrate with standard colonoscopes to enable cleaning during the procedure while preserving standard procedural workflow and techniques. We believe the Pure-Vu system has the potential to improve procedure quality, clinical outcomes and patient satisfaction while simultaneously lowering costs and improving margins for hospitals and increasing revenues and improving margins for outpatient colonoscopy clinics. Our Pure-Vu system and the procedure to cleanse the colon in preparation for colonoscopy are not currently reimbursable through private or governmental third-party payors in any country, but we do intend to seek reimbursement through private or governmental third-party payors in the future. To date, as part of our limited pilot launch, we have focused on collecting clinical data on the use of the Pure-Vu system. We do not expect to generate significant revenue from product sales unless and until we expand our commercialization efforts.

Our business was founded within the New Generation Technology ("NGT") incubator based in Nazareth, Israel in 2008 to develop innovative endoscopy technologies, and in 2011, the business was spun out into a new company focused exclusively on the development of the Pure-Vu system. We initiated preclinical testing in 2011 and started clinical testing of the first prototype version of the Pure-Vu system in Europe in late 2012. In clinical studies performed in Europe and Israel from 2012 through the second quarter of 2017, the Pure-Vu system and earlier prototype versions have demonstrated effective cleaning in over 175 patients that followed a significantly reduced pre-procedural colonoscopy preparation regimen, as compared to current prep regimens.

Formation of Holdings

We are a Delaware corporation. In connection with our formation in September 2016, we sold an aggregate of 1,650,000 shares of our common stock for an aggregate of $82,500 ($0.05 per share), which included 450,000 shares of our common stock owned by an affiliates of Aegis Capital Corp. ("Aegis Capital"), the placement agent in our 2017 Private Placement described below.

The Share Exchange Transaction

Effective on December 1, 2016, Motus GI Medical Technologies Ltd., an Israeli Company ("Opco"), and the holders of all issued and outstanding shares of capital stock of Opco (the "Opco Stockholders"), entered into a share exchange agreement (the "Share Exchange Agreement") with us. Pursuant to the terms of the Share Exchange Agreement, as a condition of and contemporaneously with the initial closing (the "Initial Closing") of the 2017 Private Placement (defined below), the Opco Stockholders sold to us, and we acquired, all of the issued and outstanding shares of capital stock of Opco (the "Share Exchange Transaction") and Opco became our direct wholly-owned subsidiary. Pursuant to the Share Exchange Transaction (i) the Opco Stockholders received an aggregate of 4,000,000 shares of our common stock in exchange for all of the issued and outstanding shares of capital stock of Opco, (ii) the Convertible Notes (as defined below) and the Convertible Note Warrants (as defined below) were exchanged for our securities, as described below, and (iii) all of the issued and outstanding options to purchase or otherwise acquire shares of Opco capital stock that were outstanding and unexercised as of immediately prior to the Initial Closing were substituted for 125,730 options to acquire shares of our common stock pursuant to our 2016 Equity Incentive Plan at exercise prices ranging from $2.38 to $2.52 (see "Business – Our Formation – The Share Exchange Transaction" and "Executive Compensation—2016 Equity Incentive Plan").

Recent Developments

2017 Private Placement and Exchange of Convertible Notes

We conducted a private placement offering of units from December 2016 to February 2017 (the "2017 Private Placement") at a purchase price of $5.00 per unit, with each unit (a "Unit") consisting of (i) three-quarter (3/4) of a share of our common stock, and (ii) one-quarter (1/4) a share of our convertible preferred stock, par value $0.0001 (the "Series A Convertible Preferred Stock"). We issued an aggregate of 3,080,671 Units for gross proceeds of approximately $15,400,000, comprised of an aggregate of 2,310,503 shares of our common stock and 770,168 shares of Series A Convertible Preferred Stock to investors in the 2017 Private Placement, including related parties of us (see "Certain Relationships and Related Party Transactions - Convertible Note, Convertible Warrant, and 2017 Private Placement - Related Party Participation").

In addition from June 2015 through November 2016, pursuant to the terms of a convertible note agreement, as amended (the "CNA"), Opco issued convertible notes (the "Convertible Notes") in an aggregate amount of approximately $14.6 million (inclusive of accrued interest through December 22, 2016, the date of the initial closing of the 2017 Private Placement) to certain investors, including related parties of us and Opco (see "Certain Relationships and Related Party Transactions - Convertible Note, Convertible Warrant, and 2017 Private Placement - Related Party Participation"). As part of the 2017 Private Placement, the holders of the Convertible Notes ("Convertible Holders") exchanged their Convertible Notes (the "Exchange of Convertible Notes"), together with accrued and unpaid interest thereon at a rate of 10% per annum, for Units in the 2017 Private Placement at a conversion price of $4.50 per Unit. In connection with the Exchange of Convertible Notes, we issued an aggregate of 3,243,744 Units, comprised of an aggregate of 2,432,808 shares of our common stock and 810,960 shares of Series A Convertible Preferred Stock. Gross proceeds from the 2017 Private Placement, inclusive of the value of the Convertible Notes, totaled approximately $30.0 million, and net proceeds to us were approximately $28.5 million.

Aegis Capital acted as the placement agent (the "Placement Agent") for the 2017 Private Placement.

Our Risks

An investment in our common stock involves a high degree of risk. You should carefully consider the risks summarized below. These risks are discussed more fully in the "Risk Factors" section of this prospectus on page **6** herein. These risks include, but are not limited to, the following:

- we have a limited operating history, our accumulated deficit as of December 31, 2016 is approximately $25.9 million, and we expect to incur substantial losses for the foreseeable future and may never achieve or maintain profitability which could materially limit our ability to raise additional funds through the issuance of new debt or equity securities or otherwise;

- we may need to obtain additional financing to complete development and commercialization of our Pure-Vu system;

- the commercial success of our Pure-Vu system will depend upon its acceptance by the medical community, including physicians, patients and health care payors;
- our Pure-Vu system and the procedure to cleanse the colon in preparation for colonoscopy are not currently reimbursable through private or governmental third-party payors in any country;
- we are highly dependent on the success of our sole product candidate, the Pure-Vu system, which is still being commercialized;
- we expect to rely on third parties to manufacture the components of our Pure-Vu system;
- we currently have a limited sales and marketing organization, and in order to commercialize devices that are approved for commercial sales, we must either collaborate with third parties that have such commercial infrastructure and/or continue to develop our own sales and marketing infrastructure;
- the manufacture of our Pure-Vu system, and the technology developed thereunder, is subject to certain Israeli government regulations which may impair our ability to outsource or transfer development or manufacturing activities with respect to any product or technology outside of Israel;
- we face significant competition from other medical device companies; and
- we rely on our key employees and executives and the loss of the services of our key employees and executives would adversely impact our business prospects.

Implications of Being an Emerging Growth Company

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), and, for as long as we continue to be an "emerging growth company," we may choose to take advantage of exemptions from various reporting requirements applicable to other public companies but not to "emerging growth companies," including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended, (the "Sarbanes-Oxley Act"), reduced disclosure obligations regarding executive compensation in our periodic reports, proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We could be an "emerging growth company" for up to five years, or until the earliest of (i) the last day of the first fiscal year in which our annual gross revenues exceed $1.07 billion, (ii) the date that we become a "large accelerated filer" as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended, which would occur if the market value of our common stock that is held by non-affiliates exceeds $700 million as of the last business day of our most recently completed second fiscal quarter, or (iii) the date on which we have issued more than $1 billion in non-convertible debt during the preceding three-year period. We intend to take advantage of these reporting exemptions described above until we are no longer an "emerging growth company." Under the JOBS Act, "emerging growth companies" can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have irrevocably elected not to avail ourselves of this exemption from new or revised accounting standards and, therefore, we will be subject to the same new or revised accounting standards as other public companies that are not "emerging growth companies."

Corporate Information

We are a Delaware corporation formed in 2016 under the name Eight-Ten Merger Corp. In November 2017, we changed our name to Motus GI Holdings, Inc. We are the parent company of Motus GI Medical Technologies Ltd., an Israeli corporation, and Motus GI, Inc. a Delaware corporation.

Our principal executive offices are located at Keren Hayesod 22, Tirat Carmel, Israel, 3902638. Our web address is www.motusgi.com. Information contained in or accessible through our web site is not, and should not be deemed to be, incorporated by reference in, or considered part of, this prospectus. You should not rely on our website or any such information in making your decision whether to purchase our common stock.

"Motus GI," "Pure-Vu," and our other registered or common law trademarks, service marks or trade names appearing herein are the property of Motus GI Holdings, Inc. Some trademarks referred to in this prospectus are referred to without the ® and ™ symbols, but such references should not be construed as any indicator that their respective owners will not assert, to the fullest extent under applicable law, their rights thereto. We do not intend the use or display of other companies' trademarks and trade names to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

THE OFFERING

The following summary contains basic information about this offering. The summary is not intended to be complete. You should read the full text and more specific details contained elsewhere in this prospectus.

Common Stock offered by us	
Common Stock to be outstanding after this offering	shares
Underwriters' option to purchase additional shares from us	shares
Use of Proceeds	We estimate that we will receive net proceeds from this offering of approximately $ million, or approximately $ million if the underwriters exercise their overallotment option in full, based upon an assumed initial public offering price of $ per share (the midpoint of the estimated price range set forth on the cover page of this prospectus) and after deducting the underwriting discounts and commissions and estimating offering expenses payable by us. We intend to use the net proceeds from this offering to fund the commercialization of our products and our research and development activities, as well as for working capital and other general corporate purposes. See the section entitled "Use of Proceeds" for a more complete description of the intended use of proceeds from this offering.
Dividend Policy	We have never declared or paid any cash dividends on our common stock, and currently do not plan to declare cash dividends on shares of our common stock in the foreseeable future. We expect that we will retain all of our available funds and future earnings, if any, for use in the operation and expansion of our business. See "Dividend Policy" for a more complete description of our dividend policy.
Risk Factors	An investment in our company is highly speculative and involves a significant degree of risk. See "Risk Factors" and other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in shares of our common stock.

Proposed NASDAQ Capital Market symbol "MOTS"

Certain of our existing stockholders, including stockholders affiliated with certain of our directors, have indicated an interest in purchasing up to an aggregate of approximately $ million in shares of our common stock in this offering at the initial public offering price. However, because indications of interest are not binding agreements or commitments to purchase, the underwriters could determine to sell more, less or no shares to any of these potential investors and any of these potential investors could determine to purchase more, less or no shares in this offering. Any shares purchased by our existing stockholders will be subject to lock-up restrictions described in "Shares Eligible for Future Sale."

The number of shares of our common stock to be outstanding after this offering is based on 10,491,841 shares of common stock outstanding as of September 30, 2017 and excludes:

- 1,836,844 shares of our common stock issuable upon the exercise of outstanding stock options issued under our equity incentive plan as of September 30, 2017, at exercise prices ranging from $2.38 to $4.50 per share, following the modification of share-based payment awards on September 29, 2017;

- 169,812 additional shares of our common stock reserved for future issuance under our 2016 Equity Incentive Plan as of September 30, 2017;

- 1,581,128 shares of our common stock, issuable upon the conversion of Series A Convertible Preferred Stock issued in our 2017 Private Placement;

- 907,237 shares of our common stock issuable upon the exercise of the Exchange Warrants (defined below, see "Business - Exchange of Convertible Note Warrants"), at an exercise price of $5.00 per share;

- 403,632 shares of our common stock issuable upon the exercise of the Placement Agent Warrants (defined below, see "Business - 2017 Private Placement and Convertible Note Offering – Placement Agent Compensation"), at an exercise price of $5.00 per share; and

- 30,000 shares of our common stock issuable upon the exercise of a consultant warrant, at an exercise price of $8.00 per share.

Unless otherwise indicated, all information in this prospectus reflects or assumes the following:

- no issuance or exercise of stock options or warrants on or after September 30, 2017; and

- no exercise by the underwriters of their option to purchase up to an additional shares of common stock in this offering.

RISK FACTORS

An investment in our common stock is speculative and illiquid and involves a high degree of risk including the risk of a loss of your entire investment. You should carefully consider the following risk factors, as well as the other information in this prospectus, including our financial statements and the related notes thereto, before deciding whether to invest in shares of our common stock. These risk factors contain, in addition to historical information, forward looking statements that involve risks and uncertainties. Our actual results could differ significantly from the results discussed in the forward looking statements. The order in which the following risks are presented is not intended to reflect the magnitude of the risks described. The occurrence of any of the following adverse developments described in the following risk factors could materially and adversely harm our business, financial condition, results of operations or prospects. In such event, the value of our common stock could decline, and you could lose all or a substantial portion of the money that you pay for our common stock.

Risks Related to Our Financial Position and Need for Capital

We are a medical technology company with a limited operating history.

We are a medical technology company with a limited operating history. We received clearance from the FDA for our Pure-Vu system and have recently initiated a limited pilot launch that will run through 2018. We plan to then move into a full market launch during 2019. We expect that sales of our Pure-Vu system will account for substantially all of our revenue for the foreseeable future. However, we have limited experience in selling our products and we may be unable to successfully commercialize our Pure-Vu system for a number of reasons, including:

- market acceptance of our Pure-Vu system by physicians and patients will largely depend on our ability to demonstrate its relative safety, efficacy, cost-effectiveness and ease of use;
- our inexperience in marketing, selling and distributing our products;
- we may not have adequate financial or other resources to successfully commercialize our Pure-Vu system;
- we may not be able to manufacture our Pure-Vu system in commercial quantities or at an acceptable cost;
- the uncertainties associated with establishing and qualifying a manufacturing facility;
- patients will not generally receive reimbursement from third-party payors for the use of our Pure-Vu system for colon cleansing, which may reduce widespread use of our Pure-Vu system;
- the introduction and market acceptance of competing products and technologies; and
- rapid technological change may make our Pure-Vu system obsolete.

If this offering is not successful, there is substantial doubt about our ability to continue as a going concern.

As described in Note 1 of our accompanying unaudited interim condensed consolidated financial statements, absent the proceeds of this offering or another financing, there is substantial doubt that we can continue as an ongoing business for the next twelve months. Our unaudited interim condensed consolidated financial statements do not include any adjustments that may result from the outcome of this uncertainty. If we cannot continue as a viable entity, our stockholders may lose some or all of their investment in us.

Our Pure-Vu system is currently our sole product and we are highly dependent on the successful marketing and sale of this product. There is no assurance that we will be able to develop any additional products.

Our Pure-Vu system is currently our sole product. We may fail to successfully commercialize our product. Successfully commercializing medical devices such as ours is a complex and uncertain process, dependent on the efforts of management, distributors, outside consultants, physicians and general economic conditions, among other factors. Any factors that adversely impact the commercialization of our Pure-Vu system, including, but not limited to, competition or acceptance in the marketplace, will have a negative impact on our business, results of operations and financial condition. We cannot assure you that we will be successful in developing or commercializing any potential enhancements to our Pure-Vu system or any other products. Our inability to successfully commercialize our Pure-Vu system and/or successfully develop and commercialize additional products or any enhancements to our Pure-Vu system which we may develop would have a material adverse effect on our business, results of operations and financial condition.

We have incurred operating losses in each year since our inception and expect to continue to incur substantial losses for the foreseeable future. We may never become profitable or, if achieved, be able to sustain profitability.

We expect to incur substantial expenses without corresponding revenues unless and until we expand our commercialization efforts. To date, as part of our limited launch, we have generated some revenue from our Pure-Vu system, but we do not expect to generate significant revenue from product sales unless and until we expand our commercialization efforts, which we expect will take a number of years and is subject to significant uncertainty. We expect to incur significant marketing expenses in the United States and elsewhere, and there can be no assurance that we will generate significant revenues or ever achieve profitability. Our net loss for the six months ended June 30, 2017 and June 30, 2016 was approximately $6.3 million and $3.7 million respectively. Our net loss for the years ended December 31, 2016 and December 31, 2015 was approximately $8.0 million and $6.0 million, respectively. As of June 30, 2017, we had an accumulated deficit of approximately $32.2 million.

Our cash or cash equivalents will only fund our operations for a limited time and we will need to raise additional capital to support our development and commercialization efforts.

We are currently operating at a loss and expect our operating costs will increase significantly as we incur costs related to the commercialization of our Pure-Vu system. At June 30, 2017, we had a cash and cash equivalents balance of approximately $12.9 million. Based on our current business plan, we believe the net proceeds from this offering, together with our current cash and cash equivalents, will be sufficient to meet our anticipated cash requirements over at least the next 18 months. If our available cash balances and net proceeds from this offering are insufficient to satisfy our liquidity requirements, including due to risks described in this prospectus, we may seek to raise additional capital through equity offerings, debt financings, collaborations or licensing arrangements. We will need to raise additional capital, and we may also consider raising additional capital in the future to expand our business, to pursue strategic investments, to take advantage of financing opportunities, or for other reasons, including to:

- fund development and efforts of any future products;
- acquire, license or invest in technologies;
- acquire or invest in complementary businesses or assets; and
- finance capital expenditures and general and administrative expenses.

Our present and future funding requirements will depend on many factors, including:

`

- our revenue growth rate and ability to generate cash flows from operating activities;
- our sales and marketing and research and development activities;
- costs of and potential delays in product development;
- changes in regulatory oversight applicable to our products; and
- costs related to international expansion.

We do not currently have any arrangements or credit facilities in place as a source of funds, and there can be no assurance that we will be able to raise sufficient additional capital on acceptable terms, or at all. We may seek additional capital through a combination of private and public equity offerings, debt financings and strategic collaborations. Debt financing, if obtained, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, that could increase our expenses and require that our assets secure such debt. Equity financing, if obtained, could result in dilution to our then existing stockholders and/or require such stockholders to waive certain rights and preferences. If such financing is not available on satisfactory terms, or is not available at all, we may be required to delay, scale back or eliminate the development of business opportunities and our operations and financial condition may be materially adversely affected. We can provide no assurances that any additional sources of financing will be available to us on favorable terms, if at all. In addition, if we are unable to secure sufficient capital to fund our operations, we might have to enter into strategic collaborations that could require us to share commercial rights to the Pure-Vu system with third parties in ways that we currently do not intend or on terms that may not be favorable to us. If we choose to pursue additional indications and/or geographies for the Pure-Vu system or otherwise expand more rapidly than we presently anticipate, we may also need to raise additional capital sooner than expected.

Risks Related to Government Regulation and Third-Party Reimbursement

We are subject to complex and costly regulation.

Our product, and any products we may develop in the future, are subject to regulation by the FDA and other national, supranational, federal and state governmental authorities. It can be costly and time-consuming to obtain regulatory clearance and/or approval to market a new or modified medical device or other product. Clearance and/or approval might not be granted on a timely basis, if at all. Regulations are subject to change as a result of legislative, administrative or judicial action, which may further increase our costs or reduce sales. Unless an exception applies, the FDA requires that the manufacturer of a new medical device or a new indication for use of, or other significant change in, an existing medical device obtain either FDA 510(k) pre-market clearance or pre-market approval before that product can be marketed or sold in the United States. Modifications or enhancements to a product that could significantly affect its safety or effectiveness, or that would constitute a major change in the intended use of the device, technology, materials, labeling, packaging, or manufacturing process may also require a new 510(k) clearance. The FDA has indicated that it intends to continue to enhance its pre-market requirements for medical devices. Although we cannot predict with certainty the future impact of these initiatives, it appears that the time and cost to get medical devices to market could increase significantly.

In addition, we are subject to regulations that govern manufacturing practices, product labeling and advertising, and adverse-event reporting that apply after we have obtained clearance or approval to sell a product. Our failure to maintain clearance for our Pure-Vu system, to obtain clearance or approval for new or modified products, or to adhere to regulations for manufacturing, labeling, advertising or adverse event reporting could adversely affect our results of operations and financial condition. Further, if we determine a product manufactured or marketed by us does not meet our specifications, published standards or regulatory requirements, we may seek to correct the product or withdraw the product from the market, which could have an adverse effect on our business. Many of our facilities and procedures, and those of our suppliers are subject to ongoing oversight, including periodic inspection by governmental authorities. Compliance with production, safety, quality control and quality assurance regulations can be costly and time-consuming.

The sales and marketing of medical devices is under increased scrutiny by the FDA and other enforcement bodies. If our sales and marketing activities fail to comply with FDA regulations or guidelines, or other applicable laws, we may be subject to warnings or enforcement actions from the FDA or other enforcement bodies.

We may be unable to obtain or maintain governmental approvals to market our Pure-Vu system outside the United States, including the European Union countries.

Any medical device placed on the European market must comply with the relevant legislation of the European Economic Community, or EEC, which requires manufacturers of medical products to obtain the right to affix the CE Mark to their products before selling them in the European Union, the European Economic Area and Switzerland. The CE Mark is an international symbol of adherence to quality assurance standards and compliance with applicable European medical device directives. In order to obtain the right to affix the CE Mark to products, a manufacturer must obtain certification that its processes meet specified quality and design standards. Compliance with the medical device directives, as certified by an organization designated by a European Union country to assess the conformity of certain products before being placed on the market (a "Notified Body"), permits the manufacturer to affix the CE Mark on its products and commercially distribute those products throughout the European Union, the European Economic Area and Switzerland. However, individual countries can lawfully request that a medical device be registered locally. Furthermore, countries may have requirements in place in relation to the language of the device information, which would require additional compliance, review and approval. In addition, the European Union is presently assessing an overhaul of its regulatory requirements that may make the CE Mark much more difficult to obtain or maintain. We applied for a CE Mark in Europe in April 2017, however, there can be no assurance that we will be granted CE Mark, and the failure to do so could adversely impact our revenues.

To be able to market and sell our Pure-Vu system in other countries, we must obtain regulatory approvals and comply with the regulations of those countries. These regulations, including the requirements for approvals and the time required for regulatory review, vary from country to country. Many non-European markets, including major markets in South America and Asia Pacific, have allowed for expedited regulatory review and approval based on an existing CE Mark. We intend to target countries with a regulatory approval process with similar requirements to CE Mark. However, obtaining and maintaining foreign regulatory approvals are complex and expensive and subject to delays, and management cannot be certain that we will receive and be able to maintain regulatory approvals in any foreign country in which we plan to market our Pure-Vu system or in the time frame in which we expect.

Modifications to our product may require new 510(k) clearance or may require us to cease marketing or recall the modified products until approvals are obtained.

After a device receives 510(k) clearance, any modification that could significantly affect its safety or effectiveness, or that would constitute a major change in its intended use, will require a new clearance. Changes that do not rise to this level of significance, including certain manufacturing changes, may be made without FDA clearance upon documentation in the manufacturer's files of the determination of the significance of the change. The FDA requires each manufacturer to make this determination initially, but the FDA can review any such decision and can disagree with the manufacturer's determination. If the FDA disagrees with any determination that we may make in the future and requires us to seek new 510(k) clearance for modifications to any previously approved or cleared products for which we have concluded that new approvals are unnecessary, we may be required to cease marketing or distribution of our products or to recall the modified product until we obtain approval, and we may be subject to significant regulatory fines or penalties. We intend in the future to expand the indication for which the Pure-Vu system is cleared or approved to allow us to actively promote the product and a less-prep regimen to patients. We plan to perform a clinical trial that should facilitate approval of expanded labeling, however, if the FDA denies our expanded labeling our revenues will be adversely affected.

In the European Union/European Economic Area (the "EU/EEA"), we will be required to inform the Notified Body that carried out the conformity assessment of the medical devices we market or sell in the EEA of any planned changes to our quality system or changes to our devices which could affect compliance with the essential requirements set forth in the EU Medical Devices Directive or the devices' intended purpose. The Notified Body will then assess the changes and verify whether they affect the products' conformity with the essential requirements set forth in the EU Medical Devices Directive or the conditions for the use of the device. If the assessment is favorable, the Notified Body will issue a new CE Certificate of Conformity or an addendum to the existing CE Certificate of Conformity attesting compliance with the essential requirements set forth in the EU Medical Devices Directive. If it is not, we may not be able to market and sell the product in the EEA.

If our product malfunctions, or causes or contributes to a death or a serious injury, we will be subject to medical device reporting regulations, which can result in voluntary corrective actions or agency enforcement actions.

Under the FDA medical device reporting regulations, medical device manufacturers are required to report to the FDA information that a device has or may have caused or contributed to a death or serious injury or has malfunctioned in a way that would likely cause or contribute to death or serious injury if the malfunction of the device or one of our similar devices were to recur. If we fail to report these events to the FDA within the required timeframes, or at all, FDA could take enforcement action against us. Any such adverse event involving our product also could result in future voluntary corrective actions, such as recalls or customer notifications, or agency action, such as inspection or enforcement action. Any corrective action, whether voluntary or involuntary, as well as defending ourselves in a lawsuit, will require the dedication of our time and capital, distract management from operating our business, and may harm our reputation and financial results.

Our Pure-Vu system may in the future be subject to product recalls. A recall of our products, either voluntarily or at the direction of the FDA or another governmental authority, including a third-country authority, or the discovery of serious safety issues with our products, could have a significant adverse impact on us.

The FDA and similar foreign governmental authorities have the authority to require the recall of commercialized products in the event of material deficiencies or defects in design or manufacture. In this case, the FDA, the authority to require a recall must be based on an FDA finding that there is reasonable probability that the device would cause serious injury or death. In addition, foreign governmental bodies have the authority to require the recall of our products in the event of material deficiencies or defects in design or manufacture. Manufacturers may, under their own initiative, recall a product if any material deficiency in a device is found. The FDA requires that certain classifications of recalls be reported to the FDA within 10 working days after the recall is initiated. A government-mandated or voluntary recall by us or a distributor could occur as a result of an unacceptable risk to health, component failures, malfunctions, manufacturing errors, design or labeling defects or other deficiencies and issues. A recall of our products would divert managerial and financial resources and have an adverse effect on our reputation, results of operations and financial condition, which could impair our ability to produce our product in a cost-effective and timely manner in order to meet our customers' demands. We may also be subject to liability claims, be required to bear other costs, or take other actions that may have a negative impact on our future sales and our ability to generate profits. Companies are required to maintain certain records of recalls, even if they are not reportable to the FDA or another third-country competent authority. We may initiate voluntary recalls that we determine do not require notification of the FDA or another third-country competent authority. If the FDA disagrees with our determinations, they could require us to report those actions as recalls. A future recall announcement could harm our reputation with customers and negatively affect our sales. In addition, the FDA could take enforcement action for failing to report the recalls.

We are also required to follow detailed recordkeeping requirements for all firm-initiated medical device corrections and removals. In addition, in December of 2012, the FDA issued a draft guidance intended to assist the FDA and industry in distinguishing medical device recalls from product enhancements. Per the guidance, if any change or group of changes to a device that addresses a violation of the Federal Food, Drug and Cosmetic Act (the "FDCA"), that change would generally constitute a medical device recall and require submission of a recall report to the FDA.

Our Pure-Vu system is not currently reimbursable through private or governmental third-party payors, which could limit market acceptance.

Our Pure-Vu system and the procedure to cleanse the colon in preparation for colonoscopy are not currently reimbursable through private or governmental third-party payors in any country. We do intend to seek reimbursement through private or governmental third-party payors in the future, however coverage and reimbursement may not be available for any product that we commercialize and, even if available, the level of reimbursement may not be satisfactory. The commercialization of our Pure-Vu system depends on prospective patients' ability to cover the costs of the procedure, and/or physician willingness to subsidize all or some of the cost of the procedure in order to decrease the likelihood of a failed colonoscopy due to poor preparation and increase the number of colonoscopies performed during a typical day. We believe that a substantial portion of individuals who are candidates for the use of the Pure-Vu system worldwide do not have the financial means to cover its cost. Moreover, healthcare providers may not have confidence in the cost savings and revenue generating potential that use of the Pure-Vu system may offer, and may be reluctant to make the initial investment in the system. A general regional or worldwide economic downturn could negatively impact demand for our Pure-Vu system. In the event that medically eligible patients deem the costs of our procedure to be prohibitively high or consider alternative treatment options to be more affordable, or healthcare providers deem the economic benefits do not outweigh the cost of the system, our business, results of operations and financial condition would be negatively impacted.

If we or our sales personnel or distributors do not comply with state fraud and abuse laws, including anti-kickback laws for any products approved in the U.S., or with similar foreign laws where we market our products, we could face significant liability.

There are numerous state laws pertaining to healthcare fraud and abuse, including anti-kickback laws, false claims, and physician transparency laws. Our relationships with physicians and surgeons, hospitals and our independent distributors are subject to scrutiny under these laws. Violations of these laws are punishable by criminal and civil sanctions, including significant fines, damages and monetary penalties and in some instances, imprisonment and exclusion from participation in federal and state healthcare programs, including the Medicare, Medicaid and Veterans Administration health programs.

Many foreign countries have enacted similar laws addressing fraud and abuse in the healthcare sector. The shifting commercial compliance environment and the need to build and maintain robust and expandable systems to comply with different compliance requirements in multiple jurisdictions increases the possibility that a healthcare company may run afoul of one or more of the requirements.

We may become liable for significant damages or be restricted from selling our products if we engage in inappropriate promotion of our Pure-Vu system.

Our promotional materials and training methods for our Pure-Vu system must comply with FDA and other applicable laws and regulations, including the prohibition of the promotion of the "off-label" use of our Pure-Vu system, including by using our Pure-Vu system in a way not approved by the FDA. The Pure-Vu system is currently indicated to connect to standard colonoscopes to facilitate intra-procedural cleaning of a poorly prepared colon by irrigating or cleaning the colon and evacuating the irrigated fluid, feces and other bodily fluids and matter. Healthcare providers may use our products off-label, as the FDA does not restrict or regulate a physician's choice of treatment within the practice of medicine. However, if the FDA determines that our promotional materials, training or marketing efforts constitutes promotion of an off-label use, it could request that we modify our training or promotional materials or marketing efforts or subject us to regulatory or enforcement actions, including the issuance of an untitled letter, a warning letter, injunction, seizure, civil fine and criminal penalties. It is also possible that other federal, state or foreign enforcement authorities might take action if they consider our promotional or training materials to constitute promotion of an unapproved use, which could result in significant fines or penalties. Although we do not intend to engage in any activities that may be considered off-label promotion of our products, the FDA or another regulatory agency could disagree and conclude that we have engaged, directly or indirectly, in off-label promotion. In addition, the off-label use of our products may increase the risk of product liability claims. Product liability claims are expensive to defend and could result in substantial damage awards against us and harm our reputation.

Our financial performance may be adversely affected by medical device tax provisions in the healthcare reform laws.

The Patient Protection and Affordable Care Act imposes, among other things, an excise tax of 2.3% on any entity that manufactures or imports medical devices offered for sale in the United States, although this tax has been suspended for calendar years 2016 and 2017. It is unclear at this time if the moratorium will be extended. We anticipate that primarily all of our sales of our Pure-Vu system in the United States will be subject to this 2.3% excise tax after December 31, 2017. Additionally, Congress could terminate the moratorium or further change the law related to the medical device tax in a manner that could adversely affect us.

Risks Related to Our Business Operations

The Pure-Vu system may not be accepted by physicians and patients.

Our Pure-Vu system for use during colonoscopy screenings to clean the colon through irrigation and evacuation of bowel contents is a new technology and may be perceived as more invasive than current colonoscopy screening procedures, and patients may be unwilling to undergo the procedure. Moreover, patients may be unwilling to depart from the current standard of care. In addition, physicians tend to be slow to change their medical treatment practices because of perceived liability risks arising from the use of new products. Physicians may not recommend or prescribe our Pure-Vu system until there is long-term clinical evidence to convince them to alter their existing treatment methods, there are recommendations from prominent physicians that our Pure-Vu system is safe and efficient and reimbursement or insurance coverage is available. We cannot predict when, if ever, physicians and patients may adopt the use of our Pure-Vu system. If our Pure-Vu system does not achieve an adequate level of acceptance by patients, physicians and healthcare payors, we may not generate significant product revenue and we may not become profitable.

Accordingly, you should consider our prospects in light of the costs, uncertainties, delays and difficulties frequently encountered by early commercial stage companies. Potential investors should carefully consider the risks and uncertainties that a company with a limited operating history will face. In particular, potential investors should consider that we cannot assure you that we will be able to:

- successfully execute our current business plan for the commercialization of our Pure-Vu system, or that our business plan is sound;
- successfully contract for and establish a commercial supply of our product;
- achieve market acceptance of our Pure-Vu system; and
- attract and retain an experienced management and advisory team.

If we cannot successfully execute any one of the foregoing, our business may not succeed and your investment will be adversely affected.

If we are not able to successfully commercialize our Pure-Vu system, the revenue that we generate from its sales, if any, may be limited.

The commercial success of our Pure-Vu system will depend upon its acceptance by the medical community, including physicians, patients and health care payors. The degree of market acceptance of our Pure-Vu system will depend on a number of factors, including:

- demonstration of clinical safety and efficacy;
- relative convenience, burden and ease of administration;
- the prevalence and severity of any adverse effects;
- the willingness of physicians to prescribe the Pure-Vu system and of the target patient population to try new procedures;
- efficacy of our Pure-Vu system compared to competing procedures;
- the introduction of any new products and procedures that may in the future become available for colonoscopy preparation may be approved;
- pricing and cost-effectiveness;
- the inclusion or omission of our Pure-Vu system in applicable treatment guidelines;
- the effectiveness of our or any future collaborators' sales and marketing strategies;
- limitations or warnings contained in FDA-approved labeling;
- our ability to obtain and maintain sufficient third-party coverage or reimbursement from government health care programs, including Medicare and Medicaid, private health insurers and other third-party payors; and
- the willingness of patients to pay out-of-pocket in the absence of third-party coverage or reimbursement.

If our Pure-Vu system does not achieve an adequate level of acceptance by physicians, health care payors and patients, we may not generate sufficient revenue and we may not be able to achieve or sustain profitability. Our efforts to educate the medical community and third-party payors on the benefits of our Pure-Vu system may require significant resources and may never be successful.

We currently have a limited sales and marketing organization. If we are unable to secure a sales and marketing partner and/or establish satisfactory sales and marketing capabilities, we may not successfully commercialize our Pure-Vu system.

At present, we have limited sales or marketing personnel. In order to commercialize devices that are approved for commercial sales, we must either collaborate with third parties that have such commercial infrastructure and/or continue to develop our own sales and marketing infrastructure. If we are not successful entering into appropriate collaboration arrangements, or recruiting sales and marketing personnel or in building a sales and marketing infrastructure, we will have difficulty successfully commercializing our Pure-Vu system, which would adversely affect our business, operating results and financial condition.

We may not be able to enter into collaboration agreements on terms acceptable to us or at all. In addition, even if we enter into such relationships, we may have limited or no control over the sales, marketing and distribution activities of these third parties. Our future revenues may depend heavily on the success of the efforts of these third parties. If we elect to establish a sales and marketing infrastructure we may not realize a positive return on this investment. In addition, we will have to compete with established and well-funded medical device companies to recruit, hire, train and retain sales and marketing personnel. Factors that may inhibit our efforts to commercialize our Pure-Vu system without strategic partners or licensees include:

- our inability to recruit and retain adequate numbers of effective sales and marketing personnel;
- the inability of sales personnel to obtain access to or persuade adequate numbers of physicians to use our Pure-Vu system;
- the lack of complementary products to be offered by sales personnel, which may put us at a competitive disadvantage relative to companies with more extensive product lines; and
- unforeseen costs and expenses associated with creating an independent sales and marketing organization.

Our Pure-Vu system may exhibit adverse side effects that prevent its widespread adoption or that may necessitate its withdrawal from the market.

Our Pure-Vu system is currently believed to have the same side effects as a standard colonoscopy, such as inducing trauma to the colon's mucosa or in rare cases perforation of the colon. With more extensive use the Pure-Vu system may be found to cause additional undesirable and unintended side effects or show a higher rate of side effects than a standard colonoscopy that may prevent or limit its commercial adoption and use. Even upon receiving clearance from the FDA and other regulatory authorities, our products may later exhibit adverse side effects that prevent widespread use or necessitate withdrawal from the market. The manifestation of such side effects could cause our business to suffer.

If we do not convince gastroenterologists that our products are attractive alternatives to the current pre-procedure bowel preparation regimen as well as an additional source of income, we will not be commercially successful.

Gastroenterologists will play a significant role in determining the course of pre-procedure bowel preparation for colonoscopies and, ultimately, the type of products and procedures that will be used to prepare a patient for a colonoscopy. As a result, it will be important for us to effectively market our products to them. Acceptance of our products depends on educating gastroenterologists as to the distinctive characteristics, perceived clinical benefits, safety and cost effectiveness of our products as compared to the current standard of care as well as the economic benefit that an additional source of income will provide to a gastroenterological practice. It also depends on training gastroenterologists in the proper application of our products. If we are not successful in convincing gastroenterologists of the merits of our products or educating them on the use of our products, they may not use our products and we will be unable to fully commercialize our products or reach profitability. Gastroenterologists may be hesitant to change their medical treatment practices for the following reasons, among others:

- lack of experience with our products and concerns regarding potential side effects;
- lack of clinical data currently available to support the safety and effectiveness of our products;
- lack or perceived lack of evidence supporting additional patient benefits;
- perceived liability risks generally associated with the use of new products and procedures; and
- the time commitment that may be required for training.

In addition, we believe recommendations and support of our products by influential gastroenterologists are important for market acceptance and adoption. If we do not receive support from such gastroenterologists or long term data does not show the benefits of using our products, gastroenterologists may not use our products. In such circumstances, we may not be able to grow our revenues or achieve profitability**.**

If we are unable to train gastroenterologists and their clinical staff on the safe and appropriate use of our products, we may be unable to achieve revenue growth or profitability.

An important part of our sales process includes the ability to train gastroenterologists and their clinical staff on the safe and appropriate use of our products. We have very limited experience in training and retaining qualified independent gastroenterologists to perform the colon cleansing procedure using our Pure-Vu system. If we are unable to attract gastroenterologists to our training programs, we may be unable to achieve growth or profitability.

There is a learning process involved in gastroenterologists and their clinical staff becoming proficient in the use of our products. It is critical to the success of our commercialization efforts to train a sufficient number of gastroenterologists and to provide them with adequate instruction in the use of our Pure-Vu system. This training process may take longer than expected and may therefore affect our ability to increase sales. Following completion of training, we expect to rely on the trained gastroenterologists to advocate the benefits of our products in the broader marketplace. Convincing gastroenterologists to dedicate the time and energy necessary for adequate training is challenging, and we cannot assure you we will be successful in these efforts. If gastroenterologists and their clinical staff are not properly trained, they may misuse or ineffectively use our products. Such uses may result in unsatisfactory patient outcomes, patient injury, negative publicity or lawsuits against us, any of which would have a material adverse effect on our business, results of operations and financial condition.

We may face competition from other medical device companies in the future and our operating results will suffer if we fail to compete effectively.

The medical device industries are intensely competitive and subject to rapidly evolving technology and intense research and development efforts. We have competitors in a number of jurisdictions that have substantially greater name recognition, commercial infrastructures and financial, technical and personnel resources than we have. Established competitors may invest heavily to quickly discover and develop novel devices or procedures that could make our Pure-Vu system obsolete or uneconomical. Any new product that competes with a cleared medical device may need to demonstrate compelling advantages in efficacy, cost, convenience, tolerability and safety to be commercially successful. Other competitive factors could force us to lower prices or could result in reduced sales. In addition, new devices developed by others could emerge as competitors to our Pure-Vu system. If we are not able to compete effectively against our current and future competitors, our business will not grow and our financial condition and operations will suffer.

Our future growth depends, in part, on our ability to penetrate foreign markets, where we would be subject to additional regulatory burdens and other risks and uncertainties.

Our future profitability will depend, in part, on our ability to commercialize our Pure-Vu system in foreign markets for which we intend to rely on collaborations with third parties. If we commercialize our Pure-Vu system in foreign markets, we would be subject to additional risks and uncertainties, including:

- our customers' ability to obtain reimbursement for our Pure-Vu system in foreign markets;
- our inability to directly control commercial activities because we are relying on third parties;
- the burden of complying with complex and changing foreign regulatory, tax, accounting and legal requirements;
- different medical practices and customs in foreign countries affecting acceptance in the marketplace;
- import or export licensing requirements;
- longer accounts receivable collection times;
- longer lead times for shipping;
- language barriers for technical training;
- reduced protection of intellectual property rights in some foreign countries;
- foreign currency exchange rate fluctuations; and
- the interpretation of contractual provisions governed by foreign laws in the event of a contract dispute.

Foreign sales of our Pure-Vu system could also be adversely affected by the imposition of governmental controls, political and economic instability, trade restrictions and changes in tariffs, any of which may adversely affect our results of operations.

We are, and will be, completely dependent on third parties to manufacture our Pure-Vu system, and our commercialization of our Pure-Vu system could be halted, delayed or made less profitable if those third parties fail to obtain manufacturing approval from the FDA or comparable foreign regulatory authorities, fail to provide us with sufficient quantities of our Pure-Vu system device components or fail to do so at acceptable quality levels or prices.

We do not currently have, nor do we plan to acquire, the capability or infrastructure to manufacture our Pure-Vu system, as well as the other related device components, for use in our clinical trials, if required, or for commercial product, if any. In addition, we do not have the capability to produce our Pure-Vu system for commercial distribution. As a result, we will be obligated to rely on contract manufacturers for the commercial supply of our product. We have not entered into an agreement with any contract manufacturers for the commercial supply of our product and we may not be able to engage a contract manufacturer for such supply on favorable terms to us, or at all.

The facilities used by any future contract manufacturers, if any, to manufacture the Pure-Vu system must be approved by the FDA. We do not control the manufacturing process of, and are completely dependent on, any future contract manufacturing partners, if any, for compliance with current Good Manufacturing Practices ("cGMPs") for manufacture of medical devices. These cGMPs regulations cover all aspects of the manufacturing, testing, quality control and record keeping relating to the Pure-Vu system. If any future contract manufacturers cannot successfully manufacture products that conform to our specifications and the strict regulatory requirements of the FDA or others, they will not be able to secure and/or maintain regulatory approval for their manufacturing facilities. If the FDA or a comparable foreign regulatory authority does not approve these facilities for the manufacture of our products or if it withdraws any such approval in the future, we may need to find alternative manufacturing facilities, which would significantly impact our ability to maintain regulatory approval for or market the Pure-Vu system.

Our future contract manufacturers, if any, will be subject to ongoing periodic unannounced inspections by the FDA and corresponding state and foreign agencies for compliance with cGMPs and similar regulatory requirements. We will not have control over our contract manufacturers' compliance with these regulations and standards. Failure by any of our contract manufacturers to comply with applicable regulations could result in sanctions being imposed on us, including fines, injunctions, civil penalties, failure to market the Pure-Vu system, delays, suspensions or withdrawals of approvals, operating restrictions and criminal prosecutions, any of which could significantly and adversely affect our business. In addition, we will not have control over the ability of our future contract manufacturers, if any, to maintain adequate quality control, quality assurance and qualified personnel. Failure by our future contract manufacturers, if any, to comply with or maintain any of these standards could adversely affect our ability to maintain regulatory approval for or market our Pure-Vu system.

If, for any reason, these third parties are unable or unwilling to perform, we may not be able to terminate our agreements, if any, with them, and we may not be able to locate alternative manufacturers or enter into favorable agreements with them and we cannot be certain that any such third parties will have the manufacturing capacity to meet future requirements. If these future manufacturers or any alternate manufacturer experiences any significant difficulties in its respective manufacturing processes for our product or should cease doing business with us, we could experience significant interruptions in supply or may not be able to create or maintain a commercial supply. Were we to encounter manufacturing issues, our ability to produce sufficient commercial supply might be negatively affected. Our inability to coordinate the efforts of our future third party manufacturing partners, if any, or the lack of capacity available at our third party manufacturing partners, could impair our ability to supply our Pure-Vu system at required levels. If we face these or other difficulties with our future manufacturing partners, if any, we could experience significant interruptions in the supply of our products if we decided to transfer the manufacture to one or more alternative manufacturers in an effort to deal with the difficulties.

Any manufacturing problem or the loss of a contract manufacturer could be disruptive to our operations and result in lost sales. Any reliance on suppliers may involve several risks, including a potential inability to obtain critical components and reduced control over production costs, delivery schedules, reliability and quality. Any unanticipated disruption to a future contract manufacturer caused by problems at suppliers could delay shipment of our Pure-Vu system, increase our cost of goods sold and result in lost sales.

The manufacture of our Pure-Vu system, and the technology developed thereunder, is subject to certain Israeli government regulations which may impair our ability to outsource or transfer development or manufacturing activities with respect to any product or technology outside of Israel.

We have received, and may receive in the future, grants from the Government of the State of Israel through the Israel Innovation Authority of the Ministry of Economy and Industry (the "IIA") (formerly known as the Office of the Chief Scientist of the Ministry of Economy and Industry (the "OCS")), for the financing of a portion of our research and development expenditures pursuant to the Encouragement of Research, Development and Technological Innovation in the Industry Law 5744-1984 (formerly known as the Encouragement of Industrial Research and Development Law, 5744-1984), referred to as the Research Law, and related regulations. In exchange for these grants, we are required to pay royalties to the IIA from our revenues on sales of products and services based on technology developed using IIA grants, up to an aggregate of 100% of the U.S. dollar-linked value of the grant (plus interest), which amount may be increased under certain circumstances. The terms of the Israeli government participation also require that products developed with IIA grants be manufactured in Israel and that the technology developed thereunder may not be transferred outside of Israel (even following the full repayment of the IIA grants), unless prior approval is received from the IIA, which approval may not be granted. Even if such approval is granted, the transfer outside of Israel of manufacturing which is connected with the IIA-funded know-how may result in increased royalties (up to three times the aggregate amount of the IIA grants plus interest thereon), as well as in a higher royalty repayment rate. In addition, the transfer outside of Israel of IIA-funded know-how may trigger additional payments to the IIA (up to six times the aggregate amount of the IIA grants plus interest thereon). Even following the full repayment of any IIA grants, we must nevertheless continue to comply with the requirements of the Research Law. The foregoing restrictions may impair our ability to outsource or transfer development or manufacturing activities with respect to any product or technology outside of Israel. For additional information, see "Risks Related to Our Operations in Israel."

A significant amendment to the Research Law entered into effect on January 1, 2016, under which the IIA, a statutory government corporation, was established, which replaced the OCS. Under such amendment, the IIA is authorized to establish rules concerning the ownership and exploitation of IIA/OCS-funded know-how (including with respect to restrictions on transfer of manufacturing activities and IIA-funded know-how outside of Israel), which may differ from the restrictive laws, regulations and guidelines as currently in effect (and which shall remain in effect until such rules have been established by the IIA). In May 2017, the IIA issued new rules applicable to Israeli companies that receive grants from the IIA or its predecessor, the OCS, which went into effect on July 1, 2017. As of the date hereof, we cannot predict the impact these new rules will have on us or how they will be implemented by the IIA. Furthermore, it is anticipated that additional rules will be published by the IIA and we cannot predict or estimate the changes (if any) that may be made to this legislation (including with respect to the acquisition of an IIA-funded entity or the transfer of manufacturing or ownership of IIA-funded technology).

Risks Relating to Our Intellectual Property Rights

We may be unable to protect our intellectual property rights or may infringe on the intellectual property rights of others.

We rely on a combination of patents, trademarks, copyrights, trade secrets and nondisclosure agreements to protect our proprietary intellectual property. Our efforts to protect our intellectual property and proprietary rights may not be sufficient. We cannot be sure that our pending patent applications will result in the issuance of patents to us, that patents issued to or licensed by us in the past or in the future will not be challenged or circumvented by competitors or that these patents will remain valid or sufficiently broad to preclude our competitors from introducing technologies similar to those covered by our patents and patent applications. In addition, our ability to enforce and protect our intellectual property rights may be limited in certain countries outside the United States, which could make it easier for competitors to capture market position in such countries by utilizing technologies that are similar to those developed or licensed by us.

Competitors also may harm our sales by designing products that mirror the capabilities of our products or technology without infringing our intellectual property rights. If we do not obtain sufficient protection for our intellectual property, or if we are unable to effectively enforce our intellectual property rights, our competitiveness could be impaired, which would limit our growth and future revenue.

We operate in an industry characterized by extensive patent litigation. Patent litigation is costly to defend and can result in significant damage awards, including treble damages under certain circumstances, and injunctions that could prevent the manufacture and sale of affected products or force us to make significant royalty payments in order to continue selling the affected products.

We may be subject to claims that we have wrongfully hired an employee from a competitor or that we or our employees have wrongfully used or disclosed alleged confidential information or trade secrets of their former employers.

As is commonplace in our industry, we employ and plan to employ individuals who were previously employed at other medical device companies, including our competitors or potential competitors. Although no claims against us are currently pending, we may be subject in the future to claims that our employees or prospective employees are subject to a continuing obligation to their former employers (such as non-competition or non-solicitation obligations) or claims that our employees or we have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of their former employers. Litigation may be necessary to defend against these claims. Even if we are successful in defending against these claims, litigation could result in substantial costs and be a distraction to management.

General Company-Related Risks

We will need to grow the size of our organization, and we may experience difficulties in managing this growth.

As of September 30, 2017, we had 36 full time employees. As our marketing and commercialization plans and strategies develop, we will need to expand the size of our employee and consultant base for managerial, operational, sales, marketing, financial and other resources. Future growth would impose significant added responsibilities on members of management, including the need to identify, recruit, maintain, motivate and integrate additional employees. In addition, our management may have to divert a disproportionate amount of its attention away from our day-to-day activities and devote a substantial amount of time to managing these growth activities. Our future financial performance and our ability to commercialize the Pure-Vu system and any other future product candidates and our ability to compete effectively will depend, in part, on our ability to effectively manage our future growth.

Our success will depend in part on our ability to manage our operations as we advance our product candidates through clinical trials and to expand our development or regulatory capabilities or contract with third parties to provide these capabilities for us. Failure to achieve any of these goals could have a material adverse effect on our business, financial condition or results of operations.

Future capital raises may dilute our existing stockholders' ownership and/or have other adverse effects on our operations.

If we raise additional capital by issuing equity securities, our existing stockholders' percentage ownership will be reduced and these stockholders may experience substantial dilution. If we raise additional funds by issuing debt securities, these debt securities would have rights senior to those of our common stock and the terms of the debt securities issued could impose significant restrictions on our operations, including liens on our assets. If we raise additional funds through collaborations and licensing arrangements, we may be required to relinquish some rights to our technologies or products, or to grant licenses on terms that are not favorable to us.

If we are not successful in attracting and retaining highly qualified personnel, we may not be able to successfully implement our business strategy. In addition, the loss of the services of certain key employees would adversely impact our business prospects.

We depend on key members of our management team. The loss of the services of Mark Pomeranz, our Chief Executive Officer, Andrew Taylor, our Chief Financial Officer or any member of our senior management team, could harm our ability to execute our commercial strategy for our Pure-Vu system and the strategic objectives for our company. In connection with the Share Exchange Transaction, we entered into an employment agreement with our Chief Executive Officer, but this agreement is terminable by Mr. Pomeranz on short or no notice at any time without penalty. We also entered into an employment agreement with our Chief Financial Officer, and this agreement is also terminable by Mr. Taylor on short or no notice at any time without penalty. In addition, we do not maintain, and have no current intention of obtaining, "key man" life insurance on any member of our management team.

Recruiting and retaining qualified scientific and commercial personnel, including sales and marketing executives and field personnel, is also critical to our success. We may not be able to attract and retain these personnel on acceptable terms given the competition among numerous medical device and pharmaceutical companies for similar personnel and based on our company profile. We also experience competition for the hiring of scientific personnel from universities and research institutions. If we fail to recruit and then retain these personnel, we may not be able to effectively execute our commercial strategy for the Pure-Vu system.

If product liability lawsuits are brought against us, we may incur substantial liabilities and may be required to limit commercialization of the Pure-Vu system.

We are, and may be in the future, subject to product liability claims and lawsuits, including potential class actions, alleging that our products have resulted or could result in an unsafe condition or injury. Any product liability claim brought against us, with or without merit, could be costly to defend and could result in settlement payments and adjustments not covered by or in excess of insurance. In addition, we may not be able to obtain insurance on terms acceptable to us or at all because insurance varies in cost and can be difficult to obtain. Our failure to successfully defend against product liability claims or maintain adequate insurance coverage could have an adverse effect on our results of operations and financial condition.

Exchange rate fluctuations between the U.S. dollar and the Israeli New Shekel (the "NIS") and inflation may negatively affect our earnings and we may not be able to hedge our currency exchange risks successfully.

The U.S. dollar is our functional and reporting currency. However, a significant portion of our operating expenses, including personnel and facilities related expenses, are incurred in NIS. As a result, we are exposed to the risks that the NIS may appreciate relative to the U.S. dollar, or, if the NIS instead devalues relative to the U.S. dollar, that the inflation rate in Israel may exceed such rate of devaluation of the NIS, or that the timing of such devaluation may lag behind inflation in Israel. In any such event, the dollar cost of our operations in Israel would increase and our dollar-denominated results of operations would be adversely affected. Given our general lack of currency hedging arrangements to protect us from fluctuations in the exchange rates of the NIS and other foreign currencies in relation to the U.S. dollar (and/or from inflation of such foreign currencies), we may be exposed to material adverse effects from such movements. We cannot predict any future trends in the rate of inflation in Israel or the rate of devaluation (if any) of the NIS against the U.S. dollar.

We may acquire other businesses or form joint ventures or make investments in other companies or technologies that could negatively affect our operating results, dilute our stockholders' ownership, increase our debt or cause us to incur significant expense.

We may pursue acquisitions of businesses and assets. We also may pursue strategic alliances and joint ventures that leverage our intellectual property and industry experience to expand our offerings or distribution. We have no history of acquiring other companies or with forming strategic partnerships. We may not be able to find suitable partners or acquisition candidates, and we may not be able to complete such transactions on favorable terms, if at all. If we make any acquisitions, we may not be able to integrate these acquisitions successfully into our existing business, and we could assume unknown or contingent liabilities. Any future acquisitions also could result in the issuance of equity securities, incurrence of debt, contingent liabilities or future write-offs of intangible assets or goodwill, any of which could have a material adverse effect on our financial condition, results of operations, and cash flows. Integration of an acquired company also may disrupt ongoing operations and require management resources that we would otherwise focus on developing our existing business. We may experience losses related to investments in other companies, which could have a material negative effect on our results of operations and financial condition. We may not realize the anticipated benefits of any acquisition, technology license, strategic alliance, or joint venture.

To finance any acquisitions or joint ventures, we may choose to issue shares of our common stock as consideration, which would dilute the ownership of our stockholders. Additional funds may not be available on terms that are favorable to us, or at all. If the price of our common stock is low or volatile, we may not be able to acquire other companies or fund a joint venture project using our stock as consideration.

Risks Related to our Capital Stock

We have engaged in transactions with the Placement Agent in our 2017 Private Placement and its related parties that could present conflicts of interest.

There have been transactions between us and related parties of the Placement Agent that could present potential conflicts of interest. These transactions include, but are not limited to, (i) the engagement of the Placement Agent to assist in Opco's sale of Convertible Notes and Convertible Note Warrants in October and November 2016 and the payment of compensation in the form of cash, warrants, and a non-accountable expense allowance, (ii) the issuance of founders shares of the Company to affiliates of the Placement Agent and (iii) the engagement of the Placement Agent as Placement Agent in the 2017 Private Placement and the payment of compensation in the form of cash, warrants, royalty payment obligations and a non-accountable expense allowance. Each of these and other present and future financial commitments or agreements could constitute potential conflicts of interest.

After this offering, our officers, directors, and principal stockholders will continue to exercise significant control over our Company, and may control our company for the foreseeable future, including the outcome of matters requiring stockholder approval.

When this offering is completed, our officers, directors, entities controlled by our officers and directors, and principal stockholders who beneficially own more than 5% of our common stock before this offering will in the aggregate, beneficially own shares representing approximately % of our outstanding capital stock immediately after this offering. As a result, such entities and individuals may have the ability, acting together, to control the election of our directors and the outcome of corporate actions requiring stockholder approval, such as: (i) a merger or a sale of our company, (ii) a sale of all or substantially all of our assets, and (iii) amendments to our certificate of incorporation and bylaws. This concentration of voting power and control could have a significant effect in delaying, deferring or preventing an action that might otherwise be beneficial to our other stockholders and be disadvantageous to our stockholders with interests different from those entities and individuals. These individuals also have significant control over our business, policies and affairs as officers and directors of our company. Therefore, you should not invest in reliance on your ability to have any control over our company.

Our quarterly operating results may be subject to significant fluctuations.

To date, as part of our limited launch, we have generated some revenue from our Pure-Vu system, but we do not expect to generate significant revenue from product sales unless and until we expand our commercialization efforts, which we expect will take a number of years and is subject to significant uncertainty, and accordingly we may experience significant fluctuations in our quarterly operating results in the future. The rate of market acceptance of our Pure-Vu system could contribute to this quarterly variability. Our limited operating history complicates our ability to project quarterly revenue and any future revenue generated from sales of our Pure-Vu system may fluctuate from time to time. In addition, our expense levels are based, in part, on expectation of future revenue levels. A shortfall in expected revenue, if any, could, therefore, result in a disproportionate decrease in our net income. As a result, our quarterly operating results may be subject to significant fluctuations.

Future sales of shares by existing stockholders could cause our stock price to decline.

If our existing stockholders sell, or indicate an intent to sell, substantial amounts of our common stock in the public market after the 180-day contractual lock-up and other legal restrictions on resale discussed in this prospectus lapse, the trading price of our common stock could decline significantly and could decline below the initial public offering price. Based on 10,491,841 shares outstanding as of September 30, 2017, upon the completion of this offering, we will have outstanding shares of common stock, assuming no exercise of outstanding options, warrants or conversion of Series A Convertible Preferred Stock. Of these shares, shares of common stock, plus any shares sold pursuant to the underwriters' option to purchase additional shares, will be immediately freely tradable, without restriction, in the public market.

After the lock-up agreements pertaining to this offering expire and based on shares outstanding after this offering, an additional shares will be eligible for sale in the public market. In addition, upon issuance, the 1,340,869 shares subject to the exercise of outstanding warrants, 1,581,128 shares subject to conversion of outstanding Series A Convertible Preferred Stock, 1,836,844 shares subject to outstanding options under our stock option plans, and the 169,812 shares reserved for future issuance under our equity compensation plan, all as of September 30, 2017, will become eligible for sale in the public market in the future, subject to certain legal and contractual limitations. If our existing stockholders sell substantial amounts of our common stock in the public market, or if the public perceives that such sales could occur, this could have an adverse impact on the market price of our common stock, even if there is no relationship between such sales and the performance of our business.

We will have broad discretion in how we use the net proceeds of this offering. We may not use these proceeds effectively, which could affect our results of operations and cause our stock price to decline.

We will have considerable discretion in the application of the net proceeds of this offering, including for any of the purposes described in the section entitled "Use of Proceeds." We intend to use the net proceeds from this offering for commercialization of our Pure-Vu system, research and development activities, working capital and other general corporate purposes. As a result, investors will be relying upon management's judgment with only limited information about our specific intentions for the use of the balance of the net proceeds of this offering. We may use the net proceeds for purposes that do not yield a significant return or any return at all for our stockholders. In addition, pending their use, we may invest the net proceeds from this offering in a manner that does not produce income or that loses value.

If equity research analysts do not publish research or reports about our business or if they issue unfavorable commentary or downgrade our common stock, the price of our common stock could decline.

The trading market for our common stock will rely in part on the research and reports that equity research analysts publish about us and our business. We do not control these analysts. The price of our common stock could decline if one or more equity analysts downgrade our common stock or if analysts issue other unfavorable commentary or cease publishing reports about us or our business.

Investors in this offering will pay a higher price than the book value of our common stock.

If you purchase common stock in this offering, you will pay more for your shares than the amounts paid by existing stockholders for their shares. You will incur immediate and substantial dilution of $ per share, representing the difference between our pro forma net tangible book value per share after giving effect to this offering and an assumed initial public offering price of $ per share, the midpoint of the estimated price range set forth on the cover of this prospectus. In the past, we issued Series A Convertible Preferred Stock, restricted stock, options and warrants to acquire or convert into capital stock at prices significantly below the assumed initial public offering price. To the extent any outstanding Series A Convertible Preferred Stock, options or warrants are ultimately converted or exercised, you will sustain further dilution. For further information on this calculation, see the section entitled "Dilution."

No public market for our common stock currently exists, and an active trading market may not develop or be sustained following this offering.

Prior to this offering, there has been no public market for our common stock. An active trading market may not develop following the completion of this offering or, if developed, may not be sustained. Certain of our existing stockholders, including stockholders affiliated with certain of our directors, have indicated an interest in purchasing up to an aggregate of approximately $ million in shares of our common stock in this offering at the initial public offering price. To the extent these potential investors are allocated and purchase shares in this offering, such purchases would reduce the available public float for our shares because these potential investors will be restricted from selling the shares under the lock-up agreements described in the "Shares Eligible for Future Sale" section of this prospectus. As a result, the liquidity of our common stock could be significantly reduced from what it would have been if these shares had been purchased by investors that were not affiliated with us. The lack of an active market may impair your ability to sell your shares at the time you wish to sell them or at a price that you consider reasonable. The lack of an active market may also reduce the fair market value of your shares. An inactive market may also impair our ability to raise capital to continue to fund operations by selling shares and may impair our ability to acquire additional intellectual property assets by using our shares as consideration.

Our share price may be volatile, which could subject us to securities class action litigation and prevent you from being able to sell your shares at or above the offering price.

The initial public offering price for our shares will be determined by negotiations between us and the underwriters based on several factors. This price may vary from the market price of our common stock after this offering. You may be unable to sell your shares of common stock at or above the initial offering price. The market price for our common stock may be volatile and subject to wide fluctuations in response to factors including the following:

- actual or anticipated fluctuations in our quarterly or annual operating results;
- actual or anticipated changes in our growth rate relative to our competitors;
- failure to meet or exceed financial estimates and projections of the investment community or that we provide to the public;
- issuance of new or updated research or reports by securities analysts;
- share price and volume fluctuations attributable to inconsistent trading volume levels of our shares;
  additions or departures of key management or other personnel;
- disputes or other developments related to proprietary rights, including patents, litigation matters, and our ability to obtain patent protection for our technologies;
- announcement or expectation of additional debt or equity financing efforts;
- sales of our common stock by us, our insiders or our other stockholders; and
- general economic, market or political conditions in the United States or elsewhere.

In particular, the market prices of early commercial-stage companies like ours have been highly volatile due to factors, including, but not limited to:

- any delay or failure to conduct a clinical trial for our product or receive approval from the FDA and other regulatory agents;
- developments or disputes concerning our product's intellectual property rights;
- our or our competitors' technological innovations;
- fluctuations in the valuation of companies perceived by investors to be comparable to us;
- announcements by us or our competitors of significant contracts, acquisitions, strategic partnerships, joint ventures, capital commitments, new technologies or patents;
- failure to complete significant transactions or collaborate with vendors in manufacturing our product; and
- proposals for legislation that would place restrictions on the price of medical therapies.

These and other market and industry factors may cause the market price and demand for our common stock to fluctuate substantially, regardless of our actual operating performance, which may limit or prevent investors from readily selling their shares of common stock and may otherwise negatively affect the liquidity of our common stock. In addition, the stock market in general, and NASDAQ Capital Markets and emerging growth companies in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of these companies. In the past, when the market price of a stock has been volatile, holders of that stock have instituted securities class action litigation against the company that issued the stock. If any of our stockholders brought a lawsuit against us, we could incur substantial costs defending the lawsuit. Such a lawsuit could also divert the time and attention of our management.

Shareholders will experience dilution by conversion of preferred stock and exercises of outstanding warrants and options.

As of September 30, 2017, there are 1,581,128 shares of our common stock issuable upon the conversion of outstanding Series A Convertible Preferred Stock. As of September 30, 2017, there are 1,310,869 shares of our common stock issuable upon the exercise of Exchange Warrants (defined below, see "Business - Exchange of Convertible Note Warrants") and Placement Agent Warrants (defined below, see "Business - 2017 Private Placement and Convertible Note Offering – Placement Agent Compensation"), each at an exercise price of $5.00 per share, 30,000 shares of our common stock issuable upon the exercise of warrants issued to a service provider, at an exercise price of $8.00 per share, and options to purchase an aggregate of up to 1,836,844 shares of our common stock, at exercise prices ranging from $2.38 to $4.50, following the modification of share-based payment awards on September 29, 2017.

The conversion of such preferred stock and the exercise of such warrants and options will result in dilution of your investment. As a result of this dilution, you may receive significantly less than the full purchase price you paid for securities of the Company in the event of liquidation.

Pursuant to the terms of our outstanding Series A Preferred Stock, we may be obligated to pay significant royalties.

Pursuant to the terms of the Certificate of Designations of Preferences, Rights and Limitations of Series A Convertible Preferred Stock (the "Certificate of Designations") for our outstanding Series A Convertible Preferred Stock, and pursuant to the terms of the Placement Agent royalty payment rights certificates (the "Placement Agent Royalty Payment Rights Certificates") issued in connection with the 2017 Private Placement, we may be required to make certain royalty payments. If and when we generate sales of the current and potential future versions of the Pure-Vu system, including disposables, parts, and services, or if we receive any proceeds from the licensing of the current and potential future versions of the Pure-Vu system, then we are required to pay to the holders of our Series A Convertible Preferred Stock and the holders of the Placement Agent Royalty Payment Rights Certificates, subject to certain vesting requirements, a royalty equal to (i) three percent (3%) of our net sales, if any, in any calendar year, not in excess of $30 million per year and (ii) 5% of our licensing proceeds, if any, in any calendar year, not in excess of $30 million per year. The royalties will be payable up to the later of (i) the latest expiration date for our current patents (which is currently October 2026), or (ii) the latest expiration date of any pending patents as of the date of the Initial Closing that may be issued in the future.

We are an "emerging growth company," and will be able take advantage of reduced disclosure requirements applicable to "emerging growth companies," which could make our common stock less attractive to investors.

We are an "emerging growth company," as defined in the JOBS Act and, for as long as we continue to be an "emerging growth company," we intend to take advantage of certain exemptions from various reporting requirements applicable to other public companies but not to "emerging growth companies," including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We could be an "emerging growth company" for up to five years, or until the earliest of (i) the last day of the first fiscal year in which our annual gross revenues exceed $1.07 billion, (ii) the date that we become a "large accelerated filer" as defined in Rule 12b-2 under the Exchange Act, which would occur if the market value of our common stock that is held by non-affiliates exceeds $700 million as of the last business day of our most recently completed second fiscal quarter, or (iii) the date on which we have issued more than $1 billion in non-convertible debt during the preceding three year period.

We intend to take advantage of these reporting exemptions described above until we are no longer an "emerging growth company." Under the JOBS Act, "emerging growth companies" can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have irrevocably elected not to avail ourselves of this exemption from new or revised accounting standards and, therefore, we will be subject to the same new or revised accounting standards as other public companies that are not "emerging growth companies."

We cannot predict if investors will find our common stock less attractive if we choose to rely on these exemptions. If some investors find our common stock less attractive as a result of any choices to reduce future disclosure, there may be a less active trading market for our common stock and our stock price may be more volatile.

We will incur significantly increased costs and devote substantial management time as a result of operating as a public company particularly after we are no longer an "emerging growth company."

As a public company, we will incur significant legal, accounting and other expenses that we did not incur as a private company. For example, we will be required to comply with certain of the requirements of the Sarbanes-Oxley Act and the Dodd-Frank Wall Street Reform and Consumer Protection Act, as amended, as well as rules and regulations subsequently implemented by the SEC, including the establishment and maintenance of effective disclosure and financial controls and changes in corporate governance practices. We expect that compliance with these requirements will increase our legal and financial compliance costs and will make some activities more time consuming and costly. In addition, we expect that our management and other personnel will need to divert attention from operational and other business matters to devote substantial time to these public company requirements. In particular, we expect to incur significant expenses and devote substantial management effort toward ensuring compliance with the requirements of Section 404 of the Sarbanes-Oxley Act. In addition, after we no longer qualify as an "emerging growth company," as defined under the JOBS ACT we expect to incur additional management time and cost to comply with the more stringent reporting requirements applicable to companies that are deemed accelerated filers or large accelerated filers, including complying with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act. We are just beginning the process of compiling the system and processing documentation needed to comply with such requirements. We may not be able to complete our evaluation, testing and any required remediation in a timely fashion. In that regard, we currently do not have an internal audit function, and we will need to hire or contract for additional accounting and financial staff with appropriate public company experience and technical accounting knowledge.

We cannot predict or estimate the amount of additional costs we may incur as a result of becoming a public company or the timing of such costs.

There may be limitations on the effectiveness of our internal controls, and a failure of our control systems to prevent error or fraud may materially harm our company.

Proper systems of internal controls over financial accounting and disclosure controls and procedures are critical to the operation of a public company. As we are a start-up company, we only have 4 employees, and 2 contractors in our finance and accounting functions, which may result in a lack of segregation of duties and are at the very early stages of establishing, and we may be unable to effectively establish such systems, especially in light of the fact that we expect to operate as a publicly reporting company. This would leave us without the ability to reliably assimilate and compile financial information about our company and significantly impair our ability to prevent error and detect fraud, all of which would have a negative impact on our company from many perspectives.

Moreover, we do not expect that disclosure controls or internal control over financial reporting, even if established, will prevent all error and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. Failure of our control systems to prevent error or fraud could materially adversely impact us.

We may have a material weakness in our internal control over financial reporting. In addition, because of our status as an emerging growth company, our independent registered public accountants are not required to provide an attestation report as to our internal control over financial reporting for the foreseeable future.

We may be required, pursuant to Section 404 of the Sarbanes-Oxley Act, to furnish a report by our management on, among other things, the effectiveness of our internal control over financial reporting for the first fiscal year beginning after the effective date of the registration statement of which this prospectus is a part. This assessment will need to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting, as well as a statement that our independent registered public accounting firm has issued an opinion on our internal control over financial reporting. We are in the very early stages of the costly and challenging process of compiling the system and processing documentation necessary to perform the evaluation needed to comply with Section 404.

We may not be able to complete our evaluation, testing and any required remediation in a timely fashion. During the evaluation and testing process, if we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to assert that our internal controls are effective.

If we are unable to assert that our internal control over financial reporting is effective, or, if applicable, our independent registered public accounting firm is unable to express an opinion on the effectiveness of our internal controls, we could lose investor confidence in the accuracy and completeness of our financial reports, which would cause the price of our common stock to decline, and we may be subject to investigation or sanctions by the SEC. We will also be required to disclose changes made in our internal control and procedures on a quarterly basis.

However, our independent registered public accounting firm will not be required to formally attest to the effectiveness of our internal control over financial reporting pursuant to Section 404 until the later of the year following our first annual report required to be filed with the SEC, or the date we are no longer an "emerging growth company" as defined in the recently enacted JOBS Act, if we take advantage (as we expect to do) of the exemptions contained in the JOBS Act. We will remain an "emerging growth company" for up to five years, although if the market value of our common stock that is held by non-affiliates exceeds $700 million as of any June 30th before that time, we would cease to be an "emerging growth company" as of the following December 31st. At such time, our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our controls are documented, designed or operating. Our remediation efforts may not enable us to avoid a material weakness in our internal control over financial reporting in the future.

Any of the foregoing occurrences, should they come to pass, could negatively impact the public perception of our company, which could have a negative impact on our stock price.

We do not currently intend to pay dividends on our common stock in the foreseeable future, and consequently, your ability to achieve a return on your investment will depend on appreciation in the price of our common stock.

We have never declared or paid cash dividends on our common stock and do not anticipate paying any cash dividends to holders of our common stock in the foreseeable future. Consequently, investors must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investments. There is no guarantee that shares of our common stock will appreciate in value or even maintain the price at which our stockholders have purchased their shares.

Upon dissolution of our company, you may not recoup all or any portion of your investment.

In the event of a liquidation, dissolution or winding-up of our company, whether voluntary or involuntary, the proceeds and/or assets of our company remaining after giving effect to such transaction, and the payment of all of our debts and liabilities and distributions required to be made to holders of any outstanding preferred stock will then be distributed to the stockholders of our common stock on a pro rata basis. There can be no assurance that we will have available assets to pay to the holders of our common stock, or any amounts, upon such a liquidation, dissolution or winding-up of our Company. In this event, you could lose some or all of your investment.

Our ability to use our net operating loss carryforwards and certain other tax attributes may be limited.

As a result of the Share Exchange Transaction, our ability to utilize our federal net operating loss, carryforwards and federal tax credit may be limited under Sections 382 of the Internal Revenue Code of 1986, as amended (the "Code"). The limitations apply if an "ownership change," as defined by Section 382, occurs. Generally, an ownership change occurs if the percentage of the value of the stock that is owned by one or more direct or indirect "five percent shareholders" increases by more than 50 percentage points over their lowest ownership percentage at any time during the applicable testing period (typically three years). In addition, future changes in our stock ownership, which may be outside of our control, may trigger an "ownership change" and, consequently, Section 382 limitations. As a result, if we earn net taxable income, our ability to use our pre-change net operating loss carryforwards and other tax attributes to offset United States federal taxable income may be subject to limitations, which could potentially result in increased future tax liability to us.

Our certificate of incorporation allows for our board to create new series of preferred stock without further approval by our stockholders, which could adversely affect the rights of the holders of our common stock.

Our board of directors has the authority to fix and determine the relative rights and preferences of preferred stock. We anticipate that our board of directors will have the authority to issue up to 10 million shares of our preferred stock without further stockholder approval. As a result, our board of directors could authorize the issuance of a series of preferred stock that would grant to holders the preferred right to our assets upon liquidation and the right to receive dividend payments before dividends are distributed to the holders of our common stock. In addition, our board of directors could authorize the issuance of a series of preferred stock that has greater voting power than our common stock or that is convertible into our common stock, which could decrease the relative voting power of our common stock or result in dilution to our existing stockholders.

Our certificate of incorporation, as amended, designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could discourage lawsuits against us, and our directors and officers.

Our certificate of incorporation, as amended, provides that unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf; (ii) any action asserting a claim of breach of a fiduciary duty; (iii) any action asserting a claim against us, or any of our officers or directors, arising pursuant to, or a claim against us, or any of our officers or directors, with respect to the interpretation or application of any provision of the Delaware General Corporation Law, our certificate of incorporation, as amended, or our bylaws; or (iv) any action asserting a claim governed by the internal affairs doctrine. However, if the Court of Chancery of the State of Delaware dismisses any such action for lack of subject matter jurisdiction, the action may be brought in another state court sitting in the State of Delaware.

Risks Related to Our Operations in Israel

Our principal offices, research and development facilities and some of our suppliers are located in Israel and, therefore, our business, financial condition and results of operation may be adversely affected by political, economic and military instability in Israel.

Our principal offices, research and development facilities are located in northern Israel. In addition, most of our employees are residents of Israel. Accordingly, political, economic and military conditions in Israel may directly affect our business. Since the State of Israel was established in 1948, the State of Israel and its economy has experienced significant growth and expansion, coupled with an increase in the standard of living, and has developed one of the most advanced high-tech industries in the world. However, it continues to face many geo-political and other challenges that may affect companies located in Israel, such as ours. For example, a number of armed conflicts have occurred between Israel and its Arab neighbors. Although Israel has entered into various peace agreements with Egypt and Jordan as well as comprehensive agreements with the Palestinian Authority, there continues to be unrest and terrorist activity in Israel with varying levels of severity, as well as ongoing hostilities and armed conflicts between Israel and the Palestinian Authority and other groups in the West Bank and Gaza Strip. The effects of these hostilities and violence on the Israeli economy and our operations are unclear, and we cannot predict the effect on us of a further increase in these hostilities or any future armed conflict, political instability or violence in the region. We could be harmed by any major hostilities involving Israel, the interruption or curtailment of trade between Israel and its trading partners, boycotts or a significant downturn in the economic or financial condition of Israel. The impact of Israel's relations with its Arab neighbors in general, or on our operations in the region in particular, remains uncertain. The establishment of new fundamentalist Islamic regimes or governments more hostile to Israel could have serious consequences for the stability in the region, place additional political, economic and military confines upon Israel, materially adversely affect our operations and limit our ability to sell our products to countries in the region.

Additionally, several countries, principally in the Middle East, still restrict doing business with Israel and Israeli companies, and additional countries and groups have imposed or may impose restrictions on doing business with Israel and Israeli companies if hostilities in Israel or political instability in the region continues or increases. These restrictions may limit our ability to sell our products to companies in these countries. Furthermore, the Boycott, Divestment and Sanctions Movement, a global campaign attempting to increase economic and political pressure on Israel to comply with the stated goals of the movement, may gain increased traction and result in a boycott of Israeli products and services. Any hostilities involving Israel or the interruption or curtailment of trade between Israel and its present trading partners, or significant downturn in the economic or financial condition of Israel, could adversely affect our business, results of operations and financial condition.

Our commercial insurance policy does not cover losses associated with armed conflicts and terrorist attacks. Although the Israeli government in the past covered the reinstatement value of certain damages that were caused by terrorist attacks or acts of war, we cannot assure you that this government coverage will be maintained, or if maintained, will be sufficient to compensate us fully for damages incurred. Any losses or damages incurred by us could have a material adverse effect on our business.

Our operations could also be disrupted by the obligations of personnel to perform military service. Some of our employees in Israel may be called upon to perform up to 54 days in each three year period (and in the case of military officers, up to 84 days in each three year period) of military reserve duty until they reach the age of 40 (and in some cases, depending on their specific military profession up to 45 or even 49 years of age) and, in certain emergency circumstances, may be called to immediate and unlimited active duty. In response to increases in terrorist activity, there have been periods of significant call-ups of military reservists and it is possible that there will be similar large-scale military reserve duty call-ups in the future. Our operations could be disrupted by the absence of a significant number of employees related to military service, which could materially adversely affect our business and results of operations.

Pursuant to the terms of the Israeli government grants we received for research and development expenditures, we are obligated to pay certain royalties on our revenues to the Israeli government. The terms of the grants require us to satisfy specified conditions and to make additional payments in addition to repayment of the grants upon certain events.

We have received grants from the Government of the State of Israel through the IIA (formerly known as the OCS) for the financing of a portion of our research and development expenditures pursuant to the Research Law and related regulations. As of September 30, 2017, we had received funding from the IIA in the aggregate amount of $1.33 million and had a contingent obligation to the IIA up to an aggregate amount of approximately $1.41 million, which is generally repaid in the form of royalties ranging from 3% to 3.5% of revenues. As of September 30, 2017, we paid a minimal amount to the IIA. We may apply for additional IIA grants in the future. However, as the funds available for IIA grants out of the annual budget of the State of Israel have been reduced in the past and may be further reduced in the future, we cannot predict whether we will be entitled to any future grants, or the amounts of any such grants.

In exchange for these grants, we are required to pay the IIA royalties of 3% to 3.5% from our revenues on sales of products and services based on technology developed using IIA grants, up to an aggregate of 100% (which may be increased under certain circumstances) of the U.S. dollar-linked value of the grant, plus interest at the rate of 12-month LIBOR.

The terms of the Israeli government participation also require that products developed with IIA grants be manufactured in Israel and that the technology developed thereunder may not be transferred outside of Israel (including by way of certain licenses), unless prior approval is received from the IIA, which we may not receive. In addition, payment of additional amounts may be required if manufacturing is moved outside of Israel, in which case the royalty repayment rate is increased and the royalty ceiling can reach up to three times the amount of the grants received, and if IIA developed know-how is transferred outside of Israel, the royalty ceiling can reach up to six times the amount of grants received (plus interest). Even following the full repayment of any IIA grants, we must nevertheless continue to comply with the requirements of the Research Law. The foregoing restrictions and requirements for payment may impair our ability to sell our technology assets outside of Israel or to outsource or transfer development or manufacturing activities with respect to any IIA-funded product or technology outside of Israel.

If we fail to comply with any of the conditions and restrictions imposed by the Research Law, or by the specific terms under which we received the grants, we may be required to refund any grants previously received together with interest and penalties, and, in certain circumstances, may be subject to criminal charges.

A significant amendment to the Research Law entered into effect on January 1, 2016 and changed the structure of the OCS, to operate as a governmental corporation entitled the Israeli Innovation Authority or the IIA. Under such amendment, the IIA is authorized to determine rules concerning the ownership and exploitation of IIA/OCS-funded know-how (including with respect to restrictions on transfer of manufacturing activities and IIA-funded know-how outside of Israel), which may differ from the restrictive rules that apply today (which will remain in effect until any such rules have been established by the IIA). In May 2017, the IIA issued new rules applicable to Israeli companies that receive grants from the IIA or its predecessor, the OCS, which went into effect on July 1, 2017. As of the date hereof, we cannot predict the impact these new rules will have on us or how they will be implemented by the IIA. Furthermore, it is anticipated that additional rules will be published by the IIA and we cannot predict or estimate the changes (if any) that may be made to this legislation (including with respect to the acquisition of an IIA-funded entity or the transfer of manufacturing or ownership of IIA-funded technology).

It may be difficult to enforce a judgment of a U.S. court against us or the Israeli experts named in this prospectus in Israel or the United States, to assert U.S. securities laws claims in Israel or to serve process on these experts.

Opco is incorporated in Israel. Our Israeli experts reside in Israel, and substantially all of our assets are located in Israel. Therefore, a judgment obtained against us, or any of such persons may not be collectible in the United States and may not be enforced by an Israeli court. It also may be difficult for you to effect service of process on such persons in the United States or to assert U.S. securities law claims in original actions instituted in Israel. Israeli courts may refuse to hear a claim based on an alleged violation of U.S. securities laws on the grounds that Israel is not the most appropriate forum in which to bring such a claim. In addition, even if an Israeli court agrees to hear a claim, it may determine that Israeli law and not U.S. law is applicable to the claim. If U.S. law is found to be applicable, the content of applicable U.S. law must be proven as a fact by expert witnesses, which can be a time consuming and costly process. Certain matters of procedure would also be governed by Israeli law. There is little binding case law in Israel that addresses the matters described above. As a result of the difficulty associated with enforcing a judgment against us in Israel, you may not be able to collect any damages awarded by either a U.S. or foreign court.

We may become subject to claims for payment of compensation for assigned service inventions by our current or former employees, which could result in litigation and adversely affect our business.

Under the Israeli Patents Law, 5727-1967, or the Patents Law, inventions conceived by an employee during the scope of his or her employment are regarded as "service inventions" and are owned by the employer, absent a specific agreement between the employee and employer giving the employee service invention rights. The Patents Law also provides that if no such agreement between an employer and an employee exists, which prescribes whether, to what extent, and on what conditions the employee is entitled to remuneration for his or her service inventions, then such matters may, upon application by the employee, be decided by a government-appointed compensation and royalties committee established under the Patents Law. A significant portion of our intellectual property has been developed by our employees in Israel in the course of their employment. Such employees have agreed to waive and assign to us all rights to any intellectual property created in the scope of their employment with us, and most of our current employees, including all those involved in the development of our intellectual property, have agreed to waive economic rights they may have with respect to service inventions.

However, despite such contractual obligations, we cannot assure you that claims will not be brought against us by current or former employees demanding remuneration in consideration for assigned alleged service inventions or any other intellectual property rights. If any such claims were filed, we could potentially be required to pay remuneration to our current or former employees for such assigned service inventions or any other intellectual property rights, or be forced to litigate such claims, which could negatively affect our business.

IN ADDITION TO THE ABOVE RISKS, BUSINESSES ARE OFTEN SUBJECT TO RISKS NOT FORESEEN OR FULLY APPRECIATED BY OUR MANAGEMENT. IN REVIEWING THIS PROSPECTUS, POTENTIAL INVESTORS SHOULD KEEP IN MIND THAT THERE MAY BE OTHER POSSIBLE RISKS THAT COULD BE IMPORTANT.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains, and our officers and representatives may from time to time make, "forward-looking statements," which include information relating to future events, future financial performance, financial projections, strategies, expectations, competitive environment and regulation. Words such as "may," "should," "could," "would," "predicts," "potential," "continue," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates," "goal," "seek," "project," "strategy," "likely," and similar expressions, as well as statements in future tense, identify forward-looking statements. Forward-looking statements are neither historical facts, nor should they be read as a guarantee of future performance or results and may not be accurate indications of when such performance or results will be achieved. Forward-looking statements are based on information we have when those statements are made or management's good faith belief as of that time with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Important factors that could cause such differences include, but are not limited to:

- our limited operating history;
- our history of operating losses in each year since inception and expectation that we will continue to incur operating losses for the foreseeable future;
- our current and future capital requirements to support our development and commercialization efforts for the Pure-Vu system and our ability to satisfy our capital needs;
- our dependence on the Pure-Vu system, our sole product candidate, which is still in development;
- our ability to obtain approval from regulatory agents in different jurisdictions for the Pure-Vu system;
- our Pure-Vu system and the procedure to cleanse the colon in preparation for colonoscopy are not currently reimbursable through private or governmental third-party payors;
- our lack of a developed sales and marketing organization and our ability to commercialize the Pure-Vu system;
- our dependence on third-parties to manufacture the Pure-Vu system;
- our ability to maintain or protect the validity of our patents and other intellectual property;
- our ability to retain key executives and medical and science personnel;
- our ability to internally develop new inventions and intellectual property;
- interpretations of current laws and the passages of future laws;
- acceptance of our business model by investors;
- the accuracy of our estimates regarding expenses and capital requirements; and
- our ability to adequately support growth.

The foregoing does not represent an exhaustive list of matters that may be covered by the forward-looking statements contained herein or risk factors that we are faced with that may cause our actual results to differ from those anticipate in our forward-looking statements. Please see "Risk Factors" beginning on page **6** for additional risks which could adversely impact our business and financial performance.

Moreover, new risks regularly emerge and it is not possible for our management to predict or articulate all risks we face, nor can we assess the impact of all risks on our business or the extent to which any risk, or combination of risks, may cause actual results to differ from those contained in any forward-looking statements. The Private Securities Litigation Reform Act of 1995 and Section 27A of the Securities Act of 1933, as amended, do not protect any forward-looking statements that we make in connection with this offering. All forward-looking statements included in this prospectus are based on information available to us on the date of this prospectus. Except to the extent required by applicable laws or rules, we undertake no obligation to publicly update or revise any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements contained above and throughout this prospectus. We qualify all of our forward-looking statements by these cautionary statements.

IN ADDITION TO THE ABOVE RISKS, BUSINESSES ARE OFTEN SUBJECT TO RISKS NOT FORESEEN OR FULLY APPRECIATED BY OUR MANAGEMENT. IN REVIEWING THIS PROSPECTUS, POTENTIAL INVESTORS SHOULD KEEP IN MIND THAT THERE MAY BE OTHER POSSIBLE RISKS THAT COULD BE IMPORTANT.

USE OF PROCEEDS

We estimate that we will receive net proceeds of approximately $ million from the sale of the shares of common stock offered in this offering, or approximately $ million if the underwriters exercise their over-allotment option in full, based on an assumed initial public offering price of $ per share (the midpoint of the estimated price range set forth on the cover page of this prospectus) and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share (the midpoint of the estimated price range set forth on the cover page of this prospectus) would increase (decrease) the net proceeds to us from this offering, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, by approximately $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same. We may also increase or decrease the number of shares we are offering. An increase (decrease) of 1,000,000 in the number of shares we are offering would increase (decrease) the net proceeds to us from this offering, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, by approximately $ million, assuming the initial public offering price stays the same. An increase of 1,000,000 in the number of shares we are offering, together with a $1.00 increase in the assumed initial public offering price of $ per share (the midpoint of the estimated price range set forth on the cover page of this prospectus), would increase the net proceeds to us from this offering, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, by approximately $ million. A decrease of 1,000,000 in the number of shares we are offering, together with a $1.00 decrease in the assumed initial public offering price of $ per share (the midpoint of the estimated price range set forth on the cover page of this prospectus), would decrease the net proceeds to us from this offering, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, by approximately $ million. We do not expect that a change in the offering price or the number of shares by these amounts would have a material effect on our intended uses of the net proceeds from this offering, although it may impact the amount of time prior to which we may need to seek additional capital.

The principal purposes of this offering are to increase our financial flexibility, create a public market for our common stock and to facilitate our access to the public equity markets. We currently expect to use the net proceeds from this offering as follows:

- approximately $ million for the commercialization of our Pure-Vu system; and
- approximately $ million for research and development activities, including the continued development and enhancement of our Pure-Vu system.

We expect to use the remainder of the net proceeds from this offering for working capital and other general corporate purposes, including the costs of operating as a public company. Although we currently anticipate that we will use the net proceeds from this offering as described above, there may be circumstances where a reallocation of funds is necessary. The amounts and timing of our actual expenditures will depend upon numerous factors, including our sales and marketing and commercialization efforts, demand for our products, our operating costs and the other factors described under “Risk Factors” in this prospectus. Accordingly, our management will have flexibility in applying the net proceeds from this offering. An investor will not have the opportunity to evaluate the economic, financial or other information on which we base our decisions on how to use the proceeds.

Although we may use a portion of the net proceeds of this offering for the acquisition or licensing, as the case may be, of additional technologies, other assets or businesses, or for other strategic investments or opportunities, we have no current understandings, agreements or commitments to do so.

Pending our use of the net proceeds from this offering, we intend to invest the net proceeds in a variety of capital preservation investments, including short-term, investment-grade, interest-bearing instruments and U.S. government securities.

DIVIDEND POLICY

We have never paid any cash dividends on our common stock. We anticipate that we will retain funds and future earnings to support operations and to finance the growth and development of our business. Therefore, we do not expect to pay cash dividends in the foreseeable future following this offering. Any future determination to pay dividends will be at the discretion of our board of directors and will depend on our financial condition, results of operations, capital requirements and other factors that our board of directors deems relevant. In addition, the terms of any future debt or credit financings may preclude us from paying dividends.

In addition, the ability of Opco, our direct wholly-owned operating subsidiary, to distribute dividends may be limited by Israeli law. The Israeli Companies Law, 1999, or the Israeli Companies Law, restricts Opco's ability to declare dividends. Unless otherwise approved by a court, Opco can distribute dividends only from "profits" (as defined by the Israeli Companies Law), and only if there is no reasonable concern that the dividend distribution will prevent it from meeting its existing and foreseeable obligations as they become due. Dividends may be paid with the approval of a court, at a company's request, provided that there is no reasonable concern that payment of the dividend will prevent the company from satisfying its current and foreseeable obligations, as they become due.

The payment of dividends by Opco to Holdings may be subject to Israeli withholding taxes.

CAPITALIZATION

The following table sets forth our capitalization as of June 30, 2017:

- on an actual basis;
- on a pro forma as-adjusted basis to reflect the issuance and sale by us of shares of our common stock in this offering at the assumed initial public offering price of $ per share (the midpoint of the estimated price range set forth on the cover page of this prospectus), after deducting underwriting discounts and commissions and estimated offering expenses payable by us and the receipt by us of the proceeds of such sale.

You should read this information together with the sections entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" as well as our financial statements and the related notes, which appear elsewhere in this prospectus.

	As of June 30, 2017	
	Actual	Pro Forma
	(unaudited)	
	(in thousands, except per share data)	
Cash and cash equivalents	$ 12,940	$
Other long-term liabilities	$ 1,544	$
Stockholders' equity (deficit):		
Common stock, $0.0001 par value; 50,000,000 authorized, 10,489,066 issued and outstanding (actual), 13,822,399 issued and outstanding (pro forma)	1	
Preferred series A stock, $0.0001 par value; 2,000,000 authorized, 1,581,128 issued and outstanding (actual and pro forma)	*	*
Preferred stock, $0.0001 par value; 8,000,000 authorized, 0 issued and outstanding (actual and pro forma)	-	-
Additional paid-in capital	43,020	
Accumulated deficit	(32,182)	
Total shareholders' equity	10,839	
Total capitalization	$ 12,383	$

* Represents amounts less than one thousand

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share (the midpoint of the estimated price range set forth on the cover page of this prospectus) would increase (decrease) the amount of cash and cash equivalents, additional paid-in capital, total stockholders' equity (deficit) and total capitalization on a pro forma as adjusted basis by approximately $ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase (decrease) of one million shares offered by us would increase (decrease) cash and cash equivalents, total stockholders' equity (deficit) and total capitalization on a pro forma as adjusted basis by approximately $ million, assuming the assumed initial public offering price of $ per share (the midpoint of the estimated price range set forth on the cover page of this prospectus) remains the same, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. A one million share increase in the number of shares offered by us together with a concomitant $1.00 increase in the assumed initial public offering price of $ per share (the midpoint of the estimated price range set forth on the cover page of this prospectus) would increase each of cash and cash equivalents and total stockholders' (deficit) equity by approximately $ million after deducting underwriting discounts and commissions and any estimated offering expenses payable by us. Conversely, a one million share decrease in the number of shares offered by us together with a concomitant $1.00 decrease in the assumed initial public offering price of $ per share (the midpoint of the estimated price range set forth on the cover page of this prospectus) would decrease each of cash and cash equivalents and total stockholders' (deficit) equity by approximately $ million after deducting underwriting discounts and commissions and any estimated offering expenses payable by us. The pro forma as adjusted information discussed above is illustrative only and will be adjusted based on the actual public offering price and other terms of this offering determined at pricing.

The number of shares of our common stock to be outstanding upon completion of this offering is based on 10,489,066 shares of our common stock outstanding as of June 30, 2017 and excludes:

- 1,707,321 shares of our common stock issuable upon the exercise of outstanding stock options issued under our equity incentive plan as of June 30, 2017, at exercise prices ranging from $2.38 to $4.50 per share, following the modification of share-based payment awards on September 29, 2017;

- 297,897 additional shares of our common stock reserved for future issuance under our 2016 Equity Incentive Plan as of June 30, 2017;

- 1,581,128 shares of our common stock, issuable upon the conversion of Series A Convertible Preferred Stock issued in our 2017 Private Placement;

- 907,237 shares of our common stock issuable upon the exercise of the Exchange Warrants (defined below, see "Business - Exchange of Convertible Note Warrants"), at an exercise price of $5.00 per share;

- 403,632 shares of our common stock issuable upon the exercise of the Placement Agent Warrants (defined below, see "Business - 2017 Private Placement and Convertible Note Offering – Placement Agent Compensation"), at an exercise price of $5.00 per share;

- 30,000 shares of our common stock issuable upon the exercise of a consultant warrant, at an exercise price of $8.00 per share; and

- Any issuances of our securities after June 30, 2017.

DILUTION

If you invest in our common stock in this offering, your ownership interest will be immediately diluted to the extent of the difference between the initial public offering price per share of our common stock and the pro forma as adjusted net tangible book value per share of our common stock immediately after this offering.

Our historical net tangible book value is the amount of our total tangible assets less our total liabilities. Net historical tangible book value per share is our historical net tangible book value divided by the number of shares of common stock outstanding as of June 30, 2017. Our pro forma net tangible book value as of June 30, 2017 was $ million, or $ per share of common stock. Our historical net tangible book value as of June 30, 2017 would have been approximately $ million, or $ per share of our pro forma outstanding common stock.

Pro forma as adjusted net book value is our pro forma net tangible book value, plus the effect of the sale of shares of our common stock in this offering at the assumed initial public offering price of $ per share (the midpoint of the estimated price range set forth on the cover page of this prospectus) and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. Our pro forma as adjusted net book value as of June 30, 2017 would have been approximately $ million, or $ per share. This amount represents an immediate increase in pro forma as adjusted net tangible book value of $ per share to our existing stockholders, and an immediate dilution of $ per share to new investors participating in this offering. Dilution per share to new investors is determined by subtracting pro forma as adjusted net tangible book value per share after this offering from the initial public offering price per share paid by new investors.

The following table illustrates this dilution on a per share basis:

Assumed initial public offering price per share		$
Historical net tangible book value (deficit) per share as of June 30, 2017	$ 1.03	
Pro forma increase in net tangible book value per share attributable to new investors		
Pro forma as adjusted net tangible book value per share, after giving effect to this offering		
Dilution of pro forma as adjusted net tangible book value per share to new investors		$

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share (the midpoint of the estimated price range set forth on the cover page of this prospectus) would increase (decrease) the pro forma as adjusted net tangible book value, by $ per share and the dilution to new investors by $ per share, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting underwriting discounts and commissions and estimated expenses payable by us. An increase of one million shares offered by us would increase the pro forma as adjusted net tangible book value by $ per share and the dilution to new investors by $ per share, assuming the assumed initial public offering price of $ per share (the midpoint of the estimated price range set forth on the cover page of this prospectus) remains the same and after deducting underwriting discounts and commissions and estimated expenses payable by us. Similarly, a decrease of one million shares offered by us would decrease the pro forma as adjusted net tangible book value by $ per share and the dilution to new investors by $ per share, assuming the assumed initial public offering price of $ per share (the midpoint of the estimated price range set forth on the cover page of this prospectus) remains the same and after deducting underwriting discounts and commissions and estimated expenses payable by us. A one million share increase in the number of shares offered by us together with a concomitant $1.00 increase in the assumed initial public offering price of $ per share (the midpoint of the estimated price range set forth on the cover page of this prospectus) would increase the pro forma as adjusted net tangible book value by $ per share and the dilution to new investors by $ per share, after deducting underwriting discounts and commissions and any estimated offering expenses payable by us. Conversely, a one million share decrease in the number of shares offered by us together with a concomitant $1.00 decrease in the assumed initial public offering price of $ per share (the midpoint of the estimated price range set forth on the cover page of this prospectus) would decrease the pro forma as adjusted net tangible book value by $ per share and the dilution to new investors by $ per share, after deducting underwriting discounts and commissions and any estimated offering expenses payable by us.

If the underwriters exercise their over-allotment option in full, the pro forma as adjusted net tangible book value per share after giving effect to this offering would be $ per share, which amount represents an immediate increase in the pro forma as adjusted net tangible book value of $ per share of our common stock to existing stockholders and an immediate dilution in net tangible book value of $ per share of our common stock to new investors purchasing shares of common stock in this offering.

If any shares are issued upon conversion or exercise of outstanding Series A Convertible Preferred Stock, options or warrants, you will experience further dilution. The above discussion and table are based on 10,489,066 shares of our common stock outstanding as of June 30, 2017 and excludes:

- 1,707,321 shares of our common stock issuable upon the exercise of outstanding stock options issued under our equity incentive plan as of June 30, 2017, at exercise prices ranging from $2.38 to $4.50 per share, following the modification of share-based payment awards on September 29, 2017;

- 297,897 additional shares of our common stock reserved for future issuance under our 2016 Equity Incentive Plan as of June 30, 2017;

- 1,581,128 shares of our common stock, issuable upon the conversion of Series A Convertible Preferred Stock issued in our 2017 Private Placement;

- 907,237 shares of our common stock issuable upon the exercise of the Exchange Warrants (defined below, see "Business - Exchange of Convertible Note Warrants"), at an exercise price of $5.00 per share;

- 403,632 shares of our common stock issuable upon the exercise of the Placement Agent Warrants (defined below, see "Business - 2017 Private Placement and Convertible Note Offering – Placement Agent Compensation"), at an exercise price of $5.00 per share;

- 30,000 shares of our common stock issuable upon the exercise of a consultant warrant, at an exercise price of $8.00 per share; and

- Any issuances of our securities after June 30, 2017.

The following table summarizes, on the pro forma as adjusted basis described above as of June 30, 2017, the difference between the number of shares of common stock purchased from us, the total consideration paid to us and the average price per share paid to us by our existing stockholders and by new investors purchasing shares of common stock in this offering at the assumed initial public offering price of $ per share (the midpoint of the estimated price range set forth on the cover page of this prospectus) before the deduction of underwriting discounts and commissions and estimated offering expenses payable by us. Investors purchasing shares of our common stock in this offering will pay an average price per share higher than our existing stockholders paid.

	Shares Purchased		Total Consideration		Average Price
	Number	Percent	Amount	Percent	Per Share
Existing stockholders before this offering		%		%	
New Investors participating in this offering		%		%	
Total		100%		100%	

Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share (the midpoint of the estimated price range set forth on the cover page of this prospectus) would increase (decrease) the total consideration paid by new investors by $, and increase (decrease) the percentage of total consideration paid by new investors by approximately %, assuming that the number of shares offered by us, as listed on the cover page of this prospectus, remains the same.

Similarly, each increase (decrease) of one million shares in the number of shares of common stock offered by us would increase (decrease) the total consideration paid by new investors by $ million and increase (decrease) the percentage of total consideration paid by new investors by approximately % assuming that the assumed initial public offering price of $ per share (the midpoint of the estimated price range set forth on the cover page of this prospectus) price remains the same.

Certain of our existing stockholders, including stockholders affiliated with certain of our directors, have indicated an interest in purchasing up to an aggregate of approximately $ million in shares of our common stock in this offering at the initial public offering price. However, because indications of interest are not binding agreements or commitments to purchase, the underwriters could determine to sell more, less or no shares to any of these potential investors and any of these potential investors could determine to purchase more, less or no shares in this offering. The foregoing discussion and tables do not reflect any potential purchases by these potential investors or their affiliated entities.

After giving effect to the purchase of shares in this offering by these existing stockholders, assuming an initial public offering price of $ per share, the mid-point of the price range set forth on the cover page of this prospectus, our existing stockholders will hold % (% if the underwriters exercise their over-allotment in full) of our common stock outstanding after this offering based on shares of our common stock outstanding as of June 30, 2017. The new investors purchasing the remaining shares in this offering will hold % (% if the underwriters exercise their over-allotment in full) of our common stock outstanding after this offering.

To the extent that outstanding Series A Convertible Preferred Stock, options and warrants are converted or exercised, you will experience further dilution. In addition, we may choose to raise additional capital due to market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. To the extent that additional capital is raised through the sale of equity or convertible debt securities, the issuance of these securities may result in further dilution to new investors participating in this offering.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Prospective investors should read the following discussion and analysis of our financial condition and results of operations together with our consolidated financial statements and the related notes and other financial information included elsewhere in this prospectus. Some of the information contained in this discussion and analysis or set forth elsewhere in this prospectus, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. See "Cautionary Note Regarding Forward-Looking Statements." You should review the "Risk Factors" section of this prospectus for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Overview

We have developed a single-use medical device system (the "Pure-Vu system"), cleared by the United States Food and Drug Administration (the "FDA"), that cleanses the colon during a colonoscopy procedure thereby reducing the dependency on unpleasant and time consuming pre-procedural colonoscopy preparation regimens to ensure clear visualization of the colon mucosa which is critical to procedural success. The Pure-Vu system has been designed to integrate with standard colonoscopes to enable cleaning during the procedure while preserving standard procedural workflow and techniques. We believe the Pure-Vu system has the potential to improve procedure quality, clinical outcomes and patient satisfaction while simultaneously lowering costs and improving margins for hospitals and increasing revenues and improving margins for outpatient colonoscopy clinics. Our Pure-Vu system and the procedure to cleanse the colon in preparation for colonoscopy are not currently reimbursable through private or governmental third-party payors in any country, but we do intend to seek reimbursement through private or governmental third-party payors in the future. To date, as part of our limited pilot launch, we have focused on collecting clinical data on the use of the Pure-Vu system. We do not expect to generate significant revenue from product sales unless and until we expand our commercialization efforts.

Our business was founded within the New Generation Technology ("NGT") incubator based in Nazareth, Israel in 2008 to develop innovative endoscopy technologies, and in 2011, the business was spun out into a new company focused exclusively on the development of the Pure-Vu system. We initiated preclinical testing in 2011 and started clinical testing of the first prototype version of the Pure-Vu system in Europe in late 2012. In clinical studies performed in Europe and Israel from 2012 through the second quarter of 2017, the Pure-Vu system and earlier prototype versions have demonstrated effective cleaning in over 175 patients that followed a significantly reduced pre-procedural colonoscopy preparation regimen, as compared to current prep regimens.

Financial Operations Overview

We are a development stage company and have not generated any significant revenues from the sale of products. We have never been profitable and our accumulated deficit as of June 30, 2017 was approximately $32.2 million. Our net loss for the six months ended June 30, 2017 and 2016 was approximately $6.26 million and $3.67 million, respectively. Our net loss for the years ended December 31, 2016 and 2015 were approximately $8.0 million and $6.0 million. We expect to incur significant expenses and increasing operating losses for the foreseeable future. We expect our expenses to increase significantly in connection with our ongoing activities to commercialize and market the Pure-Vu system. Furthermore, we expect to incur additional costs associated with operating as a public company. Accordingly, we will need additional financing to support our continuing operations. We will seek to fund our operations through public or private equity or debt financings or other sources, which may include collaborations with third parties. Adequate additional financing may not be available to us on acceptable terms, or at all. Our failure to raise capital as and when needed would have a negative impact on our financial condition and our ability to pursue our business strategy. We will need to generate significant revenues to achieve profitability, and we may never do so.

We expect to continue to incur significant expenses and increasing operating losses for at least the next several years. We expect our expenses will increase substantially in 2017 and in the future in connection with our ongoing activities, as we:

- conduct a limited pilot launch through 2018 to refine how the Pure-Vu system integrates into the workflow of both the out-patient and in-patient settings;
- manufacture the Pure-Vu system in our facility in Israel to support the initial pilot launch in the U.S.;
- contract with third parties to transfer and scale up the manufacture of the workstation and the disposable portion of Pure-Vu system;
- develop a second generation system to improve user interface, optimize ease of use and reduce the cost structure;
- raise sufficient funds in the capital market to effectuate our business plan, including commercialization of our Pure-Vu system; and
- operate as a public company.

Critical Accounting Policies and Estimates

Our consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

On an ongoing basis, we evaluate our estimates and judgments for all assets and liabilities, including those related to fair value calculations for equity securities, assessing contingent liabilities, establishing valuation allowances for deferred taxes, and the recovery of deferred costs. We base our estimates and judgments on historical experience, current economic and industry conditions and on various other factors that are believed to be reasonable under the circumstances. This forms the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We believe that full consideration has been given to all relevant circumstances that we may be subject to, and the consolidated financial statements accurately reflect our best estimate of the results of operations, financial position and cash flows for the periods presented.

Revenue

To date, as part of our limited launch, we have generated some revenue from the sales of products. We do not expect to generate significant revenue from product sales unless and until we expand our commercialization efforts for the Pure-Vu system, which we expect will take a number of years and is subject to significant uncertainty.

Research and Development

We incurred expenses of approximately $1.7 million and $1.8 million, respectively, during the six months ended June 30, 2017 and 2016 for research and development activities. We incurred net expenses of approximately $3.1 million and $3.2 million, respectively, during the years ended December 31, 2016 and 2015 for research and development activities. These expenses include cash and non-cash expenses relating to the development of our development and clinical programs for the Pure-Vu system. We have research and development capabilities in electrical and mechanical engineering with laboratories in our facility in Israel for development and prototyping, and electronics design and testing. We also use consultants and third party design houses to complement our internal capabilities.

Sales and Marketing

We incurred expenses of approximately $1.0 million and $0.3 million, respectively, during the six months ended June 30, 2017 and 2016 for sales and marketing activities. We incurred expenses of approximately $1.0 million and $0.4 million, respectively, during the years ended December 31, 2016 and 2015 for sales and marketing activities. These expenses include cash and non-cash expenses relating to the development of our sales and marketing infrastructure for the Pure-Vu system. We have hired limited sales and marketing personnel in the US as part of our pilot launch to develop our policies and procedures, as well as to spearhead the pilot phase of the company’s market penetration.

General and Administrative Expenses

We incurred expenses of approximately $2.5 million and $0.8 million, respectively, during the six months ended June 30, 2017 and 2016 for general and administrative activities. We incurred expenses of approximately $1.9 million and $1.8 million, respectively, during the years ended December 31, 2016 and 2015 for general and administrative activities. General and administrative expenses consist primarily of payroll and professional services. Other general and administrative expenses include accounting and legal services and expenses associated with obtaining and maintaining patents. We anticipate that our general and administrative expenses will increase significantly during 2017 and in the future as we increase our headcount to support our continued development and the commercialization of our Pure-Vu system. We also anticipate increased expenses related to audit, legal, regulatory, and tax-related services associated with maintaining compliance with exchange listing and SEC requirements, director and officer insurance premiums, and investor relations costs associated with being a public company. Additionally, commencing in 2017, we began to compensate our outside directors.

Stock-Based Compensation

In 2016, we adopted the 2016 Equity Incentive Plan. No new equity awards were issued pursuant to the 2016 Equity Incentive Plan as of December 31, 2016, however all of the issued and outstanding options to purchase or otherwise acquire shares of Opco capital stock that were outstanding and unexercised as of immediately prior to the Initial Closing were substituted for 125,730 options to acquire shares of our common stock pursuant to our 2016 Equity Incentive Plan on the date of the Initial Closing. Equity awards, including options to purchase 1,726,770 shares of our common stock at an exercise price of $4.50 per share, following the modification of such share-based payment awards on September 29, 2017, and unrestricted stock awards for 5,000 shares of our common stock were issued pursuant to the 2016 Equity Incentive Plan from January 1, 2017 through June 30, 2017. The fair value of the equity awards granted was $1,383,996. Compensation expense for equity awards is recognized over the period of service, generally the vesting period.

Emerging Growth Company Status

Under Section 107(b) of the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have irrevocably elected not to avail ourselves of this exemption from new or revised accounting standards and, therefore, we will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

Results of Operations

Comparison of Six Months Ended June 30, 2017 and 2016

Research and Development. Research and development expenses for the six months ended June 30, 2017 totaled $1.7 million, a decrease of $0.1 million, or 5.5%, from the $1.8 million recorded for the six months ended June 30, 2016. The $0.1 million decrease was primarily attributed to an increase of $0.36 million in research and development material cost, $0.31 million increase in salaries and wages, $.08 million increase in stock compensation and other research and development cost which was offset with a $0.9 million decrease in payments to consultants and subcontractors.

Sales and Marketing. Sales and marketing expense for the six months ended June 30, 2017 totaled $1.0 million, an increase of $0.7 million, or 233%, from the $0.3 million recorded for the six months ended June 30, 2016. The $0.7 million increase was primarily attributed to an increase of $0.56 million in salaries and wages, $.08 million increase in travel related cost and $.06 million increase in stock compensation and other sales and marketing cost.

General and Administrative. General and administrative expense for the six months ended June 30, 2017 totaled $2.5 million, an increase of $1.7 million, or 212%, from the $0.8 million recorded for the six months ended June 30, 2016. The $1.7 million increase was primarily attributed to an increase of $0.26 million in salaries and wages, $0.17 million increase in rent and office related expenses, $0.73 million increase in professional and consulting fees, $0.52 million increase in stock compensation and other general and administrative cost.

Comparison of Year Ended December 31, 2016 and 2015

Research and Development. Research and development expenses for the year ended December 31, 2016 totaled $3.1 million, a slight decrease of $0.1 million, or 3.1%, from the $3.2 million recorded for the year ended December 31, 2015.

Sales and Marketing. Sales and marketing expense for the year ended December 31, 2016 totaled $1.0 million, an increase of $0.6 million, or 150%, over the $0.4 million recorded for the year ended December 31, 2015.

General and Administrative. General and administrative expense for the year ended December 31, 2016 totaled $1.9 million, a slight increase of $0.1 million, or 5.6%, over the $1.8 million recorded for the year ended December 31, 2015.

Liquidity and Capital Resources

Since inception, we have experienced negative cash flows from operations. We have financed our operations primarily through sales of equity-related securities and convertible notes. At June 30, 2017, our accumulated deficit since inception was approximately $32.2 million.

At June 30, 2017, we had total current assets of approximately $14.0 million and current liabilities of approximately $2.4 million resulting in working capital of $11.6 million. At June 30, 2017, we had total assets of approximately $14.7 million and total liabilities of approximately $3.9 million, resulting in a stockholders' equity of $10.8 million.

Net cash used in operating activities for the six months ended June 30, 2017 was approximately $4.7 million, which includes cash used from a net loss of approximately $6.3 million and $0.8 million of cash used from an increase in accounts receivable, inventory, and other current assets. This was partially offset by an increase in accounts payable and other current liabilities of $1.6 million and by non-cash items included in the net loss of $0.8 million in stock-based compensation and revaluation of convertible notes and other long-term liabilities.

Net cash used in operating activities for the twelve months ended December 31, 2016 was approximately $6.1 million, which includes cash used from a net loss of approximately $8.0 million, cash used from a decrease in accounts payable expenses totaling $0.4 million and $0.2 million of cash used from an increase in inventory and other current assets. This was offset by non-cash items included in the net loss of $2.0 million for interest and revaluation of convertible notes and a $0.4 million increase in other payables.

Net cash provided from financing activities for the six months ended June 30, 2017 totaled approximately $6.4 million from the issuance of our common stock and preferred stock in the 2017 Private Placement net of issuance costs.

Net cash provided from financing activities for the twelve months ended December 31, 2016 totaled approximately $16.5 million from the issuance of our common stock and preferred stock in the 2017 Private Placement. A summary table of the net cash proceeds received from convertible notes and the sale of equity in the 2017 Private Placement is as follows:

Net proceeds from issuance of convertible notes	$	9,606
Net proceeds from issuance of equity - common and preferred	$	6,878
Total Net proceeds	$	16,484

Net cash used in investing activities was $0.5 million for the six months ended June 30, 2017.

Net cash used in investing activities was only $6,000 for the twelve months ended December 31, 2016.

At June 30, 2017, we had no debt outstanding.

At June 30, 2017, we had a cash and cash equivalents balance of approximately $12.9 million. We have included a going concern provision in our financial statements as of June 30, 2017, expressing substantial doubt that we can continue as an ongoing business for the next twelve months without additional financing. However, we believe our current cash and cash equivalents, together with the net proceeds from this offering, will be sufficient to meet our anticipated cash requirements over at least the next 18 months. We will need to raise significant additional capital to fund the commercialization of our Pure-Vu system. The source, timing and availability of any future financing will depend principally upon market conditions, and, more specifically, on the progress of our U.S. market entry strategy. Funding may not be available when needed, at all, or on terms acceptable to us. Lack of necessary funds may require us, among other things, to delay, scale back or eliminate our market entry strategy.

Contractual Obligations and Commitments

We may enter into contracts in the normal course of business with suppliers and other vendors for operating purposes. These contracts generally provide for termination on notice, and therefore we believe that our non-cancelable obligations under these agreements are not material. As of June 30, 2017, we had no material Contractual Obligations or Commitments that will affect our future liquidity.

On January 1, 2015, we entered into a five year lease for a facility with 7,732 square feet of space in Tirat Carmel, Israel. Annual rent is $82,000 per year.

On April 13, 2017, we entered into a lease for a facility in Fort Lauderdale, Florida, which we intend to begin occupying in October 2017. The facility will be initially 4,554 square feet, which will increase to 6,390 square feet by the second year of the lease. The term will run for seven years and two months from the date we begin to occupancy the facility. Annual base rent is initially $156,555 per year, subject to annual increases of 2.75%.

Off-Balance Sheet Arrangements

We did not have during the periods presented, and we do not currently have, any off-balance sheet arrangements, as defined under SEC rules, such as relationships with unconsolidated entities or financial partnerships, which are often referred to as structured finance or special purpose entities, established for the purpose of facilitating financing transactions that are not required to be reflected on our balance sheets.

Quantitative and Qualitative Disclosures about Market Risk

Our exposure to market risk is limited to our cash and cash equivalents, all of which have maturities of three months or less. The primary objectives of our investment activities are to preserve principal, provide liquidity and maximize income without significantly increasing risk. Our primary exposure to market risk is interest income sensitivity, which is affected by changes in the general level of U.S. interest rates. However, because of the short-term nature of the instruments in our portfolio, a sudden change in market interest rates would not be expected to have a material impact on our financial condition and/or results of operation. We do not have any foreign currency or other derivative financial instruments.

BUSINESS

Overview

We have developed a single-use medical device system (the "Pure-Vu system"), cleared by the United States Food and Drug Administration (the "FDA"), that cleanses the colon during a colonoscopy procedure thereby reducing the dependency on unpleasant and time consuming pre-procedural colonoscopy preparation regimens to ensure clear visualization of the colon mucosa which is critical to procedural success. The Pure-Vu system has been designed to integrate with standard colonoscopes to enable cleaning during the procedure while preserving standard procedural workflow and techniques. We believe the Pure-Vu system has the potential to improve procedure quality, clinical outcomes and patient satisfaction while simultaneously lowering costs and improving margins for hospitals and increasing revenues and improving margins for outpatient colonoscopy clinics. Our Pure-Vu system and the procedure to cleanse the colon in preparation for colonoscopy are not currently reimbursable through private or governmental third-party payors in any country, but we do intend to seek reimbursement through private or governmental third-party payors in the future. To date, as part of our limited pilot launch, we have focused on collecting clinical data on the use of the Pure-Vu system. We do not expect to generate significant revenue from product sales unless and until we expand our commercialization efforts.

Our business was founded within the New Generation Technology ("NGT") incubator based in Nazareth, Israel in 2008 to develop innovative endoscopy technologies, and in 2011, the business was spun out into a new company focused exclusively on the development of the Pure-Vu system. We initiated preclinical testing in 2011 and started clinical testing of the first prototype version of the Pure-Vu system in Europe in late 2012. In clinical studies performed in Europe and Israel from 2012 through the second quarter of 2017, the Pure-Vu system and earlier prototype versions have demonstrated effective cleaning in over 175 patients that followed a significantly reduced pre-procedural colonoscopy preparation regimen, as compared to current prep regimens.

Market Overview

Colonoscopies are one of the most frequently performed medical procedures with over 15 million colonoscopies performed in the U.S. every year and close to 30 million worldwide. In the U.S., approximately 90% of the 15 million colonoscopies are performed as out-patients (13.5 million) at an ambulatory endoscopy center, or AEC, and or hospital out-patient departments, or HOPD, and 10% as in-patients (1.5 million) in hospitals. Approximately 60% of colonoscopies are performed to detect and prevent colorectal cancer, or CRC, which is the second leading cause of cancer-related deaths in the U.S. with approximately 140,000 new cases diagnosed and 50,000 deaths every year. Over the past few decades, CRC has been demonstrated to be one of the most preventable cancers through the use of colonoscopies, which is the gold standard for CRC screening. The remaining 40% of colonoscopies are performed to help diagnose and treat other gastrointestinal, or GI, conditions including irritable bowel syndrome, or IBS, inflammatory bowel disease, or IBD, anemia and lower GI bleeding.

Despite the pervasiveness and effectiveness of colonoscopy, a key ongoing clinical challenge of the procedure is that patients are required to undergo a potent pre-procedure bowel preparation regimen to try to ensure that the colon is fully cleansed to enable clear visualization of the tissue. The regimens can be highly disruptive and uncomfortable for many patients. Further, it has been widely reported that approximately 23% of out-patients and 45% of in-patients present with inadequately prepped colons, resulting in a number of colonoscopies that yield poor diagnostic accuracy or failed colonoscopies that must be repeated. Another key problem is that approximately 35% of eligible patients are not current with their CRC screening in the U.S. based on current guidelines. One of the primary reasons patients fail to get a screening colonoscopy or to return for follow-up procedures is the fear or dislike of the potent and unpleasant preparation required prior to the procedure.

Successful bowel preparation is one of the most important factors in delivering a thorough, high quality exam and is well documented to have a direct impact on the adenoma detection rate (the rate of detecting pre-cancer anomalies in the colon tissue). The preparation regimen typically requires patients to be on a liquid diet for over 24 hours, drink up to four liters of a purgative, spend up to 12 hours prior to the exam periodically going to the bathroom to empty their bowels, and disrupting their daily activities, which could include missing work or other activities. The cleansing process is well known to be inconvenient and uncomfortable for many patients resulting in up to twenty percent (20%) of patients arriving for their colonoscopy inadequately cleansed. An inadequately prepared colon can impact the diagnostic accuracy of the procedure and can lead to procedures having to be repeated earlier than the medical guidelines advise or can lead to failed procedures especially in the in-patient setting. Rescheduling the procedure is inconvenient to the patient (and many patients fail to come for their follow-up), creates inefficiencies in the provider's workflow, and increases the length of hospital stay for the in-patient, each of which results in increased healthcare costs.

Our Pure-Vu Solution

To address this unmet need, we have developed our FDA-cleared Pure-Vu system, which readily integrates with existing colonoscopes to cleanse poorly prepped colons during the colonoscopy procedure, thereby greatly reducing the dependency on conventional pre-procedural bowel prep regimens to get a clear visualization of colon tissue. Our system consists of a workstation controller and a single-use, disposable sleeve that fits over most standard-size commercial colonoscopes. Together with the colonoscope, the Pure-Vu system performs rapid, effective and efficient intra-procedural cleaning without compromising procedural workflow and techniques. The over-sleeve has an umbilical section that connects to a cartridge that mounts to the workstation and serves as the interface between the disposable over-sleeve and the workstation. The workstation, through a series of peristaltic pumps activated by foot pedals, delivers safe and highly effective irrigation medium of air and water that creates a pulsed vortex inside the colon to break up fecal matter while simultaneously evacuating the colon content into waste receptacles already used in a standard colonoscopy procedure. The proprietary evacuation system in the device has sensors built in that can detect the formation of a blockage and automatically clear it allowing the physician to remove significant debris from the patient. The Pure-Vu has been clinically demonstrated to be capable of cleaning poorly prepared colons in minutes. We are building an extensive intellectual property portfolio designed to protect key aspects of the system, including the pulsed vortex irrigation and auto-purge functions.

The Pure-Vu System

Workstation Controller | Foot Pedal | Over-sleeve | Pure-Vu Distal Head

In the out-patient setting, the Pure-Vu system creates the opportunity to improve patient satisfaction, enhance diagnostic quality while providing a new source of revenue for out-patient colonoscopy clinics such as AECs, or HOPDs. Additionally, in the in-patient hospital setting, the Pure-Vu system creates the opportunity to improve the time to prepare for and complete a successful colonoscopy and thereby reduce the patient's length of stay, providing significant cost savings to the hospital which typically receives a fixed reimbursement under a diagnostic related group ("DRG") code and does not receive any additional reimbursement for delays related to bowel preparation challenges.

Out-patient Opportunity: improving patient experience and reducing repeat procedures

The largest commercial market opportunity for us is in the out-patient setting offering patients an alternative to the arduous experience of having to drink large volumes of purgatives that result in significant discomfort, multiple visits to the bathroom over a many-hour period and disruption of daily activities. Market research conducted by The Nova Group, which was sponsored by us, indicates that 83% of patients are willing to pay for this type of technology and 29% are willing to consider paying up to $350 out-of-pocket for the ability to follow a "less-prep" regimen. As the potential out-of-pocket cost of a Pure-Vu examination is reduced, the percentage of patients willing to consider paying increases dramatically. With increasing pressure on physician and facility reimbursement, most providers are incorporating ancillary services into their practices to supplement their revenue and increase profit. Incorporation of the Pure-Vu system as an ancillary product into an out-patient GI practice is expected to provide an additional source of revenue and profit as well as help to differentiate the GI practice in an increasingly competitive marketplace. By offering a solution to those patients who either cannot tolerate the challenging preparation or desire a more tolerable prep, we believe the GI practice can increase their market share and improve patient satisfaction, a key quality metric being measured by payers. The Pure-Vu system can also facilitate late afternoon and early evening procedures for those patients wishing to avoid disruption in their daily activities. Finally, with the Pure-Vu system, the prep may no longer be as significant of a deterrent to receiving a colonoscopy, potentially increasing compliance to screening and ultimately increasing the early detection of CRC.

The Pure-Vu system also has the potential to reduce the number of early repeat procedures due to inadequate preparation and therefore reduce healthcare costs. Based on published literature in several peer reviewed journals from 2010 to 2015 and surveys of physicians conducted in 2015, approximately 20% of patients can have an inadequate preparation, that may lead to repeat procedures earlier than the medical guidelines suggest and decrease the adenoma detection rate negatively effecting the quality of the exam. By giving the physician the ability to effectively cleanse the colon intra-procedurally, the Pure-Vu system provides the ability to turn a fair or poor preparation into an optimal preparation and achieve a high-quality colonoscopy.

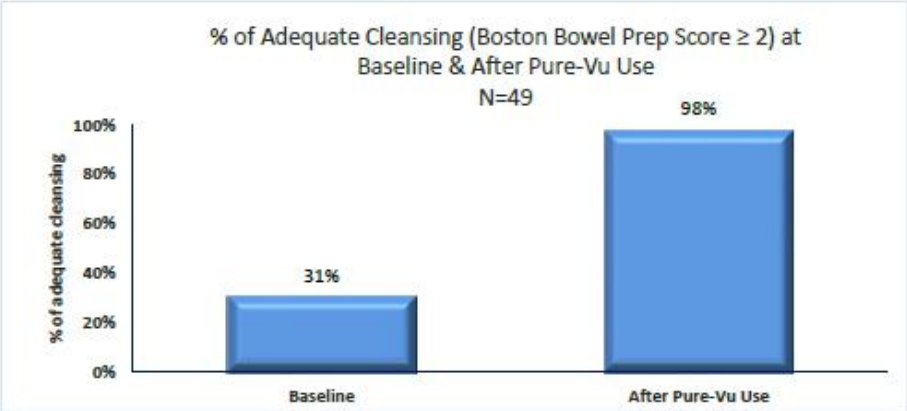
In-patient Opportunity: improving efficiencies and shortening time to complete a successful colonoscopy

In-patient colonoscopy is usually performed to diagnose the source of various gastrointestinal conditions such as lower GI bleeding or bowel pain. For an in-patient hospital stay, the Centers for Medicare and Medicaid Services, or CMS, uses a prospective payment system, or PPS, based upon diagnostic related groups, or DRG, to pay for hospital services with the goal of encouraging providers to minimize their costs. The DRG assignment is influenced by a combination of factors such as a patient's sex, diagnosis at the time of discharge and procedures performed. Based on patient specific information, all hospital expenses for their care during an inpatient stay are packaged and assigned to one of over 500 MS-DRGs. According to Decision Driver Analytics, a reimbursement consulting agency, when a colonoscopy is performed as the primary procedure (no other procedures or complicating diagnosis), DRGs 395, 394 or 393 would apply which pay between $3,861 (without complications or major comorbidities) and $9,421 (with major complications and comorbidities). The cost for just one night in the hospital averages $1,800, so reducing the length of stay can save the hospital significant expense.

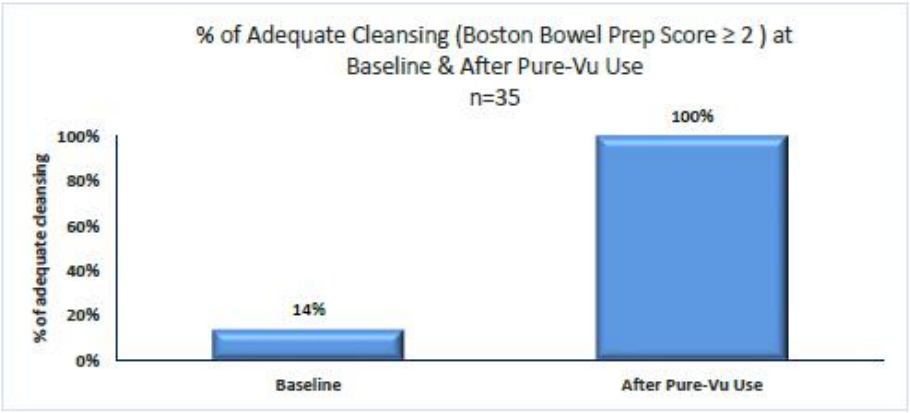
An in-patient colonoscopy is more problematic than an out-patient procedure due primarily to poorer quality bowel prep which can lead to lower rates of successful completion of the procedure and a higher frequency of repeat procedures. Inadequate bowel prep rates have been reported in the literature as high as 45% for the in-patient setting. Managing these patients is a challenge often requiring significant healthcare provider resources to administer and monitor the prep. The poor bowel prep can be due to the patient's condition as a more fragile patient population may be unable to tolerate the significant volume of fluid required, and the clear liquid diet required, to cleanse the colon. With these patients, a high volume of purgative can also lead to electrolyte imbalances. The Pure-Vu system can shorten the time to successfully complete a colonoscopy by streamlining the process with effective and safe intra-procedural cleaning thus reducing healthcare costs.

Pre-Clinical and Clinical Data & Safety

In clinical studies performed in Europe and Israel, the Pure-Vu system and earlier prototype versions have demonstrated effective cleaning in over 175 patients receiving a reduced prep regimen. The first 83 patients used three different versions of the system. The prep regimen used in these patients varied from taking a 50% dose of the standard PEG based prep to as little as taking 20mg of over-the-counter Dulcolax (bisocodyl). More recently, the commercial version of the Pure-Vu system was used in two multi-center clinical studies. The first study involved 49 patients and was completed in the second quarter of 2016. The second study was completed in June 2017 and involved 47 patients. Patients in these studies had a restricted diet for 18-24 hours and received a split dose of 20mg of over-the-counter Dulcolax (bisocodyl). Patients did not take any liquid purgative traditionally prescribed for bowel preparation. The clinical data showing performance of the Pure-Vu system in the first of these studies using the Boston Bowel Preparation Score, the most commonly used method for evaluating the quality of bowel preparation, is shown below. The clinical results from the 2016 study were presented at United European Gastroenterology Week (UEGW) in October 2016. The clinical results from the 2017 study are expected to be presented at the UEGW in October 2017, showing similar results.



In addition, pre-clinical experience in a porcine animal model, which was used in the FDA submission, was also presented at Digestive Disease Week ("DDW") in May 2016. In this study the animals were fasted from normal feed following the Day -2 morning meal. On the afternoon of Day -2, the animals received a standard three (3) liters of PEG-based colon preparation agent (Golytely). This data is presented below.



We are planning to initiate post-market surveillance and clinical study programs that may involve registries, investigator sponsored studies and company sponsored studies to drive clinical and health economic data, to support product development, enhance our marketing efforts and facilitate new indications. The first of these studies is expected to be initiated in the fourth quarter of 2017 and continue through 2018.

The Pure-Vu system is currently indicated to connect to standard colonoscopes to facilitate intra-procedural cleaning of a poorly prepared colon by irrigating or cleaning the colon and evacuating the irrigation fluid (water), feces and other bodily fluids and matter. We do not currently promote a particular prep regiment as this is left up to the discretion of the physician since our current indication does not reference any preparation protocol. We will look to expand the Pure-Vu system indication to allow us to actively promote minimal prep capabilities directly to patients. We plan to initiate a clinical trial in 2018 that should facilitate approval of expanded labeling in 2019.

We filed for a CE Mark in Europe in the second quarter of 2017 and anticipate CE Mark clearance in the fourth quarter of 2017. We intend to establish relationships with strategic partners for Europe, Japan, China and other key markets outside the US ("OUS") to support the regulatory process and market entry. We anticipate entering OUS markets with our second-generation Pure-Vu system during the second half of 2019. We filed a special 510(k) with the FDA in the third quarter of 2017 to adjust our labeling to simplify the process of removing the Pure-Vu system from a colonoscope and to support minor enhancements to the manufacturing of the system.

Intellectual Property

Our IP position comprises a highly innovative portfolio covering technologies rooted in systems and methods for cleaning body cavities with or without the use of an endoscope. Currently we have three issued patents and 27 (13 in the US) pending patent applications in various regions of the world with a focus on the US, EU and Japan. Our earliest patent application filing dates go back to October 2007. We have also recently received notice of allowance for Motus GI and for Pure-Vu trademarks from the USPTO. We are pursuing these marks in the EU as well.

Our issued patents cover an endoscopic device insertable into a body cavity and movable in a predetermined direction and method of moving the endoscopic device in a body cavity and expire October 2026. Our patent application portfolio focuses on cleaning body cavities in a safe and efficient manner, insertion and movement and steering of an endoscopic device within the body cavity in a predetermined direction, coordinated positioning of an endoscope with a suction device and cleaning systems with automatic self-purging features. Our applications cover critical aspects of our system that we believe are key to effectively and efficiently clean the colon or other cavities in the body. These areas include cleansing jet methodologies, sensing and control of evacuation to avoid clogging, designs for easy attachment to endoscopes and cleaning segments under water.

Our commercial success depends in part on our ability to obtain and maintain patent and other proprietary protection for Pure-Vu and to operate without infringing the proprietary right of others and to prevent others from infringing our proprietary rights. We strive to protect our intellectual property through a combination of patents, and trademarks as well as through the confidentiality provisions in our contracts. With respect to Pure-Vu, we endeavor to obtain and maintain patent protection in the United States and internationally on all patentable aspects of the system. We cannot be sure that the patents will be granted with respect to any patent applications we may own or license in the future, nor can we be sure that our existing patents or any patents we may own or license in the future will be useful in protecting our technology.

In addition to patents, we rely on trade secrets and know-how to develop and maintain our competitive position. For example, significant aspects of our proprietary technology platform are based on unpatented trade secrets and know-how. Trade secrets and know-how can be difficult to protect. We seek to protect our proprietary technology and processes, in part, by confidentiality agreements and invention assignment agreements with our employees, consultants, scientific advisors, contractors and commercial partners. These agreements are designed to protect our proprietary information and, in the case of the invention assignment agreements, to grant us ownership of technologies that are developed through a relationship with a third party. We also seek to preserve the integrity and confidentiality of our data and trade secrets by maintaining physical security of our premises and physical and electronic security of our information technology systems. While we have confidence in these individuals, organizations and systems, agreements or security measures may be breached, and we may not have adequate remedies for any breach. In addition, our trade secrets may otherwise become known or be independently discovered by competitors. To the extent that our contractors use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions.

We also plan to seek trademark protection in the United States and outside of the United States where available and when appropriate. We intend to use these registered marks in connection with our pharmaceutical research and development as well as our product candidates.

Our Formation

In connection with our formation in September 2016, we sold an aggregate of 1,650,000 shares of our common stock for an aggregate of $82,500 ($0.05 per share).

The Share Exchange Transaction

Effective on December 1, 2016, Opco, and the Opco Stockholders, entered into the Share Exchange Agreement with us. Pursuant to the terms of the Share Exchange Agreement, as a condition of and contemporaneously with the Initial Closing of the 2017 Private Placement, the Opco Stockholders sold to us, and we acquired, all of the issued and outstanding shares of capital stock of Opco and Opco became our direct wholly-owned subsidiary. Pursuant to the Share Exchange Transaction (i) the Opco Stockholders received an aggregate of 4,000,000 shares of our common stock in exchange for all of the issued and outstanding shares of capital stock of Opco, (ii) the Convertible Notes and the Convertible Note Warrants (as defined below) were exchanged for our securities, as described below, and (iii) all of the issued and outstanding options to purchase or otherwise acquire shares of Opco capital stock that were outstanding and unexercised as of immediately prior to the Initial Closing were substituted for 125,730 options to acquire shares of our common stock pursuant to our 2016 Equity Incentive Plan at exercise prices ranging from $2.38 to $2.52 (see "Executive Compensation—2016 Equity Incentive Plan").

The Share Exchange Transaction was treated as a recapitalization of Opco for financial accounting purposes and the historical financial statements of Opco are our financial statements as a result of the Share Exchange Transaction.

2017 Private Placement and Exchange of Convertible Notes

In connection with the 2017 Private Placement we issued an aggregate of 3,080,671 Units for gross proceeds of approximately $15,400,000, comprised of an aggregate of 2,310,503 shares of our common stock and 770,168 shares of Series A Convertible Preferred Stock to investors in the 2017 Private Placement. Certain related parties participated in the 2017 Private Placement, see "Certain Relationships and Related Party Transactions - Convertible Note, Convertible Warrant, and 2017 Private Placement - Related Party Participation."

In addition, from June 2015 through November 2016, pursuant to the terms of the CNA, Opco issued Convertible Notes in an aggregate amount of $14,596,683 (inclusive of accrued interest through December 22, 2016, the date of the Initial Closing) to certain investors, including related parties of us and Opco (see "Certain Relationships and Related Party Transactions - Convertible Note, Convertible Warrant, and 2017 Private Placement - Related Party Participation") As part of the 2017 Private Placement, at the Initial Closing, the Convertible Holders exchanged their Convertible Notes, together with accrued and unpaid interest thereon at a rate of 10% per annum, for Units of the 2017 Private Placement, at a conversion price of $4.50 per Unit. As a result, upon consummation of the Initial Closing, the Convertible Notes were exchanged for an aggregate of 3,243,744 Units representing (i) 2,432,808 shares of our common stock (inclusive of shares of our common stock resulting from the accrued and unpaid interest of the Convertible Notes through the date of the Initial Closing) and (ii) 810,960 shares of our Series A Convertible Preferred Stock (inclusive of shares of Series A Convertible Preferred Stock resulting from the accrued and unpaid interest of the Convertible Notes through the date of the Initial Closing).

Exchange of Convertible Note Warrants

In connection with, and pursuant to the terms of, the CNA, each Convertible Holder also received a seven (7) year warrant (the "Convertible Note Warrants") to purchase preferred A shares of Opco (the "Preferred A Shares of Opco"), nominal value in Israeli New Shekel ("NIS") 0.01 per share, with an exercise price per share of $1.00 (the "Convertible Note Warrant Exercise Price"). Each Convertible Note Warrant entitled the holder to purchase that number of shares of Preferred A Shares of Opco equal to thirty-three percent (33%) of the principal amount of the Convertible Note in connection with which it was issued. Convertible Note Warrants to purchase an aggregate 4,536,186 shares of Preferred A Shares of Opco with an exercise price of $1.00 were issued in connection with the CNA. Certain related parties held Convertible Note Warrants pursuant to the CNA, see "Certain Relationships and Related Party Transactions - Convertible Note, Convertible Warrant, and 2017 Private Placement - Related Party Participation." At the Initial Closing, the holders of the Convertible Note Warrants exchanged their Convertible Note Warrants for five (5) year warrants (the "Exchange Warrants") to purchase an aggregate 907,237 shares of our common stock at an exercise price of $5.00 per share, such amount being equal to thirty-three percent (33%) of the principal amount of the Convertible Notes divided by $5.00.

2017 Private Placement and Convertible Note Offering – Placement Agent Compensation

Pursuant to a Finders Agreement entered into as of October 14, 2016 (the "Finders Agreement"), the Placement Agent assisted Opco with the offering of certain of the Convertible Notes by introducing individuals and entities (each a "Target") interested in investing in Opco. In connection with those Convertible Notes purchased by Targets, and pursuant to the terms of the Finders Agreement, Opco paid the Placement Agent an aggregate fee of $552,500, consisting of (i) a cash fee in the aggregate amount of $425,000, such amount equal to 10% of each Convertible Note purchased by a Target and (ii) a non-accountable expense allowance in the aggregate amount of $127,500, such amount equal to 3% of each Convertible Note purchased by a Target.

In connection with the 2017 Private Placement, we paid the Placement Agent and selected dealers an aggregate cash fee of $1,917,823, inclusive of a non-accountable expense allowance equal to $506,499, and we incurred approximately $150,000 of other expenses related to the financing. In addition, as part of its compensation for acting as placement agent for the 2017 Private Placement, (i) we issued royalty payment rights certificates (the "Placement Agent Royalty Payment Rights Certificates") to the Placement Agent, and its designees, to receive, in the aggregate, 10% of the amount of payments paid to the holders of the Series A Convertible Preferred Stock (see "Description of Securities – Placement Agent Royalty Payment Rights"). and (ii) we issued warrants (the "Placement Agent Warrants") to the Placement Agent, and its designees, to purchase 403,632 shares of our common stock with an exercise price of $5.00 per share. Such warrants contain a "cashless exercise" feature and are exercisable at any time prior to five years from the date of grant.

Competition

We do not believe that there are currently any direct competitors in the market, nor any known competing technology under development, using similar technology to our technology. Currently the major colonoscope manufacturers (i.e. Olympus, Pentax, Fuji) sell an irrigation pump that can pump fluid through the working channel of a colonoscope. The only intra-procedural device in the market, Cantel Medical's Jet Prep, and another product in development similar to Cantel Medical's Jet Prep, Medjet Ltd.'s MedJet, go through the working channel of a scope and are used mostly for spot cleaning a small amount of debris and do not have the capability to fully clean the colon of large amounts of fecal matter. The Jet Prep and MedJet products also require the physician to remove it from the working channel during the procedure if they need to remove polyps or take a biopsy, impacting the workflow of the procedure. The competitive products mentioned are not currently reimbursed by private or government payers. There are over ten different preparation regimes used prior to colonoscopy today. Some are prescription medications and others are over the counter. Typically, the over the counter regimes are not indicated for colonoscopy prep but for issues of motility, such as constipation, but are still widely prescribed by physicians for colonoscopy prep. Depending on the insurance a patient has, the prescription prep may be covered in part but many of them require the patient to pay out of pocket.

The medical device and pharmaceutical industries are intensely competitive and subject to rapid and significant technological change. We have indirect competitors in a number of jurisdictions, many of which have substantially greater name recognition, commercial infrastructures and financial, technical and personnel resources than we have. Currently, the colonoscopy market is dominated by Olympus, who controls a majority of the market, with Pentax and FujiFilm taking most of the rest of the US colonoscope market. Boston Scientific, Medtronic US Endoscopy, Medivators and other smaller players sell ancillary devices and accessories into the marketplace as well. These established competitors may invest heavily to quickly discover and develop novel devices that could make our Pure-Vu system obsolete or uneconomical. While colonoscopy remains the gold standard for CRC screening, there are capsule endoscopy systems such as the PillCam™ from Medronic and the Endocapsule 10 from Olympus, These systems, however, require at least the same level of prep as conventional colonoscopies, cannot remove polyps, and therefore, cannot be used to obtain biopsies to detect cancer, so may be less useful for colonoscopy as compared to visualization of the small bowel. Another visualization technique is the virtual colonoscopy, where a radiologist uses a CT scan to obtain 2D and 3D images of the colon. Virtual colonoscopies may require the same level of prep as conventional colonoscopies and if a polyp or abnormality is detected, the patient may still need to undergo a colonoscopy. Other screening tests for colon cancer specifically include fecal occult blood tests and DNA stool tests such as the Cologuard test from Exact Sciences. However, Cologuard is not a replacement for diagnostic colonoscopies or surveillance colonoscopies in high risk individuals and has a lower specificity than standard colonoscopies. While none of these testing alternatives may ever fully replace the colonoscopy, over time, they may take market share away from conventional colonoscopies for specific purposes and may lower the potential market opportunity for us.

Any new product that competes with an approved product may need to demonstrate compelling advantages in efficacy, cost, convenience, tolerability and safety to be commercially successful. Other competitive factors, including new competitive entrants, could force us to lower prices or could result in reduced sales. In addition, new products developed by others could emerge as competitors to the Pure-Vu system. If we are not able to compete effectively against our current and future competitors, our business will not grow and our financial condition and operations will suffer.

Research and Development

We incurred expenses of approximately $1.7 million and $1.8 million, respectively, during the six months ended June 30, 2017 and 2016 for research and development activities. We incurred expenses of approximately $3.1 million and $3.2 million, respectively, in 2016 and 2015 for research and development activities. These expenses include cash and non-cash expenses relating to the development of our development and clinical programs for the Pure-Vu system. We have research and development capabilities in electrical and mechanical engineering with laboratories in our facility in Israel for development and prototyping, and electronics design and testing. We also use consultants and third party design houses to complement our internal capabilities.

We have received grants from the Government of the State of Israel through the IIA (formerly known as the OCS) for the financing of a portion of our research and development expenditures pursuant to the Research Law and related regulations. As of September 30, 2017, we had received funding from the IIA in the aggregate amount of $1.33 million and had a contingent obligation to the IIA in the amount of approximately $1.41 million, which is generally repaid in the form of royalties ranging from 3% to 3.5% of revenues on sales of products and services based on technology developed using IIA grants, up to an aggregate of 100% (which may be increased under certain circumstances) of the U.S. dollar-linked value of the grant, plus interest at the rate of 12-month LIBOR. As of September 30, 2017, we paid a minimal amount to the IIA. We may apply for additional IIA grants in the future. However, as the funds available for the IIA grants out of the annual budget of the State of Israel have been reduced in the past and may be further reduced in the future, we cannot predict whether we will be entitled to any future grants, or the amounts of any such grants. The terms of the Israeli government participation also require that products developed with IIA grants be manufactured in Israel and that the technology developed thereunder may not be transferred outside of Israel (even following the full repayment of the IIA grants), unless prior approval is received from the IIA, which approval may not be granted. Even if such approval is granted, the transfer outside of Israel of manufacturing which is connected with IIA-funded know-how may result in increased royalty payments (up to three times the aggregate amount of the IIA grants plus interest thereon), as well as in a higher royalty repayment rate. In addition, the transfer outside of Israel of IIA-funded know-how may trigger additional payments to the IIA (up to six times the aggregate amount of the IIA grants plus interest thereon). For additional information, see "Business - Manufacturing and Supply" below.

Manufacturing and Supply

We currently have internal capabilities for small scale production in our facility in Israel. We have ISO 13485 certification for our quality system using DEKRA as our Notified Body in Europe. The internal capability will support the initial limited pilot launch of the product in the U.S. as we establish higher volume capabilities with external manufacturing partners. We are in the process of finalizing supply agreements with two different contract manufacturers, one for the workstation and the other for the disposable portion of the Pure-Vu system. The manufacturing suppliers we are negotiating with have extensive experience in medical devices and dealing with regulatory bodies. The suppliers we are targeting have ISO 13485 approved quality systems. We anticipate they will be producing Pure-Vu systems by the end of 2017. We have an agreement in place with a third party logistics provider in the US who is ISO 13485 certified and specializes in medical devices and equipment. They will provide warehousing, shipping and back office support to meet our commercial needs.

We have received grants from the Government of the State of Israel through the IIA (formerly known as the OCS) for the financing of a portion of our research and development expenditures, the terms of which require that products developed with IIA grants be manufactured in Israel and that the technology developed thereunder may not be transferred outside of Israel (including by way of certain licenses), unless prior approval is received from the IIA, which we intend to apply for but may not receive (and any such approval may be subject to increased royalty repayment rates and increased royalties). Even following the full repayment of any IIA grants, we must nevertheless continue to comply with the requirements of the Research Law. The foregoing restrictions may impair our ability to outsource or transfer development or manufacturing activities with respect to any product or technology outside of Israel. For additional information, see "Risk Factors - Risks Related to Our Operations in Israel."

A significant amendment to the Research Law entered into effect on January 1, 2016, under which the IIA, a statutory government corporation, was established and replaced the OCS. Under such amendment, the IIA is authorized to establish rules concerning the ownership and exploitation of IIA/OCS-funded know-how (including with respect to restrictions on transfer of manufacturing activities and IIA-funded know-how outside of Israel), which may differ from the restrictive laws, regulations and guidelines as currently in effect (and which shall remain in effect until such rules have been established by the IIA). In May 2017, the IIA issued new rules applicable to Israeli companies that receive grants from the IIA or its predecessor, the OCS, which went into effect on July 1, 2017. As of the date hereof, we cannot predict the impact these new rules will have on us or how they will be implemented by the IIA. Furthermore, it is anticipated that additional rules will be published by the IIA and we cannot predict or estimate the changes (if any) that may be made to this legislation (including with respect to the acquisition of an IIA-funded entity or the transfer of manufacturing or ownership of IIA-funded technology).

We have established relationships with research facilities, contract manufacturing organizations, or CMO's, and our collaborators to manufacture and supply our product for commercialization. The Pure-Vu system workstations and disposables are currently manufactured at our facility in Israel. We are planning to transfer the manufacturing of the Pure-Vu system workstations to Sanmina Corporation's manufacturing facilities in Israel and the Pure-Vu system disposables to Polyzen's manufacturing facilities in North Carolina, US. We anticipate transitioning the manufacturing activities during 2017 as we establish and scale up our manufacturing capabilities with these CMO's.

U.S. Market Entry Strategy

We have initiated a limited pilot launch in the US market. Initial evaluation cases have been performed at six centers showing cleansing capabilities similar to our clinical trial experience. This pilot phase is expected to run through 2018 with the primary objectives of expanding our clinical evidence, developing a practice integration model and creating key reference centers in both the AEC and hospital in-patient settings. We intend to work with the initial accounts to perform onsite analysis to optimize the prep for various populations including screening, surveillance, diagnostic and in-patients. We are working with a third party logistics provider specializing in medical devices to provide front and back office support to successfully fulfill customer orders. Additionally our commercial organization is putting in place the infrastructure to track account progress and help provide accurate forecasting for operations. We anticipate the sales cycle to be in the range of six to twelve months. During our limited pilot market entry, we will refine our commercialization strategy and tactics prior to our full market launch which is expected in 2019. Our full market launch will focus on launching our second generation Pure-Vu platform (lower cost of goods, added features, and additional size for "slim" scopes), growing the top line revenues, scaling the commercial organization and expanding our clinical indications for use. We expect to develop strategic relationships to pursue OUS marketing opportunities and to initiate sales in the EU in 2019 and Japan, China and other Asian markets in 2020.

Employees

As of September 30, 2017 we had 36 full time employees. All of our employees are engaged in administration, finance, clinical, R&D, engineering, regulatory and sales and marketing functions. We believe our relations with our employees are good. We anticipate that the number of employees will grow as we scale our commercial capabilities. In addition, we utilize and will continue to utilize consultants, clinical research organizations and third parties to perform our pre-clinical studies, clinical studies, manufacturing and regulatory functions.

Under Israeli law, we and our employees in Israel are subject to Israeli protective labor provisions, including the length of the workday, minimum wages for employees, annual leave, sick pay, determination of severance pay and advance notice of termination of employment, as well as procedures for hiring and dismissing employees and equal opportunity and anti-discrimination laws. While none of our employees in Israel is party to any collective bargaining agreements, orders issued by the Israeli Ministry of Economy and Industry may make certain industry-wide collective bargaining agreements applicable to us. These agreements affect matters such as the length of the workday and week, recuperation pay, travel expenses and pension rights. We have never experienced labor-related work stoppages and believe that our relationships with our employees are a significant part of our operations and that we maintain a good and positive relationship with our employees.

Israeli law generally requires the payment of severance compensation by employers upon the retirement, death or dismissal of an employee. We fund our ongoing Israeli severance obligations by making monthly payments to insurance policies. All of our current employees in Israel have agreed that upon termination of their employment, they will be entitled to receive only the amounts accrued in the insurance policies with respect to severance pay.

Furthermore, Israeli employees and employers are required to pay predetermined sums to the National Insurance Institute, which is similar to the U.S. Social Security Administration. These amounts also include payments for national health insurance.

Facilities

We currently rent 7,732 square feet of space in Tirat Carmel, Israel. This facility consists of office space, laboratories and a class eight cleanroom. We entered the lease on January 1, 2015, and the lease is for a period of five-years.

On April 13, 2017, we entered into a lease for a facility in Fort Lauderdale, Florida, which we intend to begin occupying in October 2017. The facility will be initially 4,554 square feet, which will increase to 6,390 square feet by the second year of the lease. The term will run for seven years and two months from the date we begin to occupancy the facility. This facility will be used for office space as well as laboratories for both quality assurance and product development.

Legal Matters

We are not currently subject to any material legal proceedings; however, we may from time to time become a party to various legal proceedings arising in the ordinary course of our business. Although the results of litigation and claims cannot be predicted with certainty, as of the date of this prospectus, we do not believe we are party to any claim or litigation the outcome of which, if determined adversely to us, would individually or in the aggregate be reasonably expected to have a material adverse effect on our business. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

Regulatory Matters

Government Regulation

Our business is subject to extensive federal, state, local and foreign laws and regulations, including those relating to the protection of the environment, health and safety. Some of the pertinent laws have not been definitively interpreted by the regulatory authorities or the courts, and their provisions are open to a variety of subjective interpretations. In addition, these laws and their interpretations are subject to change, or new laws may be enacted.

Both federal and state governmental agencies continue to subject the healthcare industry to intense regulatory scrutiny, including heightened civil and criminal enforcement efforts. We believe that we have structured our business operations and relationships with our customers to comply with all applicable legal requirements. However, it is possible that governmental entities or other third parties could interpret these laws differently and assert otherwise. We discuss below the statutes and regulations that are most relevant to our business.

U.S. Food and Drug Administration regulation of medical devices.

The FDCA and FDA regulations establish a comprehensive system for the regulation of medical devices intended for human use. Our products include medical devices that are subject to these, as well as other federal, state, local and foreign, laws and regulations. The FDA is responsible for enforcing the laws and regulations governing medical devices in the United States.

The FDA classifies medical devices into one of three classes (Class I, Class II, or Class III) depending on their level of risk and the types of controls that are necessary to ensure device safety and effectiveness. The class assignment is a factor in determining the type of premarketing submission or application, if any, that will be required before marketing in the United States.

- Class I devices present a low risk and are not life-sustaining or life-supporting. The majority of Class I devices are subject only to "general controls" (e.g., prohibition against adulteration and misbranding, registration and listing, good manufacturing practices, labeling, and adverse event reporting. General controls are baseline requirements that apply to all classes of medical devices.)

- Class II devices present a moderate risk and are devices for which general controls alone are not sufficient to provide a reasonable assurance of safety and effectiveness. Devices in Class II are subject to both general controls and "special controls" (e.g., special labeling, compliance with industry standards, and post market surveillance. Unless exempted, Class II devices typically require FDA clearance before marketing, through the premarket notification (510(k)) process.)

- Class III devices present the highest risk. These devices generally are life-sustaining, life-supporting, or for a use that is of substantial importance in preventing impairment of human health, or present a potential unreasonable risk of illness or injury. Class III devices are devices for which general controls, by themselves, are insufficient and for which there is insufficient information to establish special controls to provide a reasonable assurance of safety and effectiveness. Class III devices are subject to general controls and typically require FDA approval of a premarket approval ("PMA") application before marketing.

Unless it is exempt from premarket review requirements, a medical device must receive marketing authorization from the FDA prior to being commercially marketed, distributed or sold in the United States. The most common pathways for obtaining marketing authorization are 510(k) clearance and PMA.

510(k) pathway

The 510(k) review process compares a new device to a legally marketed device. Through the 510(k) process, the FDA determines whether a new medical device is "substantially equivalent" to a legally marketed device (i.e., predicate device) that is not subject to PMA requirements. "Substantial equivalence" means that the proposed device has the same intended use as the predicate device, and the same or similar technological characteristics, or if there are differences in technological characteristics, the differences do not raise different questions of safety and effectiveness as compared to the predicate, and the information submitted in the 510(k) demonstrates that the proposed device is as safe and effective as the predicate device.

To obtain 510(k) clearance, a company must submit a 510(k) application containing sufficient information and data to demonstrate that its proposed device is substantially equivalent to a legally marketed predicate device. These data generally include non-clinical performance testing (e.g., software validation, animal testing electrical safety testing), but may also include clinical data. Typically, it takes three to twelve months for the FDA to complete its review of a 510(k) submission; however, it can take significantly longer and clearance is never assured. During its review of a 510(k), the FDA may request additional information, including clinical data, which may significantly prolong the review process. After completing its review of a 510(k), the FDA may issue an order, in the form of a letter, that finds the device to be either (1) substantially equivalent and states that the device can be marketed in the United States, or (2) not substantially equivalent and states that device cannot be marketed in the United States. Depending upon the reasons for the not substantially equivalent finding, the device may need to be approved through the PMA pathway (discussed below) prior to commercialization.

After a device receives 510(k) clearance, any modification that could significantly affect the safety or effectiveness of the device, or that would constitute a major change in its intended use, including significant modifications to any of our products or procedures, requires submission and clearance of a new 510(k). The FDA relies on each manufacturer to make and document this determination initially, but the FDA can review any such decision and can disagree with a manufacturer's determination. We may make minor product enhancements that we believe do not require new 510(k) clearances. If the FDA disagrees with our determination regarding whether a new 510(k) clearance was required for these modifications, we may need to cease marketing and/or recall the modified device. The FDA may also subject us to other enforcement actions, including, but not limited to, issuing a warning letter or untitled letter to us, seizing our products, imposing civil penalties, or initiating criminal prosecution.

Premarket approval pathway

Unlike the comparative standard of the 510(k) pathway, the PMA approval process requires an independent demonstration of the safety and effectiveness of a device. PMA is the most stringent type of device marketing application required by the FDA. PMA approval is based on a determination by the FDA that the PMA contains sufficient valid scientific evidence to ensure that the device is safe and effective for its intended use(s). A PMA application generally includes extensive information about the device including the results of clinical testing conducted on the device and a detailed description of the manufacturing process.

After a PMA application is accepted for review, the FDA begins an in-depth review of the submitted information. FDA regulations provide 180 days to review the PMA and make a determination; however, in reality, the review time is normally longer (e.g., 1-3 years). During this review period, the FDA may request additional information or clarification of information already provided. Also during the review period, an advisory panel of experts from outside the FDA may be convened to review and evaluate the data supporting the application and provide recommendations to the FDA as to whether the data provide a reasonable assurance that the device is safe and effective for its intended use. In addition, the FDA generally will conduct a preapproval inspection of the manufacturing facility to ensure compliance with QSR, which imposes comprehensive development, testing, control, documentation and other quality assurance requirements for the design and manufacturing of a medical device.

Based on its review, the FDA may (1) issue an order approving the PMA, (2) issue a letter stating the PMA is "approvable" (e.g., minor additional information is needed), (3) issue a letter stating the PMA is "not approvable," or (4) issue an order denying PMA. A company may not market a device subject to PMA review until the FDA issues an order approving the PMA. As part of a PMA approval, the FDA may impose post-approval conditions intended to ensure the continued safety and effectiveness of the device including, among other things, restrictions on labeling, promotion, sale and distribution, and requiring the collection of additional clinical data. Failure to comply with the conditions of approval can result in materially adverse enforcement action, including withdrawal of the approval.

Most modifications to a PMA approved device, including changes to the design, labeling, or manufacturing process, require prior approval before being implemented. Prior approval is obtained through submission of a PMA supplement. The type of information required to support a PMA supplement and the FDA's time for review of a PMA supplement vary depending on the nature of the modification.

Clinical trials

Clinical trials of medical devices in the United States are governed by the FDA's Investigational Device Exemption ("IDE") regulation. This regulation places significant responsibility on the sponsor of the clinical study including, but not limited to, choosing qualified investigators, monitoring the trial, submitting required reports, maintaining required records, and assuring investigators obtain informed consent, comply with the study protocol, control the disposition of the investigational device, submit required reports, etc.

Clinical trials of significant risk devices (e.g., implants, devices used in supporting or sustaining human life, devices of substantial importance in diagnosing, curing, mitigating or treating disease or otherwise preventing impairment of human health) require FDA and Institutional Review Board ("IRB"), approval prior to starting the trial. FDA approval is obtained through submission of an IDE application. Clinical trials of non-significant risk ("NSR"), devices (i.e. devices that do not meet the regulatory definition of a significant risk device) only require IRB approval before starting. The clinical trial sponsor is responsible for making the initial determination of whether a clinical study is significant risk or NSR; however, a reviewing IRB and/or FDA may review this decision and disagree with the determination.

An IDE application must be supported by appropriate data, such as performance data, animal and laboratory testing results, showing that it is safe to evaluate the device in humans and that the clinical study protocol is scientifically sound. There is no assurance that submission of an IDE will result in the ability to commence clinical trials. Additionally, after a trial begins, the FDA may place it on hold or terminate it if, among other reasons, it concludes that the clinical subjects are exposed to an unacceptable health risk.

As noted above, the FDA may require a company to collect clinical data on a device in the postmarket setting.

The collection of such data may be required as a condition of PMA approval. The FDA also has the authority to order, via a letter, a postmarket surveillance study for certain devices at any time after they have been cleared or approved.

Pervasive and continuing FDA regulation

After a device is placed on the market, regardless of its classification or premarket pathway, numerous additional FDA requirements generally apply. These include, but are not limited to:

- Establishment registration and device listing requirements;
- Quality System Regulation ("QSR"), which governs the methods used in, and the facilities and controls used for, the design, manufacture, packaging, labeling, storage, installation, and servicing of finished devices;
- Labeling requirements, which mandate the inclusion of certain content in device labels and labeling, and generally require the label and package of medical devices to include a unique device identifier ("UDI"), and which also prohibit the promotion of products for uncleared or unapproved, i.e., "off-label," uses;
- Medical Device Reporting ("MDR"), regulation, which requires that manufacturers and importers report to the FDA if their device may have caused or contributed to a death or serious injury or malfunctioned in a way that would likely cause or contribute to a death or serious injury if it were to recur; and
- Reports of Corrections and Removals regulation, which requires that manufacturers and importers report to the FDA recalls (i.e., corrections or removals) if undertaken to reduce a risk to health posed by the device or to remedy a violation of the FDCA that may present a risk to health; manufacturers and importers must keep records of recalls that they determine to be not reportable.

The FDA enforces these requirements by inspection and market surveillance. Failure to comply with applicable regulatory requirements can result in enforcement action by the FDA, which may include, but is not limited to, the following sanctions:

- Untitled letters or warning letters;
- Fines, injunctions and civil penalties;
- Recall or seizure of our products;
- Operating restrictions, partial suspension or total shutdown of production;
- Refusing our request for 510(k) clearance or premarket approval of new products;
- Withdrawing 510(k) clearance or premarket approvals that are already granted; and
- Criminal prosecution.

We are subject to unannounced device inspections by the FDA, as well as other regulatory agencies overseeing the implementation of and compliance with applicable state public health regulations. These inspections may include our suppliers' facilities.

International

International sales of medical devices are subject to foreign government regulations, which vary substantially from country to country. In order to market our products in other countries, we must obtain regulatory approvals and comply with extensive safety and quality regulations in other countries. The time required to obtain approval by a foreign country may be longer or shorter than that required for FDA clearance or approval, and the requirements may differ. The European Union/European Economic Area (the "EU/EEA"), requires a CE conformity mark in order to market medical devices. Many other countries, such as Australia, India, New Zealand, Pakistan and Sri Lanka, accept CE or FDA clearance or approval, although others, such as Brazil, Canada and Japan require separate regulatory filings.

In the EU and the EEA, devices are required to comply with the essential requirements of the EU Medical Devices Directive. Compliance with these requirements would entitle us to affix the CE conformity mark to our medical devices, without which they cannot be commercialized in the EU and EEA. To demonstrate compliance with the essential requirements and obtain the right to affix the CE conformity mark we must undergo a conformity assessment procedure, which varies according to the type of medical device and its classification. Except for low risk medical devices (Class I), where the manufacturer can issue a CE Declaration of Conformity based on a self-assessment of the conformity of its products with the essential requirements of the Medical Devices Directive, a conformity assessment procedure requires the intervention of a Notified Body, which is an organization accredited at the European Commission to conduct conformity assessments. The Notified Body would typically audit and examine the quality system for the manufacture, design and final inspection of our devices before issuing a certification demonstrating compliance with the essential requirements. Based on this certification we can draw up a CE Declaration of Conformity which allows us to affix the CE Mark to our products.

Further, the advertising and promotion of our products in the EU and the EEA is subject to the laws of individual EU and EEA Member States implementing the EU Medical Devices Directive, Directive 2006/114/EC concerning misleading and comparative advertising, and Directive 2005/29/EC on unfair commercial practices, as well as other EU and EEA Member State laws governing the advertising and promotion of medical devices. These laws may limit or restrict the advertising and promotion of our products to the general public and may impose limitations on our promotional activities with healthcare professionals.

Other Regulatory Matters

Manufacturing, sales, promotion and other activities following product approval are also subject to regulation by numerous regulatory authorities in addition to the FDA, including, in the United States, the Centers for Medicare & Medicaid Services ("CMS"), other divisions of the Department of Health and Human Services, the Drug Enforcement Administration, the Consumer Product Safety Commission, the Federal Trade Commission, the Occupational Safety & Health Administration, the Environmental Protection Agency, and state and local governments. Sales, marketing and scientific/educational programs must also comply with federal and state fraud and abuse laws. Pricing and rebate programs must comply with the Medicaid rebate requirements of the U.S. Omnibus Budget Reconciliation Act of 1990. If products are made available to authorized users of the Federal Supply Schedule of the General Services Administration, additional laws and requirements apply. Manufacturing, sales, promotion and other activities are also potentially subject to federal and state consumer protection and unfair completion laws.

The distribution of medical device products is subject to additional requirements and regulations, including extensive record-keeping, licensing, storage and security requirements intended to prevent the unauthorized sale of medical device products.

Third-Party Payer Coverage and Reimbursement

Our Pure-Vu system and the procedure to cleanse the colon in preparation for colonoscopy are not currently reimbursable through private or governmental third-party payors in any country. Significant uncertainty exists as to whether coverage and reimbursement of the Pure-Vu system will develop; but we do intend to seek reimbursement through private or governmental third-party payors in the future. In both the United States and foreign markets, our ability to commercialize the Pure-Vu system successfully, and to attract commercialization partners for the Pure-Vu system, depends in part on the availability of adequate financial coverage and reimbursement from third-party payers, including, in the United States, governmental payers such as the Medicare and Medicaid programs, managed care organizations, and private health insurers. Medicare is a federally funded program managed by the CMS, through local fiscal intermediaries and carriers that administer coverage and reimbursement for certain healthcare items and services furnished to the elderly and disabled. Medicaid is an insurance program for certain categories of patients whose income and assets fall below state defined levels and who are otherwise uninsured that is both federally and state funded and managed by each state. The federal government sets general guidelines for Medicaid and each state creates specific regulations that govern its individual program. Each payer has its own process and standards for determining whether it will cover and reimburse a procedure or particular product. Private payers often rely on the lead of the governmental payers in rendering coverage and reimbursement determinations. Therefore, achieving favorable CMS coverage and reimbursement is usually a significant gating issue for successful introduction of a new product. The competitive position of the Pure-Vu system will depend, in part, upon the extent of coverage and adequate reimbursement for such product and for the procedures in which such product is used. Prices at which we or our customers seek reimbursement for the Pure-Vu system can be subject to challenge, reduction or denial by the government and other payers.

In addition, in some foreign countries, the proposed pricing for a medical device must be approved before it may be lawfully marketed. The requirements governing drug pricing vary widely from country to country. For example, the European Union provides options for its member states to restrict the range of medicinal products for which their national health insurance systems provide reimbursement and to control the prices of medicinal products for human use. A member state may approve a specific price for the medicinal product or it may instead adopt a system of direct or indirect controls on the profitability of the company placing the medicinal product on the market. Historically, products launched in the European Union do not follow price structures of the United States and generally tend to be significantly lower.

Other Healthcare Laws and Compliance Requirements

In the United States, our activities are potentially subject to regulation by various federal, state and local authorities in addition to the FDA, including the CMS, other divisions of the United States Department of Health and Human Services (e.g., the Office of Inspector General), the United States Department of Justice and individual United States Attorney offices within the Department of Justice, and state and local governments. These regulations include:

- the federal healthcare program anti-kickback law which prohibits, among other things, persons from soliciting, receiving or providing remuneration, directly or indirectly, to induce either the referral of an individual, for an item or service or the purchasing or ordering of a good or service, for which payment may be made under federal healthcare programs such as the Medicare and Medicaid programs;

- federal false claims laws which prohibit, among other things, individuals or entities from knowingly presenting, or causing to be presented, claims for payment from Medicare, Medicaid, or other government reimbursement programs that are false or fraudulent. The government may assert that a claim including items or services resulting from a violation of the federal healthcare program anti-kickback law or related to off-label promotion constitutes a false or fraudulent claim for purposes of the federal false claims laws;

- the federal Health Insurance Portability and Accountability Act of 1996 which prohibits executing a scheme to defraud any healthcare benefit program or making false statements relating to healthcare matters and which also imposes certain requirements relating to the privacy, security and transmission of individually identifiable health information;

- the federal transparency requirements under the Health Care Reform Law requires manufacturers of drugs, devices, biologics, and medical supplies to report to the Department of Health and Human Services information related to physician payments and other transfers of value and physician ownership and investment interests;

- the Federal Physician Payments Sunshine Act within the Patient Protection and Affordable Care Act, and its implementing regulations, require that certain manufacturers of drugs, devices, biological and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program (with certain exceptions) to report information related to certain payments or other transfers of value made or distributed to physicians and teaching hospitals, or to entities or individuals at the request of, or designated on behalf of, the physicians and teaching hospitals and to report annually certain ownership and investment interests held by physicians and their immediate family members; and

- state law equivalents of each of the above federal laws, such as anti-kickback and false claims laws, which may apply to items or services reimbursed by any third party payer, including commercial insurers, and state laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and often are not preempted by federal laws, thus complicating compliance efforts.

In addition, we may be subject to data privacy and security regulation by both the federal government and the states in which we conduct our business. The Health Insurance Portability and Accountability Act, or HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act, or HITECH, and its implementing regulations, imposes certain requirements relating to the privacy, security and transmission of individually identifiable health information. Among other things, HITECH makes HIPAA's privacy and security standards directly applicable to "business associates"—independent contractors or agents of covered entities that receive or obtain protected health information in connection with providing a service on behalf of a covered entity. HITECH also created four new tiers of civil monetary penalties, amended HIPAA to make civil and criminal penalties directly applicable to business associates and possibly other persons, and gave state attorneys general new authority to file civil actions for damages or injunctions in federal courts to enforce the federal HIPAA laws and seek attorneys' fees and costs associated with pursuing federal civil actions. In addition, state laws govern the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and may not have the same effect, thus complicating compliance efforts.

Post-Marketing Regulations

Following approval of a new product, a company and the approved product are subject to continuing regulation by the FDA and other federal and state regulatory authorities, including, among other things, monitoring and recordkeeping activities, reporting to applicable regulatory authorities of adverse experiences with the product, providing the regulatory authorities with updated safety and efficacy information, product sampling and distribution requirements, and complying with promotion and advertising requirements, which include, among others, standards for direct-to-consumer advertising, restrictions on promoting for uses or in patient populations not described in the product's approved labeling (known as "off-label use"), limitations on industry-sponsored scientific and educational activities, and requirements for promotional activities involving the internet. Although physicians may prescribe legally available products for off-label uses, manufacturers may not market or promote such off-label uses. Modifications or enhancements to the products or labeling or changes of site of manufacture are often subject to the approval of the FDA and other regulators, which may or may not be received or may result in a lengthy review process.

MANAGEMENT AND BOARD OF DIRECTORS

The following sets forth certain information with respect to our officers and directors.

Name	Age	Position(s)
Mark Pomeranz	56	Chief Executive Officer and Director
Andrew Taylor	46	Chief Financial Officer
David Hochman	42	Chairman of the Board
Darren Sherman	46	Director
Gary Jacobs	60	Director
Samuel Nussbaum	69	Director
Shervin Korangy	42	Director

Management

Mark Pomeranz, Chief Executive Officer, Director

Mr. Pomeranz has been Chief Executive Officer of Opco since 2014 and has served as our CEO since the Share Exchange Transaction. Prior to joining Opco, from 2007 to 2014, Mr. Pomeranz was the founding CEO of Svelte Medical Systems, a start-up company that is currently commercializing a unique drug eluting stent platform in the EU. From 1998 to 2007, Mr. Pomeranz served as Vice President at Cordis, a Johnson & Johnson Company, where his responsibilities included developing new technologies, exploring new market opportunities and leading major restructuring efforts to create cross-functional global commercialization teams. Prior to that, Mr. Pomeranz held a number of senior leadership roles, including positions at Cardiac Pathways Corporations from 1991 to 1998, and Cardiovascular Imaging Systems from 1989 to 1991, both of which were acquired by Boston Scientific Corporation. Mr. Pomeranz currently has 39 issued US patents and 15 pending in the areas of angioplasty catheter design, intravascular ultrasound devices, cooled tip and saline mediated RF ablation, high density cardiac mapping, embolic devices and others. He has authored multiple publications in the areas of electrophysiology, neurovascular treatments and percutaneous vascular interventions. Mr. Pomeranz earned a M.Sc. in biomedical engineering from the University of Miami. Mr. Pomeranz was selected as a director due to his history as a director of Opco and his business and leadership experience in the medical technology sector; his broad scientific background is also seen as an asset to us.

Andrew Taylor, Chief Financial Officer

Mr. Taylor has served as our Chief Financial Officer since August 2017. Prior to joining us, Mr. Taylor served as the CFO and President of Angel Medical Systems from 2007 until 2017. Angel Medical Systems is a medical device company that develops and manufactures continuous intra-cardiac ischemia monitoring and alerting systems. While at Angel Medical Systems, Mr. Taylor supervised the operations of more than fifty (50) employees in the United States and Brazil, while also overseeing the financial planning and analysis activities, capital raise efforts, and implementation of capital and operating budgets. From 2005 to 2007, Mr. Taylor was a Practice Leader for AC Lordi Consulting, where he oversaw staff providing CFO and Controller consulting services. Prior to that, Mr. Taylor was the CFO of Safe3w, Inc. from 2001 to 2005 until its acquisition by iPass, Inc. (NASDAQ: IPAS), where he led all accounting and finance functions as well as the fundraising efforts, and negotiated the sale of the company. From 1999 to 2001, Mr. Taylor served as the Vice President of Finance and Administration of Abridge, Inc., where he developed and managed processes for budgeting, forecasting and cash management. Prior to that, Mr. Taylor was a Senior Finance Associate and Business Analyst at Delta Air Lines (NYSE: DAL), from 1997 to 1999. Mr. Taylor is a CFA Program Level II Candidate and earned a B.A. in Political Science and Economics at McGill University and his MBA in Finance at Northeastern University.

Directors

Mark Pomeranz, Chief Executive Officer and Director

See description under Management.

David P. Hochman, Chairman of the Board

Mr. Hochman has been Chairman of the Board of Opco since 2011 and has served on our board of directors as Chairman since the Share Exchange Transaction. Since June 2006, Mr. Hochman has been Managing Partner of Orchestra Medical Ventures, LLC, an investment firm that employs a strategy to create, build and invest in medical technology companies intended to generate substantial clinical value and investor returns. He is also President of Accelerated Technologies, Inc., a medical device accelerator company managed by Orchestra. He has twenty years of venture capital and investment banking experience. He is Chairman of Caliber Therapeutics and a director of BackBeat Medical, Inc. (where he is also President), and FreeHold Surgical, Inc., all of which are Orchestra portfolio companies. Mr. Hochman currently serves as a board member of Corbus Pharmaceuticals Holdings, Inc. (NASDAQ: CRBP), a clinical stage biopharmaceutical company focused on the development and commercialization of novel therapeutics to treat rare, life-threating inflammatory-fibrotic diseases with clear unmet medical needs. He serves as a director of Adgero Biopharmaceuticals Holdings, Inc. and is the Vice Chairman and a Director of Naked Brand Group Inc. (Nasdaq: NAKD). Prior to joining Orchestra, Mr. Hochman was Chief Executive Officer of Spencer Trask Edison Partners, LLC, an investment partnership focused on early stage healthcare companies. He was also Managing Director of Spencer Trask Ventures, Inc. during which time he led financing transactions for over twenty early-stage companies. Mr. Hochman was a board advisor of Health Dialog Services Corporation, a leader in collaborative healthcare management that was acquired in 2008 by the British United Provident Association for $750 million. From 2005 to 2007, he was a co-founder and board member of PROLOR Biotech, Inc., a biopharmaceutical company developing longer-lasting versions of approved therapeutic proteins, which was purchased by Opko Health (NYSE: OPK) in 2013 for over $600 million. He currently serves on the board of two non-profit organizations: the Citizens Committee for New York City and the Mollie Parnis Livingston Foundation. He has a B.A. degree with honors from the University of Michigan. Mr. Hochman was selected as a director due to his history as a director of Opco, his leadership experience at other public companies, including medical technology companies, his financial experience and his expertise in governance matters.

Darren Sherman, Director

Mr. Sherman has been a director of Opco since 2015 and has served on our board of directors since the Share Exchange Transaction. Since 2009, Mr. Sherman has been a Managing Partner of Orchestra Medical Ventures, LLC, an investment firm that employs a strategy to create, build and invest in medical technology companies intended to generate substantial clinical value and investor returns. He has also served as Chief Technology Officer of Accelerated Technologies, Inc., a medical device accelerator company managed by Orchestra, since 2008. Mr. Sherman has over 20 years of management and entrepreneurial experience in the medical technology industry spanning interventional cardiology, cardiac electrophysiology, sudden cardiac death, stroke, surgery, GI, and neurovascular therapies. He is the CEO and a Director of Caliber Therapeutics, Inc., CEO and a Director of FreeHold Surgical, Inc., and a Director of BackBeat Medical, Inc., all of which are Orchestra portfolio companies. Prior to joining Orchestra, from February 2002 until March 2008, Mr. Sherman held positions in executive management for Cordis Neurovascular (CNV), a Johnson & Johnson company, including Executive Director R&D and Director of Strategic Marketing for stroke products. He had responsibility for all neurovascular R&D and global strategic marketing responsibilities for the stroke franchise, including budgets, a portfolio of products and strategic planning. Mr. Sherman made contributions to the design and commercialization of a series of products including the Enterprise Vascular Reconstruction Device and the Orbit Embolic Coil. From January 1997 until February 2002, Mr. Sherman was involved in the formation and development of Revivant Corp (acquired by Zoll Medical Corporation) while working at Fogarty Engineering. At Revivant, he managed the design, development, and testing of the AutoPulse device from concept through market introduction. From January 1995 until January 1997, Mr. Sherman held positions in research and development for Cardiac Pathways Corp., prior to its acquisition by Boston Scientific, and Baxter Healthcare. Mr. Sherman has authored more than sixty-five U.S. patents and has over eighty additional published applications. He earned a BS degree in Bioengineering from the University of California, San Diego. Mr. Sherman was selected as a director due to his history as a director of Opco and his leadership experience at other companies, including medical technology companies.

Gary Jacobs, Director

Mr. Jacobs has been a director of Opco since 2011 and has served on our board of directors since the Share Exchange Transaction. Mr. Jacobs is the Founder and Managing Director at Jacobs Investment Company, LLC, and served as Chief Executive Officer of DermTech, Inc. (DermTech International). He owns and operates a professional minor league baseball team, the Lake Elsinore Storm, affiliated with the San Diego Padres. Mr. Jacobs served as a software engineer and senior education specialist of QUALCOMM, Inc. and as a software programmer at Linkabit Incorporated. He has multi-million dollar investments in several other venture capital funds. He has been the Chairman of DermTech International since 2006 and serves as the Chairman of GEO2 Technologies Inc., Ora Bio Ltd. and High Tech High, the National High School Reform movement. He serves as Vice Chairman of the Jewish Community Center Association Continental Board. He has been a Director of Fallbrook Technologies, Inc. since March 31, 2004. He serves as a Director of New Generation Technology, Next Generation Technologies, Bio2 Technologies, Inc., Nutrinia Ltd., San Diego Symphony, Lawrence Family JCC and UCSD Board of Overseers. He serves as a Director of NGT3 and ParaSonic Ltd. He serves as a Director of Padres L.P., Viryd Technologies, Inc. and DermTech International. In addition, Mr. Jacobs serves as Chair of the Dean's Advisory Council for Social Sciences at the University of California, San Diego. His other philanthropic work included as the President of the United Jewish Federation of San Diego County. Mr. Jacobs received his B.A. in Management Science from the University of California, San Diego in 1979. Mr. Jacobs was selected as a director due to his history as a director of Opco, his extensive experience serving on the board of directors of other companies, including medical technology companies, and his financial experience.

Samuel R. Nussbaum, M.D., Director

Dr. Nussbaum has served on our board of directors since the Share Exchange Transaction. During 2016 Dr. Nussbaum began serving as a Strategic Consultant for EBG Advisors, the consulting arm for Epstein Becker and Green, where he advises life science companies, health care systems and provider organizations. Dr. Nussbaum also serves as a Senior Advisor to Sandbox Industries Ventures, a venture capital firm, and Ontario Teachers Pension Fund. He is a member of the Scientific Advisory Board of Medidata (NASDAQ: MDSO), a publicly traded clinical technology company serving life sciences clients, and the Healthcare Advisory Board of KPMG. From 2000 until 2016, Dr. Nussbaum served as Executive Vice President, Clinical Health Policy, and Chief Medical Officer of Anthem, Inc. (NYSE: ANTM), where he was responsible for annual health care expenditures through business units focused on care management, health improvement, and provider network contracting. Prior to joining Anthem, Dr. Nussbaum served as executive vice president, Medical Affairs and System Integration of BJC Health Care, where he led integrated clinical services and community health, served as President of its medical group and chairman of its commercial (HealthPartners of the Midwest) and Medicaid (CarePartners) health plans. He currently serves on the Board of Directors of New England Healthcare Institute (NEHI), BioCrossroads (an Indiana-based public-private collaboration that advances and invests in the life sciences), and America's Agenda. Dr. Nussbaum has also served on the Board of Directors of CareNex Health Services, National Quality Forum, America's Health Insurance Plans (AHIP), Regenstrief Institute, National Committee for Quality Health Care, the OASIS Institute, VHA Foundation Board, Barnes-Jewish West County Hospital Board, Barnes-Jewish St. Peters Hospital Board, United Way of Greater St. Louis, and the Battelle Advisory Board. Dr. Nussbaum earned his BA from New York University and his MD from Mount Sinai School of Medicine. He trained in internal medicine at Stanford University and Massachusetts General Hospital and in endocrinology at Harvard Medical School and Massachusetts General Hospital. Dr. Nussbaum was selected as a director because of his medical and business experience in the healthcare and life sciences industries.

Shervin J. Korangy, Director

Mr. Korangy has served on our board of directors since March 2017. Mr. Korangy also serves as the Chief Financial Officer and Chief Strategy Officer of Beaver-Visitec International, a leading global developer, manufacturer and marketer of specialized surgical devices for the ophthalmic marketplace. From 2012 to 2017, Mr. Korangy served as a General Manager for the Alcon division of Novartis Group AG (NYSE: NVS), a global healthcare company, where he works with medical device, pharmaceutical and consumer health product segments. While part of Novartis Group AG, from 2010 to 2012, Mr. Korangy was the Global Head of Corporate Finance, where he was responsible for M&A strategy and supervised the acquisition of Alcon. Mr. Korangy is a current member of the Board of Directors of Pelican Rouge, a coffee branding and vending business and Sight Sciences LLC, a medical start-up business. From 1996 to 2010, Mr. Korangy worked in the Private Equity and Restructuring Advisory divisions of the Blackstone Group (NYSE: BX), where he served as a Managing Director. Mr. Korangy is a former member of the Board of Directors of Ultra Music, an electronic and dance music record label, Graham Packaging, a manufacturer and distributer of custom plastic containers for consumer product companies, Pinnacle Foods (NYSE: PF), a consumer packaged foods manufacturer and distributer and Bayview Financial, an asset manager and loan servicer. Mr. Korangy received his B.S. degree in economics at the Wharton School of the University of Pennsylvania, where he graduated magna cum laude. Mr. Korangy was selected as a director due to his management experience with medical device, pharmaceutical and consumer health products, and his financial and accounting experience.

Committees of the Board of Directors

Our board of directors has established an Audit Committee, a Compensation Committee, and a Nominating and Corporate Governance Committee. Our board of directors may establish other committees to facilitate the management of our business. The composition and functions of each committee are described below. Members serve on these committees until their resignation or until otherwise determined by our board of directors. Each of these committees operate under a charter that has been approved by our board of directors, which will be available on our website.

Audit Committee. Our Audit Committee consists of Mr. Korangy , Mr. Jacobs and Mr. Sherman, with Mr. Korangy serving as the Chairman of the Audit Committee. Our board of directors has determined that the three directors currently serving on our Audit Committee are independent within the meaning of the NASDAQ Marketplace Rules and Rule 10A-3 under the Exchange Act. In addition, our board of directors has determined that Mr. Korangy qualifies as an audit committee financial expert within the meaning of SEC regulations and The NASDAQ Marketplace Rules.

The Audit Committee oversees and monitors our financial reporting process and internal control system, reviews and evaluates the audit performed by our registered independent public accountants and reports to the board of directors any substantive issues found during the audit. The Audit Committee is directly responsible for the appointment, compensation and oversight of the work of our registered independent public accountants. The Audit Committee reviews and approves all transactions with affiliated parties.

Compensation Committee. Our Compensation Committee consists of Mr. Hochman, Mr. Jacobs and Mr. Nussbaum, with Mr. Hochman serving as the Chairman of the Compensation Committee. Our board of directors has determined that the three directors currently servicing on our Compensation Committee are independent under the listing standards, are “non-employee directors” as defined in rule 16b-3 promulgated under the Exchange Act and are “outside directors” as that term is defined in Section 162(m) of the Internal Revenue Code of 1986, as amended.

The Compensation Committee provides advice and makes recommendations to the board of directors in the areas of employee salaries, benefit programs and director compensation. The Compensation Committee also reviews and approves corporate goals and objectives relevant to the compensation of our President, Chief Executive Officer, and other officers and makes recommendations in that regard to the board of directors as a whole.

Nominating and Corporate Governance Committee. Our Nominating and Corporate Governance Committee consists of Mr. Sherman, Mr. Jacobs and Mr. Nussbaum, with Mr. Sherman serving as the Chairman of the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee nominates individuals to be elected to the board of directors by our stockholders. The Nominating and Corporate Governance Committee considers recommendations from stockholders if submitted in a timely manner in accordance with the procedures set forth in our bylaws and will apply the same criteria to all persons being considered. All members of the Nominating and Corporate Governance Committee are independent directors as defined under the NASDAQ listing standards.

Director Independence

Our board of directors undertook a review of its composition, the composition of its committees and the independence of each director. Based upon information requested from and provided by each director concerning his or her background, employment and affiliations, including family relationships, our board of directors has determined that Mr. Hochman, Mr. Sherman, Mr. Jacobs, Dr. Nussbaum, and Mr. Korangy do not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is "independent" as that term is defined under the Rules of the NASDAQ Stock Market and the SEC.

Medical Advisory Board

We believe in seeking and attracting scientific and clinical leaders to provide counsel and support our growth. Our medical advisory board includes the following individuals, selected for their expertise in fields relating to gastroenterology and endoscopy, and we expect to add additional members in the future. Members of the medical advisory board meet with members of management and the board of directors to advise on scientific, product development and marketing matters. Each member of the medical advisory board is compensated on an hourly basis for services performed at our request, and is expected to attend at least one advisor board meeting per year, and to be available for at least two hours a month to provide feedback on clinical trial designs and new product designs.

Steven A. Edmundowicz, MD, FASGE

Dr. Steven Edmundowicz is the Medical Director of the Digestive Health Center at the University of Colorado Hospital and Professor of Medicine at the University of Colorado School of Medicine in Aurora, Colorado. He received his medical degree from Jefferson Medical College in Philadelphia, Pennsylvania, and completed residency training in internal medicine at Washington University School of Medicine, where he also completed a fellowship in gastroenterology. Dr. Edmundowicz is active in clinical practice, clinical investigation, teaching, and administration. He is a consultant and advisory board member for a number of medical device companies and has participated in a number of clinical trials in endoscopy, ERCP, and endoscopic ultrasound. Most recently, he has been involved with innovative endoscopic devices for use in the management of gastroesophageal reflux disease and morbid obesity. His clinical research involves the study and application of new technologies in endoscopy. In addition to his other responsibilities, Dr. Edmundowicz is the associate editor for ASGE News, and he was past senior associate editor of the journal Gastrointestinal Endoscopy. He maintains membership in the American Gastroenterological Association and American College of Gastroenterology and is a member of the ASGE Executive Committee and is the current ASGE treasurer.

Professor Ian M. Gralnek, MD, MSHS, FASGE

Professor Gralnek is Associate Professor of Medicine at the Rappaport Faculty of Medicine, Technion-Israel Institute of Technology and Chief, Institute of Gastroenterology and Hepatology at Ha'Emek Medical Center, Afula, Israel. He served his internship and residency in internal medicine at Hennepin County Medical Center in Minneapolis where he also served as Chief Resident. Professor Gralnek completed his fellowship in gastroenterology at UCLA Center for the Health Sciences. After receiving his Masters degree in Health Services from the UCLA School of Public Health, he completed a fellowship in health services research through UCLA, RAND & the West Los Angeles VA Medical Center. He has published more than 200 original papers, reviews, case reports, editorials, book chapters, and scientific abstracts. Professor Gralnek served as a counselor on the governing board of the American Society for Gastrointestinal Endoscopy (ASGE), Chairman of the International Committee for the ASGE, and as the Chairman of the ASGE Research Committee. He is a member of the European Society for Gastrointestinal Endoscopy (ESGE) Research and Education Committees and currently serves on the governing board of the ESGE. Professor Gralnek serves on the editorial boards of the American Journal of Gastroenterology, Gastroenterology and Hepatology Research, Archives of Gastroenterohepatology, and Current Treatment Options in Gastroenterology. He is also a Fellow of the American Society for Gastrointestinal Endoscopy.

Brian Jacobson, MD, MPH, AGAF, FASGE

Dr. Jacobson is the Medical Director of the Boston Accountable Care Organization (BACO), an ACO representing Boston Medical Center and several community health centers. He is an Associate Professor of Medicine at the Boston University School of Medicine and a practicing gastroenterologist at Boston Medical Center. Dr. Jacobson received his undergraduate degree from Amherst College, his medical degree from Albert Einstein College of Medicine, and his Masters Degree in Public Health from Harvard University School of Public Health. He completed both his residency in internal medicine and his fellowship in gastroenterology at Brigham and Women's Hospital. He later served as Chief Medical Resident at Brigham and Women's followed by a fellowship in advanced interventional endoscopy at the Brigham and Women's and Massachusetts General Hospitals. Dr. Jacobson performs advanced endoscopic procedures and has published more than 100 scientific articles, including original research appearing in the New England Journal of Medicine, Gastroenterology and Gut. He participates in the training of fellows, residents, and medical students at Boston Medical Center and Boston University School of Medicine and is a Councilor on the Governing Board of the American Society for Gastrointestinal Endoscopy.

David Lieberman, MD, FACG

Dr. David Lieberman is Professor of Medicine and Chief of the Division of Gastroenterology and Hepatology at Oregon Health and Science University (OHSU) in Portland, Oregon and the Portland VA Medical Center. Dr. Lieberman is internationally recognized as an expert on colon cancer screening, with major research publications in New England Journal of Medicine, JAMA, Annals of Internal Medicine and Gastroenterology. Dr. Lieberman was the Chairman of the Multi-Society Task Force on Colorectal Cancer (2006-2012), and authored colon cancer screening guidelines in 2008 and polyp surveillance guideline in 2012 as well as colonoscopy quality indicators in 2007. He is the Director of the Clinical Outcomes Research Initiative (CORI), supported by NIH since 1999, which studies quality of endoscopy. Dr. Lieberman was Associate Editor of Gastroenterology (2011-2013) and was a member of the AGA Board (2012-2015) and currently serves as Vice President of AGA (2016-2017).

Ori Segol, MD

Dr. Ori Segol is a graduate of the Technion Institute of Haifa, Israel. He currently serves as Director of the Institute for the Digestive Tract, Carmel Medical Center, Haifa. Dr. Segol is highly experienced in performing advanced endoscopic procedures, including the removal of complex lesions in the digestive tract.

Professor Peter D. Siersema, MD, PhD, FASGE

Peter D. Siersema, MD, PhD is Professor of Endoscopic Gastrointestinal Oncology at the Radboud University Medical Center, Nijmegen, The Netherlands. His clinical interests include pre-malignant and malignant diseases of the gastrointestinal tract, especially esophageal cancer, hepato-biliary-pancreatic cancer and colorectal cancer. He is specialized in diagnostic and therapeutic endoscopy, i.e. endoscopic imaging, EMR/ESD, stent placement and ERCP. Dr. Siersema is President of the Dutch Society of Gastroenterology, Chair of the Committee for Revising the Dutch Gastroenterology Fellowship curriculum and Member of the Advisory Board of the Development and Innovation Committee of the Dutch Cancer Society. On an international level he is President of the European Society for Diseases of Esophagus (ESDE) and member of the Governing Board of the European Society for Gastrointestinal Endoscopy (ESGE). Dr. Siersema is Editor-in-Chief of the journal Endoscopy. He has authored more than 550 peer-reviewed papers and chapters in books, and has edited more than 20 books.

Gerald Bertiger, M.D.

Gerald Bertiger, MD, is the Managing Partner and President of Hillmont, GI, P.C. and Section Chief of Gastroenterology and Director of the Endoscopy Unit at Chestnut Hill Hospital. Dr. Bertiger is a clinical gastroenterologist who has been practicing in the northwest Philadelphia area for over 30 years. He completed his fellowship in gastroenterology at the Hospital of the University of Pennsylvania, and developed the first certified ambulatory endoscopy center in the state of Pennsylvania. Dr. Bertiger has developed his practice as a vertically integrated gastroenterology practice with lines of business in GI clinical practice, pathology, histology, anesthesia, ambulatory surgery and clinical research. He has consulted on medical affairs with companies in the pharmaceutical industry and served as a principal investigator for FDA monitored trials. His publications are in the areas of bowel preparations and basic motility research.

Compensation Committee Interlocks and Insider Participation

None of our executive officers serves, or in the past has served, as a member of the board of directors or compensation committee, or other committee serving an equivalent function, of any entity that has one or more executive officers who serve as members of our board of directors or our compensation committee. None of the members of our compensation committee is, or has ever been, an officer or employee of our company.

Code of Business Conduct and Ethics

We have adopted a written code of business conduct and ethics that applies to our employees, officers and directors. A current copy of the code will be posted on the Corporate Governance section of our website, which will be located at www.motusgi.com. We intend to disclose future amendments to certain provisions of our code of business conduct and ethics, or waivers of such provisions applicable to any principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, and our directors, on our website identified above or in filings with the SEC.

Limitation of Directors Liability and Indemnification

The Delaware General Corporation Law authorizes corporations to limit or eliminate, subject to certain conditions, the personal liability of directors to corporations and their stockholders for monetary damages for breach of their fiduciary duties. Our certificate of incorporation limits the liability of our directors to the fullest extent permitted by Delaware law. In addition, we have entered into indemnification agreements with certain of our directors and officers whereby we have agreed to indemnify those directors and officers to the fullest extent permitted by law, including indemnification against expenses and liabilities incurred in legal proceedings to which the director or officer was, or is threatened to be made, a party by reason of the fact that such director or officer is or was a director, officer, employee or agent of the Company, provided that such director or officer acted in good faith and in a manner that the director or officer reasonably believed to be in, or not opposed to, the best interests of the Company.

We have director and officer liability insurance to cover liabilities our directors and officers may incur in connection with their services to us, including matters arising under the Securities Act. Our certificate of incorporation and bylaws also provide that we will indemnify our directors and officers who, by reason of the fact that he or she is or was one of our officers or directors of our Company, is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative related to their board role with the Company.

There is no pending litigation or proceeding involving any of our directors, officers, employees or agents in which indemnification will be required or permitted. We are not aware of any threatened litigation or proceeding that may result in a claim for such indemnification.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table presents information regarding the total compensation awarded to, earned by, or paid to our chief executive officer as of December 31, 2016 for services rendered in all capacities to us for the year ended December 31, 2016. This individual is our named executive officer for 2016.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Option Awards ($)	All other compensation ($)	Total ($)
Mark Pomeranz	2016	350,000	70,000	-	36,211	456,211

Employment Agreements

In connection with the Share Exchange Transaction, we entered into an employment agreement with Mr. Pomeranz, which became effective on December 22, 2016 for a period of three years, which contains non-disclosure and invention assignment provisions. Under the terms of Mr. Pomeranz's employment agreement, he holds the position of Chief Executive Officer, and is a member of the board of directors, and receives a base salary of $350,000 annually, subject to adjustments in the discretion of the board of directors; and he received a signing bonus of $70,000 upon the closing of the Share Exchange Transaction. In addition, Mr. Pomeranz is also eligible to receive an annual bonus, which is targeted at up to 25% of his base salary but which may be adjusted by our board of directors based on his individual performance and our performance as a whole. In connection with the final closing of the 2017 Private Placement, Mr. Pomeranz received a grant of options to purchase up to 511,113 shares of our common stock pursuant to our Equity Incentive Plan, of which fifty-three percent (53%) were fully vested when issued, forty percent (40%) will vest in a series of twelve (12) successive equal quarterly installments upon the completion of each successive calendar quarter of active service over the three (3) year period measured from the date of grant, as was determined by the Compensation Committee of the board of directors, and seven percent (7%) will not become fully vested until three years from the date of his employment agreement. In addition, pursuant to the terms of his employment agreement, Mr. Pomeranz is eligible to receive, from time to time, equity awards under our existing equity incentive plan, or any other equity incentive plan we may adopt in the future, and the terms and conditions of such awards, if any, will be determined by our Board of Directors or Compensation Committee, in their discretion. Mr. Pomeranz is also eligible to participate in any executive benefit plan or program we adopt.

On August 16, 2017, we entered into an employment agreement with Mr. Taylor, which became effective on August 16, 2017 (the "Commencement Date") for a period of two years, which contains non-disclosure and invention assignment provisions. Under the terms of Mr. Taylor's employment agreement, he holds the position of Chief Financial Officer and receives a base salary of $295,000 annually, subject to adjustments in the discretion of the board of directors; and he will be eligible to receive a signing bonus of $15,000 upon the date that is six (6) months following the Commencement Date. Mr. Taylor is also eligible to receive a relocation bonus of up to $35,000 if Mr. Taylor elects to relocate to Florida. In addition, Mr. Taylor is also eligible to receive a first year bonus payable following the one year anniversary of the Commencement Date, which is targeted at $30,000, and a second year bonus payable following the two year anniversary of the Commencement Date, which is targeted at $35,000, both of which may be adjusted by our board of directors based on his individual performance and our performance as a whole. In connection with his employment agreement, Mr. Taylor will receive a grant of options to purchase up to 240,000 shares of our common stock pursuant to our Equity Incentive Plan, which will vest in a series of twelve (12) successive equal quarterly installments upon the completion of each successive calendar quarter of active service over the three (3) year period measured from the date of grant, as determined by the Compensation Committee of the board of directors. In addition, pursuant to the terms of his employment agreement, Mr. Taylor is eligible to receive, from time to time, equity awards under our existing equity incentive plan, or any other equity incentive plan we may adopt in the future, and the terms and conditions of such awards, if any, will be determined by our Board of Directors or Compensation Committee, in their discretion. Mr. Taylor is also eligible to participate in any executive benefit plan or program we adopt.

The employment agreements with Israeli employees of Opco contain standard provisions for a company in our industry regarding non-competition, confidentiality of information and assignment of inventions. The enforceability of covenants not to compete in Israel is subject to limitations. For example, Israeli courts have recently required employers seeking to enforce non-compete undertakings of a former employee to demonstrate that the competitive activities of the former employee will harm one of a limited number of material interests of the employer which have been recognized by the courts, such as the secrecy of a company's confidential commercial information or its intellectual property.

Outstanding Equity Awards at Fiscal Year-End

The following table summarizes, for each of the named executive officers, the number of shares of our common stock underlying outstanding stock options held as of December 31, 2016.

Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Equity Incentive Plan Awards: Number of Securities Underlying Un-exercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date
Mark Pomeranz	32,060(1)	35,178(1)	2.38	March 26, 2024

(1) Represents options to purchase shares of our common stock granted on March 26, 2014, under the Motus G.I. Medical Technologies LTD Employee Share Option Plan that were outstanding as of the Share Exchange Transaction, which were assumed by the 2016 Equity Incentive Plan (the "2016 Plan") and continue in effect in accordance with their terms, on an adjusted basis to reflect the Share Exchange Transaction (see "Description of the 2016 Equity Incentive Plan - Administration" below). 48% of the option was vested as of December 31, 2016, with the remaining 52% of the option vesting upon the accomplishment of certain milestones.

Director Compensation

No compensation was paid to non-employee directors during 2016.

Non-Employee Director Compensation and Advisory Board Compensation

Our board of directors approved a director compensation policy for our directors, effective beginning July 1, 2017. This policy provides for the following cash compensation:

- each director is entitled to receive a quarterly fee from us of $6,500;
- the chairman of the Board will receive a quarterly fee from us of $9,000;
- the chair of the Audit Committee will receive a quarterly fee from us of $2,500; and
- each chair of any other board of director committee will receive a quarterly fee from us of $1,500.

All fees under the director compensation policy will be paid on a quarterly basis in arrears and no per meeting fees will be paid. We will also reimburse non-employee directors for reasonable expenses incurred in connection with attending board of director and committee meetings.

Board Leadership Structure and Role in Risk Oversight

Risk is inherent with every business, and how well a business manages risk can ultimately determine its success. While the board of directors oversees risk management, our management is responsible for our day-to-day risk management process. Our board of directors has an active role, directly and through its committee structure, in the oversight of our risk management efforts.

Our board of directors satisfies this responsibility through full reports by each committee chair regarding the committee's considerations and actions, as well as through regular reports directly from officers responsible for oversight of particular risks within our company. Our Audit Committee assists the board in performing its oversight responsibilities relating to our processes and policies with respect to identifying, monitoring, assessing, reporting on, managing and controlling our business and financial risk. The Audit Committee oversees, reviews, monitors and assesses (including through regular reports by, and discussions with, management), our processes and policies for risk identification, risk assessment, reporting on risk, risk management and risk control (including with respect to risks arising from our compensation policies and practices and in connection with the business and operations of its subsidiaries), and the steps that management has taken to identify, assess, monitor, report on, manage and control risks. The Audit Committee also discusses with management the balancing of risk versus reward for us and areas of specific risk identified by management and/or the Audit Committee.

Our board of directors believes that full and open communication between management and the board of directors is essential for effective risk management and oversight.

2016 Equity Incentive Plan

General

On December 14, 2016, our board of directors adopted the 2016 Plan having substantially the terms described herein.

The general purpose of the 2016 Plan is to provide a means whereby eligible employees, officers, non-employee directors and other individual service providers develop a sense of proprietorship and personal involvement in our development and financial success, and to encourage them to devote their best efforts to our business, thereby advancing our interests and the interests of our stockholders. By means of the 2016 Plan, we seek to retain the services of such eligible persons and to provide incentives for such persons to exert maximum efforts for our success and the success of our subsidiaries.

Description of the 2016 Equity Incentive Plan

The following is a summary description of the principal terms of the 2016 Plan and is qualified in its entirety by the full text of the 2016 Plan.

***Administration*.** The 2016 Plan is administered by the Compensation Committee of our board of directors. The Compensation Committee is authorized to grant options to purchase shares of our common stock, stock appreciation rights, restricted stock, stock units, performance shares, performance units, incentive bonus awards, other cash-based awards and other stock-based awards. Stock options granted under the Motus G.I. Medical Technologies LTD Employee Share Option Plan that were outstanding as of the Share Exchange Transaction were assumed by the 2016 Plan and continue in effect in accordance with their terms, subject to appropriate adjustments to reflect the Share Exchange Transaction (the "Assumed Options"). The Compensation Committee also has authority to determine the terms and conditions of each award, prescribe, amend and rescind rules and regulations relating to the 2016 Plan, and amend the terms of awards in any manner not inconsistent with the 2016 Plan (provided that no amendment may adversely affect the rights of a participant without his or her consent), including authority to reduce or reprice the exercise price of outstanding options or stock appreciation rights. The Compensation Committee is permitted to delegate to officers and employees authority to grant options and other awards to employees (other than themselves), subject to applicable law and restrictions in the 2016 Plan. No award will be granted under the 2016 Plan on or after the ten year anniversary of the adoption of the 2016 Plan by our board of directors, but awards granted prior to the ten year anniversary may extend beyond that date.

***Eligibility*.** Persons who are eligible to receive awards under the 2016 Plan include any person who is an employee, officer, director, consultant, advisor or other individual service provider of the Company or any subsidiary, or any person who is determined by the Compensation Committee to be a prospective employee, officer, director, consultant, advisor or other individual service provider of the Company or any subsidiary.

Shares Subject to the 2016 Plan. The aggregate number of shares of our common stock that are available for issuance in connection with options and awards granted under the 2016 Plan and Assumed Options is 2,011,656. Incentive stock options may, but need not be, granted with respect to all of the shares available for issuance under the 2016 Plan. If any award granted under the 2016 Plan payable in shares of our common stock is forfeited, cancelled, returned for failure to satisfy vesting requirements, is otherwise forfeited, otherwise terminates without payment being made, or if shares of our common stock are surrendered in full or partial payment of the exercise price or withheld to cover withholding taxes on options or other awards, the number of shares of our common stock as to which such option or award was forfeited, or which were surrendered or withheld, will be available for future grants under the 2016 Plan.

In addition, the 2016 Plan contains an "evergreen" provision allowing for an annual increase, on January 1 of each year during the term of the 2016 Plan, in the number of shares of our common stock available for issuance under the 2016 Plan. The annual increase in the number of shares shall be equal to six percent (6%) of the total number of shares of our common stock outstanding on December 31st of the preceding calendar year; provided, however, that our board of directors may act prior to the first day of any calendar year to provide that there shall be no increase such calendar year, or that the increase shall be a lesser number of shares of our common stock than would otherwise occur.

Terms and Conditions of Options. Options granted under the 2016 Plan may be either "incentive stock options" that are intended to meet the requirements of Section 422 of the Code or "nonqualified stock options" that do not meet the requirements of Section 422 of the Code. The Compensation Committee will determine the exercise price of options granted under the 2016 Plan. The exercise price of stock options may not be less than the fair market value per share of our common stock on the date of grant (or 110% of fair market value in the case of incentive stock options granted to a ten-percent stockholder).

If on the date of grant our common stock is listed on a stock exchange or national market system, the fair market value will generally be the closing sale price on the date of grant. If our common stock is not traded on a stock exchange or national market system on the date of grant, the fair market value will generally be the average of the closing bid and asked prices for our common stock on the date of grant. If no such prices are available, the fair market value shall be determined in good faith by the Compensation Committee based on the reasonable application of a reasonable valuation method. Notwithstanding the foregoing, if the date for which fair market value is determined is the date on which the final prospectus relating to an initial public offering of the Company is filed, the fair market value for such date will be the "Price to the Public" (or equivalent) set forth on the cover page for the final prospectus.

No option will be exercisable for more than ten years from the date of grant (five years in the case of an incentive stock option granted to a ten-percent stockholder). Options granted under the 2016 Plan will be exercisable at such time or times as the Compensation Committee prescribes at the time of grant. No employee may receive incentive stock options that first become exercisable in any calendar year in an amount exceeding $100,000. The Compensation Committee has authority, in its discretion, to permit a holder of a nonqualified stock option to exercise the option before it has otherwise become exercisable, in which case the shares of our common stock issued to the recipient will be restricted stock subject to vesting requirements analogous to those that applied to the option before exercise.

Generally, the exercise price of an option is payable (a) in cash or by certified bank check, (b) through delivery of shares of our common stock having a fair market value equal to the purchase price, or (c) such other method as approved by the Compensation Committee and set forth in an award agreement. The Compensation Committee is also authorized to establish a cashless exercise program and to permit the exercise price to be satisfied by reducing from the shares otherwise issuable upon exercise a number of shares having a fair market value equal to the exercise price.

No option will be transferrable other than by will or by the laws of descent and distribution, and during a recipient's lifetime an option will be exercisable only by the recipient. However, the Compensation Committee is authorized to permit the holder of nonqualified stock options, share-settled stock appreciation rights, restricted stock, performance shares or other share-settled stock based awards to transfer the option, right or other award to immediate family members, to a trust for estate planning purposes, or by gift to charitable institutions. The Compensation Committee has the authority to determine the extent to which a holder of a stock option may exercise the option following termination of service with us.

Stock Appreciation Rights. The Compensation Committee is authorized to grant stock appreciation rights ("SARs") independent of or in connection with an option. The Compensation Committee is also authorized to determine the other terms applicable to SARs. The base price of a SAR will be determined by the Compensation Committee, but will not be less than 100% of the fair market value of a share of our common stock on the date of grant. The maximum term of any SAR granted under the 2016 Plan will be ten years from the date of grant. Generally, each SAR will entitle a participant upon exercise to an amount equal to:

- the excess of the fair market value on the exercise date of one share of our common stock over the base price, *multiplied by*
- the number of shares of our common stock as to which the SAR is exercised.

Payment may be made in shares of our common stock, in cash, or partly in shares of our common stock and partly in cash, all as determined by the Compensation Committee.

Restricted Stock and Stock Units. The Compensation Committee is authorized to award restricted common stock and/or stock units under the 2016 Plan. Restricted stock awards consist of shares of stock that are transferred to a participant subject to restrictions that may result in forfeiture if specified conditions are not satisfied. Stock units confer the right to receive shares of our common stock, cash, or a combination of shares and cash, at a future date upon or following the attainment of such conditions as may be specified by the Compensation Committee. The Compensation Committee is authorized to determine the restrictions and conditions applicable to each award of restricted stock or stock units, which may include performance-based conditions. The 2016 Plan provides that dividends with respect to restricted stock may be paid to the holder of the shares as and when dividends are paid to stockholders or at the time that the restricted stock vests, as determined by the Compensation Committee. Dividend equivalent amounts under the 2016 Plan may also be paid with respect to stock units, and are subject to the same restrictions on transferability as the stock units with respect to which they were paid. Unless the Compensation Committee determines otherwise, holders of restricted stock have the right to vote the shares.

Performance Shares and Performance Units. The Compensation Committee is authorized to award performance shares and/or performance units under the 2016 Plan. Performance shares and performance units are awards, denominated in either shares or U.S. dollars, which are earned during a specified performance period subject to the attainment of performance criteria, as established by the Compensation Committee. The Compensation Committee has the authority to determine the restrictions and conditions applicable to each award of performance shares and performance units.

Incentive Bonus Awards. The Compensation Committee is authorized to award incentive bonus awards payable in cash or shares of our common stock, as set forth in an award agreement. The Compensation Committee has the authority to determine the terms and conditions applicable to each incentive bonus award.

Other Stock-Based and Cash-Based Awards. The Compensation Committee is authorized to award other types of equity-based or cash-based awards under the 2016 Plan, including the grant or offer for sale of shares of our common stock that do not have vesting requirements and the right to receive one or more cash payments subject to satisfaction of such conditions as the Compensation Committee may impose.

Section 162(m) Compliance. If stock or cash-based awards are intended to satisfy the conditions for deductibility under Section 162(m) of the Code as "performance-based compensation," the performance criteria will be selected from among the following performance criteria, which may be applied to our Company as a whole, or to any subsidiary or any division or operating unit thereof: (a) pre-tax income; (b) after-tax income; (c) net income; (d) operating income or profit; (e) cash flow, free cash flow, cash flow return on investment (discounted or otherwise), net cash provided by operations, or cash flow in excess of cost of capital; (f) earnings per share (basic or diluted); (g) return on equity; (h) returns on sales or revenues; (i) return on invested capital or assets (gross or net); (j) cash, funds or earnings available for distribution; (k) appreciation in the fair market value of our common stock; (l) operating expenses; (m) implementation or completion of critical projects or processes; (n) return on investment; (o) total return to stockholders (meaning the aggregate common stock price appreciation and dividends paid (assuming full reinvestment of dividends) during the applicable period); (p) net earnings growth; (q) return measures (including but not limited to return on assets, capital, equity, or sales); (r) increase in revenues; (s) the Company's published ranking against its peer group of companies based on total stockholder return; (t) net earnings; (u) changes (or the absence of changes) in the per share price of the Company's common stock; (v) preclinical, clinical or regulatory milestones; (w) earnings before or after any one or more of the following items: interest, taxes, depreciation or amortization, as reflected in the Company's financial reports for the applicable period; (x) total revenue growth (meaning the increase in total revenues after the date of grant of an award and during the applicable period, as reflected in the Company's financial reports for the applicable period); (y) economic value created; (z) operating margin or profit margin; (aa) share price or total shareholder return; (bb) cost targets, reductions and savings, productivity and efficiencies; (cc) strategic business criteria, consisting of one or more objectives based on meeting objectively determinable criteria: specified market penetration, geographic business expansion, investor satisfaction, employee satisfaction, human resources management, supervision of litigation, information technology, and goals relating to acquisitions, divestitures, joint ventures and similar transactions, and budget comparisons; (dd) objectively determinable personal or professional objectives, including any of the following performance goals: the implementation of policies and plans, the negotiation of transactions, the development of long term business goals, formation of joint ventures, research or development collaborations, and the completion of other corporate transactions; and (ee) any combination of, or a specified increase or improvement in, any of the foregoing.

At the end of the performance period established in connection with any award, the Compensation Committee will determine the extent to which the performance goal or goals established for such award have been attained, and will determine, on that basis, the shares or, if applicable, the cash or other property that has been earned and as to which payment will be made. The Compensation Committee will certify in writing the extent to which it has determined that the performance goal or goals established by it for such award have been attained.

The maximum number of shares of our common stock with respect to which any one participant may be granted stock options or stock appreciation rights during any calendar year is 1,500,000 shares. With respect to awards intended to be exempt from the deductibility limitation in Section 162(m) of the Code (other than stock options and stock appreciation rights), (i) the maximum number of shares of our common stock that may be paid to any one individual in respect of any calendar year if the applicable performance goals are attained is 1,500,000 shares, and (ii) the maximum cash amount that may be paid to any one participant in respect of any calendar year if the applicable performance goals are attained is $1,000,000. Each such maximum number of shares is subject to adjustment in the event of a recapitalization, stock split, merger, reorganization or similar corporate change affecting our common stock. If the performance period for certain performance goals spans more than one calendar year, the shares or cash paid in respect of each calendar year is determined by pro rating the shares or cash paid for the performance period based on the number of performance period days that fall in each respective calendar year.

***Effect of Certain Corporate Transactions*.** The Compensation Committee has the authority to provide, at the time of the grant of an award, for the effect of a change in control (as defined in the 2016 Plan) on any award, including (i) accelerating or extending the time periods for exercising, vesting in, or realizing gain from any award, (ii) eliminating or modifying the performance or other conditions of an award, (iii) providing for the cash settlement of an award for an equivalent cash value, as determined by the Compensation Committee, or (iv) such other modification or adjustment to an award as the Compensation Committee deems appropriate to maintain and protect the rights and interests of participants following a change in control. The Compensation Committee has the authority, in its discretion and without the need for the consent of any recipient of an award, to also take one or more of the following actions contingent upon the occurrence of a change in control: (a) cause any or all outstanding options and stock appreciation rights to become immediately exercisable, in whole or in part; (b) cause any other awards to become non-forfeitable, in whole or in part; (c) cancel any option or stock appreciation right in exchange for a substitute option; (d) cancel any award of restricted stock, stock units, performance shares or performance units in exchange for a similar award of the capital stock of any successor corporation; (e) redeem any restricted stock for cash and/or other substitute consideration with a value equal to the fair market value of an unrestricted share of our common stock on the date of the change in control; (f) cancel any option or stock appreciation right in exchange for cash and/or other substitute consideration based on the value of our common stock on the date of the change in control, and cancel any option or stock appreciation right without any payment if its exercise price exceeds the value of our common stock on the date of the change in control; or (g) make such other modifications, adjustments or amendments to outstanding awards as the Compensation Committee deems necessary or appropriate.

Amendment, Termination. The Compensation Committee has the authority to amend the terms of awards in any manner not inconsistent with the 2016 Plan, provided that no amendment shall adversely affect the rights of a participant with respect to an outstanding award without the participant's consent. In addition, our board of directors has the authority, at any time, to amend, suspend, or terminate the 2016 Plan, provided that (i) no such amendment, suspension or termination materially and adversely affects the rights of any participant under any outstanding award without the consent of such participant and (ii) to the extent necessary to comply with any applicable law, regulation, or stock exchange rule, the 2016 Plan requires us to obtain stockholder consent. Stockholder approval is required for any plan amendment that increases the number of shares of our common stock available for issuance under the 2016 Plan or changes the persons or classes of persons eligible to receive awards.

Tax Withholding

As and when appropriate, we shall have the right to require each optionee purchasing shares of our common stock and each grantee receiving an award of shares of our common stock under the 2016 Plan to pay any federal, state or local taxes required by law to be withheld.

Option Grants and Stock Awards

The grant of options and other awards under the 2016 Plan is discretionary and we cannot determine now the specific number or type of options or awards to be granted in the future to any particular person or group.

Israeli Aspects of the 2016 Plan

The 2016 Israeli Sub-Plan (the "Sub-Plan") provides for the grant of awards pursuant to the Israeli Income Tax Ordinance (New Version), 1960, as amended (the "Israeli Tax Ordinance"): awards granted pursuant to (i) Section 102 of the Israeli Tax Ordinance ("Section 102 Awards") and (ii) Section 3(i) of the Israeli Tax Ordinance ("Section 3(i) Awards"). The 2016 Plan and the Sub-Plan provide, subject to applicable law, that Section 102 Awards may be granted only to Israeli employees, officers and directors (excluding Controlling Shareholders as defined by the Israeli Tax Ordinance[1]) and Section 3(i) Awards (which does not provide for similar tax benefits) may be granted to Israeli non-employees including consultants, service providers and Controlling Shareholders (as defined by the Israeli Tax Ordinance), in each case, of our company or any subsidiary. The 2016 Plan and the Sub-Plan were submitted for the approval of the Israeli Tax Authority (the "ITA"), as required by applicable law.

Section 102 of the Israeli Tax Ordinance includes two alternatives for tax treatment involving the issuance of options or shares to a trustee for the benefit of the grantees, which are referred to as the capital gains track and the ordinary income track, and also includes an additional alternative for the issuance of options or shares issued directly to the grantee. Under the Sub- Plan, each Section 102 Award designates that such award be granted under the capital gains track or the ordinary income track. We cannot select both tracks simultaneously for Section 102 Awards and the election of the type of track shall apply to all Section 102 Awards awarded under the Sub-Plan (unless the election is changed pursuant to the provisions of the Israeli Tax Ordinance).

The Assumed Options granted to employees under the Motus G.I. Medical Technologies Ltd. Employee Share Option Plan, were granted under Section 102(b)(2) of the Israeli Tax Ordinance, which permits the issuance to a trustee under the "capital gains track." In order to comply with the terms of the "capital gains track", all options granted under a specific plan and subject to the provisions of Section 102 of the Israeli Tax Ordinance, as well as the shares issued upon exercise of such options and other shares received subsequently following any realization of rights with respect to such options, such as share dividends and share splits, must be registered in the name of a trustee selected by the board of directors and held in trust for the benefit of the relevant employee, director or officer for a period of two years from the date of grant and deposit with such trustee. However, under this track, the "employing company" (within the meaning of Section 102(a) of the Israeli Tax Ordinance) is not allowed to deduct an expense with respect to the issuance of the options or shares.

Indemnification Agreements

We have entered into Indemnification Agreements with certain of our current directors and executive officers. The Indemnification Agreements provide for indemnification against expenses, judgments, fines and penalties actually and reasonably incurred by an indemnitee in connection with threatened, pending or completed actions, suits or other proceedings, subject to certain limitations. The Indemnification Agreements also provide for the advancement of expenses in connection with a proceeding prior to a final, nonappealable judgment or other adjudication, provided that the indemnitee provides an undertaking to repay to us any amounts advanced if the indemnitee is ultimately found not to be entitled to indemnification by us. The Indemnification Agreement sets forth procedures for making and responding to a request for indemnification or advancement of expenses, as well as dispute resolution procedures that will apply to any dispute between us and an indemnitee arising under the Indemnification Agreements.

[1] Controlling Shareholder is defined in the Israeli Tax Ordinance as any person who holds, directly or indirectly, individually or together with any of his relatives (as defined in the Israeli Tax Ordinance), any of the following: (i) at least 10% of the outstanding share capital or voting rights of the company; (ii) the right to hold or acquire at least 10% of the outstanding share capital or voting rights of the company; (iii) the right to receive at least 10% of the company's profits; or (iv) the right to appoint a director of the company.

PRINCIPAL STOCKHOLDERS

The following table sets forth information regarding the beneficial ownership of our common stock as of the date of this prospectus by:

- each of our stockholders who is known by us to beneficially own 5% or more of our common stock;
- each of our named executive officers;
- each of our directors; and
- all of our directors and current officers as a group.

Beneficial ownership is determined based on the rules and regulations of the SEC. A person has beneficial ownership of shares if such individual has the power to vote and/or dispose of shares. This power may be sole or shared and direct or indirect. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares of our common stock that are subject to options or warrants held by that person and exercisable as of, or within 60 days of, September 30, 2017 are counted as outstanding. These shares, however, are not counted as outstanding for the purposes of computing the percentage ownership of any other person(s). Except as may be indicated in the footnotes to this table and pursuant to applicable community property laws, each person named in the table has sole voting and dispositive power with respect to the shares of our common stock set forth opposite that person's name. Unless indicated below, the address of each individual listed below is c/o Motus GI Holdings, Inc., 1301 East Broward Boulevard, 3rd Floor, Ft. Lauderdale, FL 33301.

Applicable percentage ownership in the following table is based on 10,491,841 shares of our common stock outstanding as of September 30, 2017. Beneficial ownership representing less than 1% is denoted with an asterisk (*).

Name of Beneficial Owner	Number of Shares Beneficially Owned		Percentage of Shares Beneficially Owned	
	Before Offering	After Offering	Before Offering	After Offering
Officers and Directors				
Mark Pomeranz (1)	329,144		3.04%	
David Hochman (2)(4)(5)(6)	2,499,182		23.07%	
Darren Sherman (3)(4)(5)(6)	2,504,544		23.11%	
Gary Jacobs (7)(8)	796,862		7.5%	
Samuel Nussbaum (9)	-		*	
Shervin Korangy (10)	-		*	
Andrew Taylor (11)	-		*	
Directors and Officers as a Group (6 persons)	3,633,550		32.16%	
5% Stockholders				
Ascent Biomedical Ventures II, L.P. (12)	1,751,947		16.23%	
Ascent Biomedical Ventures Synecor, L.P. (13)	640,039		6.07%	
ABV, LLC (12)(13)	2,391,986		22.05%	
Orchestra Medical Ventures II, L.P. (4)	1,183,726		11.06%	
Orchestra MOTUS Co-Investment Partners, LLC (5)	1,229,104		11.57%	
Orchestra Medical Ventures II GP, LLC (4)(5)(6)	2,496,182		23.04%	
Jacobs Investment Company LLC (8)	792,762		7.46%	
Perceptive Life Sciences Master Fund Ltd. (14)	1,866,541		17.26%	

Perceptive Advisors LLC (14)	1,866,541	17.26%
Brian Eliot Peierls (15)(17)	654,217	6.11%
E. Jeffrey Peierls (16)(17)	677,889	6.32%

* Less than 1%

1. Includes 329,003 shares of our common stock issuable upon the exercise of stock options that are exercisable within sixty days of September 30, 2017. Does not include 249,348 shares of our common stock issuable upon the exercise of stock options that are not exercisable within sixty days of September 30, 2017.

2. Does not include 175,000 shares of our common stock issuable upon the exercise of stock options that are not exercisable within sixty days of September 30, 2017.

3. Does not include 100,000 shares of our common stock issuable upon the exercise of stock options that are not exercisable within sixty days of September 30, 2017.

4. Includes (i) 975,140 shares of common stock (ii) 99,748 shares of common stock issuable upon the conversion of Series A Convertible Preferred Stock and (iii) 108,838 shares of common stock issuable upon exercise of Exchange Warrants, held by Orchestra Medical Ventures II, L.P. The managing members of Orchestra Medical Ventures II GP, LLC, David Hochman and Darren Sherman, exercise sole dispositive and voting power over the shares owned by Orchestra Medical Ventures II, L.P.

5. Includes (i) 1,094,930 shares of common stock (ii) 65,038 shares of common stock issuable upon the conversion of Series A Convertible Preferred Stock and (iii) 69,136 shares of common stock issuable upon exercise of Exchange Warrants, held by Orchestra MOTUS Co-Investment Partners, LLC. The managing members of Orchestra Medical Ventures II GP, LLC, David Hochman and Darren Sherman, exercise sole dispositive and voting power over the shares owned by Orchestra MOTUS Co-Investment Partners, LLC.

6. Includes (i) 83,352 shares of common stock held by Orchestra Medical Ventures II Reserve, L.P. The managing members of Orchestra Medical Ventures II GP, LLC, David Hochman and Darren Sherman, exercise sole dispositive and voting power over the shares owned by Orchestra Medical Ventures II Reserve, L.P.

7. Does not include 92,500 shares of our common stock issuable upon the exercise of stock options that are not exercisable within sixty days of September 30, 2017.

8. Includes (i) 660,567 shares of common stock (ii) 63,289 shares of common stock issuable upon the conversion of Series A Convertible Preferred Stock and (iii) 68,906 shares of common stock issuable upon exercise of Exchange Warrants, held by Jacobs Investment Company LLC. The managing member of Jacobs Investment Company LLC, Gary Jacobs, exercises sole dispositive and voting power over the shares owned by Jacobs Investment Company LLC.

9. Does not include 50,000 shares of our common stock issuable upon the exercise of stock options that are not exercisable within sixty days of September 30, 2017.

10. Does not include 65,000 shares of our common stock issuable upon the exercise of stock options that are not exercisable within sixty days of September 30, 2017.

11. Does not include 240,000 shares of our common stock issuable upon the exercise of stock options that are not exercisable within sixty days of September 30, 2017.

12. Includes (i) 1,450,861 shares of common stock (ii) 144,352 shares of common stock issuable upon the conversion of Series A Convertible Preferred Stock and (iii) 156,734 shares of common stock issuable upon exercise of Exchange Warrants, held by Ascent Biomedical Ventures II, L.P. The managing members of ABV, LLC, Geoffrey W. Smith and Steve Hochberg, exercise sole dispositive and voting power over the shares owned by Ascent Biomedical Ventures II, L.P. The principal address for the entities affiliated with ABV, LLC is 60 East 42nd Street, New York, NY 10165.

13. Includes (i) 586,365 shares of common stock (ii) 26,241 shares of common stock issuable upon the conversion of Series A Convertible Preferred Stock and (iii) 27,433 shares of common stock issuable upon exercise of Exchange Warrants, held by Ascent Biomedical Ventures Synecor, L.P. The managing members of ABV, LLC, Geoffrey W. Smith and Steve Hochberg, exercise sole dispositive and voting power over the shares owned by Ascent Biomedical Ventures Synecor, L.P. The principal address for the entities affiliated with ABV, LLC is 60 East 42nd Street, New York, NY 10165.

14. Includes (i) 1,544,155 shares of common stock (ii) 256,386 shares of common stock issuable upon the conversion of Series A Convertible Preferred Stock and (iii) 66,000 shares of common stock issuable upon exercise of Exchange Warrants, held by Perceptive Life Sciences Master Fund Ltd. The managing member of Perceptive Advisors LLC, Mr. Joseph Edelman, exercises sole dispositive and voting power over the shares owned by Perceptive Life Sciences Master Fund Ltd. The principal address for the entities affiliated with Perceptive Advisors LLC is 51 Astor Place, 10th floor New York, NY 10003.

15. Includes (i) 35,257 shares of common stock (ii) 9,086 shares of common stock issuable upon the conversion of Series A Convertible Preferred Stock and (iii) 7,920 shares of common stock issuable upon exercise of Exchange Warrants, held by Brian Eliot Peierls. The principal address for Brian Eliot Peierls is 3017 McCurdy St., Austin TX 78723.

16. Includes (i) 50,542 shares of common stock (ii) 13,381 shares of common stock issuable upon the conversion of Series A Convertible Preferred Stock and (iii) 12,012 shares of common stock issuable upon exercise of Exchange Warrants, held by E. Jeffrey Peierls. The principal address for E. Jeffrey Peierls is 73 South Holman Way, Golden, CO 80401.

17. Includes (i) an aggregate of 400,185 shares of common stock (ii) an aggregate of 106,201 shares of common stock issuable upon the conversion of Series A Convertible Preferred Stock and (iii) 95,568 shares of common stock issuable upon exercise of Exchange Warrants, held by The Peierls Bypass Trust, UD E.F. Peierls for Brian E. Peierls, UD E.F. Peierls for E. Jeffrey Peierls, UD E.S. Peierls for E.F. Peierls et al, UD J.N. Peierls for Brian Eliot Peierls, UD J.N. Peierls for E. Jeffrey Peierls, UW E.S. Peierls for Brian E. Peierls - Accumulation, UW E.S. Peierls for E. Jeffrey Peierls - Accumulation, UW J.N. Peierls for Brian E. Peierls, UW J.N. Peierls for E. Jeffrey Peierls (collectively, the “Peierls Trusts”) and The Peierls Foundation, Inc. and UD Ethel F. Peierls Charitable Lead Trust (collectively, the “Peierls Entities”). E. Jeffrey Peierls and Brian Eliot Peierls share dispositive and voting power over the shares owned by the Peierls Entities. E. Jeffrey Peierls expressly disclaims beneficial ownership with respect to the shares owned by the Peierls Entities, as he has no pecuniary interest therein. The principal address for the Peierls Trusts is c/o The Northern Trust Company of Delaware, 1313 N. Market Street, Ste 5300, Wilmington, DE 19801. The principal address for the Peierls Entities is 73 South Holman Way, Golden, CO 80401.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Other than compensation arrangements for our named executive officers and directors, we describe below each transaction or series of similar transactions, since January 1, 2014, to which we were a party or will be a party, in which:

- the amounts involved exceeded or will exceed the lesser of (i) $120,000 or (ii) 1% of the average total assets of the Company at year end for the last two completed fiscal years; and

- any of our directors, executive officers, promoters or holders of more than 5% of our capital stock, or any member of the immediate family of the foregoing persons, had or will have a direct or indirect material interest.

Compensation arrangements for our named executive officers and directors are described in the section entitled "Executive Compensation." Mark Pomeranz and David Hochman are our founders and, therefore, may be considered promoters, as that term is defined in Rule 405 of Regulation C of the Securities Act.

Convertible Note, Convertible Warrant, and 2017 Private Placement - Related Party Participation

From August 2015 through November 2016, Orchestra Medical Ventures II, L.P., an affiliate of Orchestra Medical Ventures, LLC (an investment firm in which David Hochman, Chairman of the Board, and Darren Sherman, one of our Directors, serve as Managing Partners) purchased Convertible Notes in an aggregate principal amount of $1,649,062. On December 22, 2016, Orchestra Medical Ventures II, L.P. exchanged its Convertible Notes, together with accrued and unpaid interest thereon calculated through December 22, 2016 at a rate of 10% per annum, for Units sold in the 2017 Private Placement at a price of $4.50 per Unit resulting in the receipt of (i) 299,244 shares of our common stock and (ii) 99,748 shares of our Series A Convertible Preferred Stock. In addition, Orchestra Medical Ventures II, L.P. received five (5) year warrants to purchase an aggregate of 108,838 shares of our common stock at an exercise price of $5.00 per share in an amount equal to thirty-three percent (33%) of the principal amount of such Convertible Note divided by $5.00 (the "Exchange Warrants").

In addition, from August 2015 through November 2016, Orchestra MOTUS Co-Investment Partners, LLC, an affiliate of Orchestra Medical Ventures, LLC (an investment firm in which David Hochman, Chairman of the Board, and Darren Sherman, one of our Directors, serve as Managing Partners) purchased Convertible Notes in an aggregate principal amount of $1,047,511. On December 22, 2016, Orchestra MOTUS Co-Investment Partners, LLC exchanged its Convertible Notes, together with accrued and unpaid interest thereon calculated through December 22, 2016 at a rate of 10% per annum, for Units sold in the 2017 Private Placement at a price of $4.50 per Unit resulting in the receipt of (i) 195,114 shares of our common stock and (ii) 65,038 shares of our Series A Convertible Preferred Stock. In addition, Orchestra MOTUS Co-Investment Partners, LLC received Exchange Warrants to purchase an aggregate of 69,136 shares of our common stock.

From June 2015 through November 2016, Jacobs Investment Company, LLC, an investment firm in which Gary Jacobs, one of our Directors, serves as Founder and Managing Director, purchased Convertible Notes in an aggregate principal amount of $1,044,032. On December 22, 2016, Jacobs Investment Company, LLC exchanged its Convertible Notes, together with accrued and unpaid interest thereon calculated through December 22, 2016 at a rate of 10% per annum, for Units sold in the 2017 Private Placement at a price of $4.50 per Unit resulting in the receipt of (i) 189,865 shares of our common stock and (ii) 63,289 shares of our Series A Convertible Preferred Stock. In addition, Jacobs Investment Company, LLC received Exchange Warrants to purchase an aggregate of 68,906 shares of our common stock.

From June 2015 through August 2016, Ascent Biomedical Ventures II, L.P., and from July 2015 through October 2015, Ascent Biomedical Ventures Synecor, L.P. (collectively, the "Ascent Entities") purchased Convertible Notes in an aggregate principal amount of $2,790,412 (the "Ascent Convertible Notes"). ABV, LLC, a beneficial owner of more than five percent of our common stock, is the beneficial owner of the securities held by the Ascent Entities. On December 22, 2016, the Ascent Entities exchanged the Ascent Convertible Notes, together with accrued and unpaid interest thereon calculated through December 22, 2016 at a rate of 10% per annum, for Units sold in the 2017 Private Placement at a price of $4.50 per Unit resulting in the receipt of (i) 511,776 shares of our common stock and (ii) 170,593 shares of our Series A Convertible Preferred Stock. In addition, the Ascent Entities received Exchange Warrants to purchase an aggregate of 184,167 shares of our common stock.

On October 27, 2016, Perceptive Life Sciences Master Fund Ltd., and on October 28, 2016, Titan Perc, Ltd. (collectively, the "Perceptive Entities") purchased Convertible Notes in an aggregate principal amount of $1,000,000 (the "Perceptive Convertible Notes"). Perceptive Advisors LLC, a beneficial owner of more than five percent of our common stock, is the beneficial owner of the securities held by the Perceptive Entities. On December 22, 2016, the Perceptive Entities exchanged the Perceptive Convertible Notes, together with accrued and unpaid interest thereon calculated through December 22, 2016 at a rate of 10% per annum, for Units sold in the 2017 Private Placement at a price of $4.50 per Unit resulting in the receipt of (i) 169,155 shares of our common stock and (ii) 56,386 shares of our Series A Convertible Preferred Stock. In addition, the Perceptive Entities received Exchange Warrants to purchase an aggregate of 66,000 shares of our common stock. Additionally, the Perceptive entities purchased an aggregate of 800,000 Units in our 2017 Private Placement, at a purchase price of $5.00 per Unit, comprised of an aggregate of (i) 600,000 shares of our common stock and (ii) 200,000 shares of our Series A Convertible Preferred Stock.

From January 2016 through November 2016 the Peierls Trusts and the Peierls Entities purchased Convertible Notes in an aggregate principal amount of $1,448,000 (the "Peierls Convertible Notes"). Brian Eliot Peierls and E. Jeffrey Peierls, each beneficial owners of more than five percent of our common stock, are the beneficial owners of the securities held by the Peierls Trusts and the Peierls Entities. On December 22, 2016, the Peierls Trusts and the Peierls Entities exchanged the Peierls Convertible Notes, together with accrued and unpaid interest thereon calculated through December 22, 2016 at a rate of 10% per annum, for Units sold in the 2017 Private Placement at a price of $4.50 per Unit resulting in the receipt of (i) 257,385 shares of our common stock and (ii) 85,801 shares of our Series A Convertible Preferred Stock. In addition, the Peierls Trusts and the Peierls Entities received Exchange Warrants to purchase an aggregate of 95,568 shares of our common stock. Additionally, the Peierls Trusts and the Peierls Entities purchased an aggregate of 100,000 Units in our 2017 Private Placement, at a purchase price of $5.00 per Unit, comprised of an aggregate of (i) 75,000 shares of our common stock and (ii) 25,000 shares of our Series A Convertible Preferred Stock.

On October 27, 2016, AKS Family Partners, LP, a beneficial owner of more than five percent of our common stock prior to the Initial Closing, purchased a Convertible Note in an aggregate principal amount of $250,000. On December 22, 2016, AKS Family Partners, LP exchanged its Convertible Note, together with accrued and unpaid interest thereon calculated through December 22, 2016 at a rate of 10% per annum, for Units sold in the 2017 Private Placement at a price of $4.50 per Unit resulting in the receipt of (i) 42,290 shares of our common stock and (ii) 14,097 shares of our Series A Convertible Preferred Stock. In addition, AKS Family Partners, LP received Exchange Warrants to purchase an aggregate of 16,500 shares of our common stock. As a result of the Initial Closing, AKS Family Partners, LP was no longer a beneficial owner of more than five percent of our common stock.

Share Exchange Transaction

Effective on December 1, 2016, Opco, and the Opco Stockholders, entered into the Share Exchange Agreement with us. Pursuant to the terms of the Share Exchange Agreement, the Opco Stockholders sold to us, and we acquired, all of the issued and outstanding shares of capital stock of Opco and Opco became our wholly owned subsidiary.

At the closing of the Share Exchange Transaction, on December 22, 2016, (i) Orchestra Medical Ventures II, L.P. and Orchestra MOTUS Co-Investment Partners, LLC, both affiliates of Orchestra Medical Ventures, LLC (an investment firm in which David Hochman, Chairman of the Board, and Darren Sherman, one of our Directors, serve as Managing Partners) sold to us, and we acquired, all of the capital stock of Opco held by Orchestra Medical Ventures II, L.P. and Orchestra MOTUS Co-Investment Partners, LLC in exchange for 670,800 and 899,816 shares of our Common Stock, respectively, (ii) Jacobs Investment Company, LLC, an investment firm in which Gary Jacobs, one of our Directors, serves as Founder and Managing Director, sold to us, and we acquired, all of the capital stock of Opco held by Jacobs Investment Company, LLC in exchange for 474,802 shares of our Common Stock, and (iii) ABV, LLC, a beneficial owner of more than five percent of our common stock, through the Ascent Entities, sold to us, and we acquired, all of the capital stock of Opco held by the Ascent Entities in exchange for an aggregate of 1,520,353 shares of our Common Stock.

See “Prospectus Summary – Formation of Holdings – The Share Exchange Transaction” for a description of the Share Exchange Transaction and the terms of the Share Exchange Agreement.

Participation in this Offering

Certain of our existing stockholders, including stockholders affiliated with certain of our directors, have indicated an interest in purchasing, including and its affiliates, which have indicated an interest in purchasing up to $ million of such shares of our common stock at the initial public offering price, and its affiliates, which have indicated an interest in purchasing up to $ million of such shares of our common stock at the initial public offering price, and its affiliates, which have indicated an interest in purchasing up to $ million of such shares of our common stock at the initial public offering price and and its affiliates, which have indicated an interest in purchasing up to $ million of such shares of our common stock at the initial public offering price. However, because indications of interest are not binding agreements or commitments to purchase, the underwriters could determine to sell more, less or no shares to any of these potential investors and any of these potential investors could determine to purchase more, less or no shares in this offering. Any shares purchased by our existing stockholders will be subject to lock-up restrictions described in “Shares Eligible for Future Sale.”

Indemnification Agreements

In 2017 we entered into indemnification agreements with certain of our directors and officers. For more information, see the description of the indemnification agreements under “Management and Board of Directors - Limitation of Directors Liability and Indemnification.”

Policies and Procedures for Related Party Transactions

Our board of directors has adopted a policy that our executive officers, directors, nominees for election as a director, beneficial owners of more than 5% of any class of our common stock, any members of the immediate family of any of the foregoing persons and any firms, corporations or other entities in which any of the foregoing persons is employed or is a partner or principal or in a similar position or in which such person has a 5% or greater beneficial ownership interest (collectively “related parties”), are not permitted to enter into a transaction with us without the prior consent of our board of directors acting through the audit committee or, in certain circumstances, the chairman of the audit committee. Any request for us to enter into a transaction with a related party, in which the amount involved exceeds $100,000 and such related party would have a direct or indirect interest must first be presented to our audit committee, or in certain circumstances the chairman of our audit committee, for review, consideration and approval. In approving or rejecting any such proposal, our audit committee, or the chairman of our audit committee, is to consider the material facts of the transaction, including, but not limited to, whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances, the extent of the benefits to us, the availability of other sources of comparable products or services and the extent of the related party’s interest in the transaction.

DESCRIPTION OF SECURITIES

Our current certificate of incorporation, as amended, authorizes us to issue:

- 50,000,000 shares of common stock, par value $0.0001 per share; and
- 10,000,000 shares of preferred stock, par value $0.0001 per share.

As of September 30, 2017 there were 10,491,841 shares of our common stock outstanding, held of record by 292 stockholders, and 1,581,128 shares of preferred stock outstanding.

The following statements are summaries only of provisions of our authorized capital stock and are qualified in their entirety by our certificate of incorporation, as amended. You should review these documents for a description of the rights, restrictions and obligations relating to our capital stock. Copies of our certificate of incorporation may be obtained from the Company upon written request.

Common stock

Voting. The holders of our common stock are entitled to one vote for each share held of record on all matters on which the holders are entitled to vote (or consent to). When a quorum is present at any meeting of stockholders, any matter before any such meeting (other than an election of a director or directors) shall be decided by a majority of the votes properly cast on such matter, except where a different vote is required by law, by the rules or regulations of any stock exchange applicable to the Corporation, or pursuant to any regulation applicable to the Corporation or its securities, in which case, such different vote shall apply. A majority in voting power of the shares entitled to vote at the meeting, present in person or represented by proxy, shall constitute a quorum at any meeting of stockholders.

Dividends. The holders of our common stock are entitled to receive, ratably, dividends only if, when and as declared by our board of directors out of funds legally available therefor and after provision is made for each class of capital stock having preference over our common stock.

Liquidation Rights. In the event of our liquidation, dissolution or winding-up, the holders of our common stock are entitled to share, ratably, in all assets remaining available for distribution after payment of all liabilities and after provision is made for each class of capital stock having preference over our common stock.

Conversion Rights. The holders of our common stock have no conversion rights.

Preemptive and Similar Rights. The holders of our common stock have no preemptive or similar rights.

Redemption/Put Rights. There are no redemption or sinking fund provisions applicable to our common stock. All of the outstanding shares of our common stock are fully-paid and non-assessable.

Transfer Restrictions. Shares of our common stock are subject to transfer restrictions. Holders of our common stock may not transfer their securities unless (a) a registration statement is in effect under the Securities Act covering the proposed transfer and such transfer is made in accordance with such registration statement or (b) the securities are transferred in a transaction exempt from the registration requirements of the Securities Act and any related requirements imposed by applicable state securities laws. In the case of any transfer permitted under clause (b), the holder must notify us in writing of the proposed transfer and furnish us with an opinion of counsel, reasonably satisfactory to us, that the transfer will not require registration under the Securities Act or any applicable state securities laws. Each certificate representing a security contains a legend referring to this restriction on transfer and any legends required by state securities laws. The securities are also subject to other restrictions on transfer as provided in the Registration Rights Agreement, described below.

Preferred Stock

We are authorized to issue up to 10,000,000 shares of "blank check" preferred stock, par value $0.0001 per share, with such designations, rights, and preferences as may be determined from time to time by our board of directors. Accordingly, our board of directors is empowered, without stockholder approval, to issue preferred stock with dividend, liquidation, conversion, voting, or other rights that could adversely affect the voting power or other rights of the holders of our common stock. The issuance of preferred stock could have the effect of restricting dividends on our common stock, diluting the voting power of our common stock, impairing the liquidation rights of our common stock, or delaying or preventing a change in control of our company, all without further action by our Series A Convertible Preferred Stock stockholders.

In connection with the 2017 Private Placement, our board of directors created out of the authorized and unissued shares of our preferred stock, a series of preferred stock comprised of up to 2,000,000 shares of Series A Convertible Preferred Stock, of which 1,581,128 are currently issued and outstanding.

Rank. The Series A Convertible Preferred Stock rank above all other classes of stock outstanding as of the date hereof with respect to dividend rights and liquidation preferences.

Liquidation. Upon any dissolution, liquidation or winding up, whether voluntary or involuntary, holders of Series A Convertible Preferred Stock are entitled to (i) first receive distributions out of our assets in an amount per share equal to $5.00 (the "Stated Value"), whether capital or surplus before any distributions shall be made on any shares of our common stock and (ii) second, on an as-converted basis alongside our common stock.

Conversion. Upon the earlier of (i) December 22, 2019, without any action on the part of the holder, or (ii) notice by the Company to the Holders that the Company has elected to convert all outstanding Series A Convertible Preferred Stock (each of the foregoing, a "Mandatory Conversion Date"), all of the outstanding shares of Series A Convertible Preferred Stock will automatically convert to shares of our common stock (a "Mandatory Conversion"). In addition, each share of Series A Convertible Preferred Stock shall be convertible, at any time and from time to time at the option of the holder thereof, and without the payment of additional consideration by the holder thereof, into that number of shares of our common stock determined by dividing the Stated Value of such Series A Convertible Preferred Stock by the conversion price. The conversion price initially is $5.00 per share of common stock and is subject to adjustment described below.

Conversion Price Adjustment:

Stock Dividends and Stock Splits. If we pay a stock dividend or otherwise make a distribution payable in shares of our common stock on shares of our common stock or any other common stock equivalents, subdivide or combine outstanding common stock, or reclassify common stock, the conversion price will be adjusted by multiplying the then conversion price by a fraction, the numerator of which shall be the number of shares of our common stock outstanding immediately before such event, and the denominator of which shall be the number of shares outstanding immediately after such event.

Fundamental Transaction. If we effect a fundamental transaction, then upon any subsequent conversion of Series A Convertible Preferred Stock, the holder thereof shall have the right to receive, for each share of our common stock that would have been issuable upon such conversion immediately prior to the occurrence of such fundamental transaction, the number of shares of the successor's or acquiring corporation's common stock or of our common stock, if we are the surviving corporation, and any additional consideration receivable as a result of such fundamental transaction by a holder of the number of shares of our common stock into which Series A Convertible Preferred Stock is convertible immediately prior to such fundamental transaction. A fundamental transaction means: (i) our merger or consolidation with or into another entity, (ii) any sale of all or substantially all of our assets in one transaction or a series of related transactions, or (iii) any reclassification of our common stock or any compulsory share exchange by which our common stock is effectively converted into or exchanged for other securities, cash or property.

Voting Rights. Except as otherwise provided in the Certificate of Designations of Preferences, Rights and Limitations of Series A Convertible Preferred Stock (the "Certificate of Designations") or required by law, Series A Convertible Preferred Stock shall have no class voting rights. The Certificate of Designations provides that each share of Series A Convertible Preferred Stock will entitle its holder to vote with the common stock on an as-if-converted to shares of our common stock basis. Notwithstanding certain protections in the Certificate of Designations, Delaware law also provides holders of preferred stock with certain rights. The holders of the outstanding shares of Series A Convertible Preferred Stock generally will be entitled to vote as a class upon a proposed amendment to our certificate of incorporation if the amendment would:

- increase or decrease the aggregate number of authorized shares of our Series A Convertible Preferred Stock;
- increase or decrease the par value of the shares of our Series A Convertible Preferred Stock; or
- alter or change the powers, preferences, or special rights of the shares of our Series A Convertible Preferred Stock so as to affect them adversely.

Fractional Shares. No fractional shares of our common stock will be issued upon conversion of Series A Convertible Preferred Stock. Rather, we shall round up to the next whole share.

Royalty Payment Rights:

Royalties. If and when the Company generates sales of the current and potential future versions of the Pure-Vu system, including disposables, parts, and services, or if the Company receives any proceeds from the licensing of the current and potential future versions of the Pure-Vu system, then Company will pay to the holders of our Series A Convertible Preferred Stock (the "Holders") with the allocation of such Royalty Payment Rights between Holders determined as set forth below under "Allocation of Royalty Payments", a royalty equal to, in the aggregate, in royalty payments in any calendar year for all products:

The Company Commercializes Product Directly	**The Rights to Commercialize the Product is Sublicensed by the Company to a third-party**
3% of Net Sales*	5% of any Licensing Proceeds**

* Subject in all cases for all products to a maximum per calendar year equal to $30,000,000 (the total dollar amount of Units closed on in the 2017 Private Placement). Net Sales is defined in the Certificate of Designations.

** Subject in all cases for all products to a maximum per calendar year equal to $30,000,000 (the total dollar amount of Units closed on in the 2017 Private Placement). Licensing Proceeds is defined in the Certificate of Designations.

The Company currently has not licensed any of its products to any third-party and is not in negotiations with respect to any such license. There is no guarantee that the Company will ever generate sales of, or Licensing Proceeds from, its products. The Holders may never receive any royalty payments and these Royalty Payment Rights may expire worthless.

Timing of Royalty Payments. With respect to Pure-Vu system products that the Company commercializes directly, royalty payments, if any, will be paid on an annual basis 15 business days after the issuance of the Company's audited financial statements for the prior year. With respect to Pure-Vu system products that the Company sublicenses to a third-party, royalty payments, if any, will be paid 10 business days after the end of the applicable quarter in which such Licensing Proceeds are received by the Company. However, all royalty payments shall be accrued by the Company until 15 business days after the issuance of the Company's audited financial statements for the earlier of (i) the calendar year in which Net Sales exceed $15,000,000 or Licensing Proceeds exceed $2,500,000, or (ii) the year ended December 31, 2019, at which time all accrued royalties shall be paid in a lump sum along with the regular royalty payments and subsequent royalty payments will be made irrespective of the amount of annual Net Sales or Licensing Proceeds.

The royalty will be payable up to the later of (i) the latest expiration date for the Company's current patents (which is currently October 2026), or (ii) the latest expiration date of any pending patents as of the date of the Initial Closing that may be issued in the future. Following the expiration of all such patents, the Holders of the Royalty Payment Rights will no longer be entitled to any further royalties for any period following the latest to occur of such patent expiration.

Royalty Vesting. The Royalty Payment Rights associated with the shares of Series A Convertible Preferred Stock will be immediately vested upon issuance of the shares.

If a Holder elects to convert all of his Series A Convertible Preferred Stock into shares of our common stock prior to December 22, 2019, the Holder will forfeit any and all rights to future Royalty Payments, if any. If a Holder elects to convert any portion of his Series A Convertible Preferred Stock to common stock at any time prior to December 22, 2019, such Holder will forfeit any rights to future Royalty Payments, if any, with respect to such converted shares.

Prior to December 22, 2019, the right to receive a royalty will follow the Series A Convertible Preferred Stock. In the event that an investor transfers any of its Series A Convertible Preferred Stock prior to December 22, 2019, the transferee of such shares will thereafter have the right to receive any and all royalty payments related to the Series A Convertible Preferred Stock it received, including with respect to royalty rights, and the transferring investor will thereafter no longer have any right to receive any royalty payment in respect of the Series A Convertible Preferred Stock it transferred.

Allocation of Royalty Payment. Once the aggregate Royalty Payment Amount is calculated based on the criteria set forth above under "Royalties," that amount will be allocated to the holders of the Participating Royalty Interests (as defined in the Certificate of Designations) based on their pro rata ownership. An investor's initial pro-rata ownership will be the investor's number of Series A Convertible Preferred Stock as a percentage of the total number of such Shares issued in the 2017 Private Placement. The royalty payable to each holder shall be calculated as follows:

(i) Prior to December 22, 2019, the royalty payable to each holder will be equal to the aggregate Royalty Payment Amount divided by the aggregate Participating Royalty Interests on the applicable record date multiplied by the number of Participating Royalty Interests held by such holder the applicable record date.

(ii) On or after December 22, 2019, the Royalty payable to each holder will be calculated by multiplying the aggregate Royalty Payment Amount by the percentage set forth in each holder's Royalty Payment Rights certificate. The percentage set forth in each Royalty Payment Rights certificate will be calculated as follows:

$$\frac{\text{Number of Participating Royalty Interests Held by Investor after December 22, 2019}}{\text{Total Participating Royalty Interests after December 22, 2019}}$$

Separability. The Royalty Payment Rights may not be transferred separately from the Series A Convertible Preferred Stock until after December 22, 2019. Prior to December 22, 2019, if a Holder transfers any of its Series A Convertible Preferred Stock, such Holder will lose any and all rights to any future royalty payments with respect to Series A Convertible Preferred Stock that were transferred. Following December 22, 2019, the Company will issue a certificate representing the Royalty Payment Rights to each Holder of Series A Convertible Preferred Stock at such date (the "Royalty Rights Certificate"). Following the issuance of the Royalty Rights Certificate, such Royalty Payment Rights may be transferred, subject to the availability of an exemption from registration under applicable state and federal securities laws.

Unsecured Obligations. The Royalty Payment Rights are unsecured obligations of the Company.

Warrants

Exchange Warrants. In connection with the Share Exchange Transaction and the CNA, we issued warrants to each former Convertible Holder to purchase an aggregate 907,237 shares of our common stock (the "Exchange Warrants"). The Exchange Warrants are exercisable for our common stock at an exercise price equal to $5.00 per share (the "Exercise Price"). The Exchange Warrants are exercisable immediately upon issuance and have a five year term, and provide for cashless exercise. The Exchange Warrants may be exercised at any time in whole or in part at the applicable exercise price until expiration of the Exchange Warrants. No fractional shares will be issued upon the exercise of the Exchange Warrants.

Placement Agent Warrants. In connection with completion of the 2017 Private Placement, we issued Aegis Capital (the "Placement Agent"), and its designees, warrants to purchase 403,632 shares of our common stock at an exercise price of $5.00 as partial compensation (the "Placement Agent Warrants"). These warrants have a five year term and provide cashless exercise.

Service Provider Warrants. As partial compensation, we issued a service provider warrants to purchase 30,000 shares of our common stock at an exercise price of $8.00. These warrants have a five year term and do not provide for cashless exercise.

Placement Agent Royalty Payment Rights

In connection with completion of the 2017 Private Placement, we issued the Placement Agent royalty payment rights certificates (the "Placement Agent Royalty Payment Rights Certificates") to receive, in the aggregate, 10% of the amount of payments paid to the holders of the Series A Convertible Preferred Stock. The Placement Agent Royalty Payment Rights Certificates are on substantially similar terms as the Royalty Payment Rights of the Series A Convertible Preferred Stock.

Registration Rights

In connection with the 2017 Private Placement, we entered into a registration rights agreement (the "Registration Rights Agreement") with the 2017 Private Placement investors, (the "Investors"). We were required to file with the SEC after the date of the final closing of the 2017 Private Placement (the "Registration Filing Date"), a registration statement (the "Resale Registration Statement") covering the resale of the shares of our common stock held by the Investors (the "Investor Shares") issued in the 2017 Private Placement, as well as the shares of our common stock underlying the Series A Convertible Preferred Stock issued in the 2017 Private Placement (together with the Investor Shares, the "Registrable Securities"). We are also required to use commercially reasonable efforts to have the Resale Registration Statement declared effective within one hundred and fifty (150) days after the Resale Registration Statement is filed (the "Effectiveness Deadline"); provided however, that if the Company signs a letter of intent or comparable agreement with an underwriter which contemplates an Initial Public Offering ("IPO") or holds an organizational meeting for an IPO, or otherwise orally engages an underwriter to begin working with the Company towards an IPO prior to the Effectiveness Deadline (the "IPO Process Commencement Date"), then the Company shall file a joint registration statement covering the primary shares to be issued in the IPO and the resale of the Registrable Securities, and in such event the Registration Filing Date shall be extended to a date that is seventy five (75) calendar days after the IPO Process Commencement Date and the Effectiveness Deadline shall be extended to a date that is one hundred twenty (120) calendar days after the initial filing of the Registration Statement with the SEC. If the IPO is abandoned at any time, then the Registration Filing Date will be sixty (60) calendar days from the actual date of abandonment and the Effectiveness Deadline will be one hundred and fifty (150) calendar days after the date of abandonment. We are also required to keep the Resale Registration Statement continuously effective under the Securities Act for a period of one year or for such shorter period ending on the earlier to occur of the date when all the Registrable Securities covered by the Resale Registration Statement have been sold or such time as all of the Registrable Securities covered by the Resale Registration Statement can be sold under Rule 144 without any volume limitations.

If this Resale Registration Statement is not declared effective on or before the Effectiveness Deadline, we will be required to pay to each holder of Registrable Securities purchased in the 2017 Private Placement an amount in cash equal to one-half of one percent (0.5%) of such holder's investment amount on every thirty (30) day anniversary of such Effectiveness Deadline until such failure is cured. The payment amount shall be prorated for partial thirty (30) day periods. The maximum amount of payments to be made by us to each Investor as the result of such failure, shall be an amount equal to six percent (6%) of each Investor's investment amount. Notwithstanding the foregoing, no payments shall be owed with respect to any period during which all of the holder's Registrable Securities may be sold by such holder without restriction under Rule 144. The Effectiveness Deadline for the Resale Registration Statement was September 9, 2017.

If declared effective, we are also required to keep the Resale Registration Statement "evergreen" for one (1) year from the date it is declared effective by the SEC or until Rule 144 of the Securities Act is available to the holders of Registrable Securities purchased in the 2017 Private Placement with respect to all of their shares, whichever is earlier.

We must pay all costs and expenses incurred by us in complying with our obligations to file the Resale Registration Statement pursuant to the Registration Rights Agreement, except that the selling holders will be responsible for their shares of the attorney's fees and expenses and any commissions or other compensation to selling agents and similar persons; provided, however, that, in any registration, each party will pay for its own underwriting discounts and commissions and transfer taxes.

Lock-Up Agreements

Each of our directors and officers and the holders of substantially all of five percent (5%) or more of our common stock have agreed that they will not (a) offer, sell, contract to sell, grant any option to purchase, hypothecate, pledge or otherwise dispose of or (b) transfer title to any shares of our common stock acquired prior to the 2017 Private Placement, which includes any shares of our common stock acquired upon the exercise of any warrants acquired prior to the 2017 Private Placement, for a period beginning on December 22, 2016 and ending twelve (12) months following the effective date of the registration statement of which this prospectus is a part, without our prior written consent and the prior written consent of the Placement Agent.

In connection with the formation of Motus GI Holdings, Inc. ("Holdings") in September, 2015, certain affiliates of the Placement Agent and certain other parties not affiliated with us or the Placement Agent subscribed for an aggregate of 1,650,000 shares of our common stock (the "Formation Shares"), for which they paid an aggregate of $82,000 ($0.05 per share). Each of the holders of the Formation Shares have agreed that they will not (a) offer, sell, contract to sell, grant any option to purchase, hypothecate, pledge or otherwise dispose of or (b) transfer title to any shares of our common stock acquired prior to the 2017 Private Placement, which includes any shares of our common stock acquired upon the exercise of any warrants acquired prior to the 2017 Private Placement, for a period beginning on December 22, 2016 and ending twelve (12) months following the effective date of the registration statement of which this prospectus is a part, without our prior written consent and the prior written consent of the Placement Agent.

In March 2017, the Company signed a consulting service agreement by which it granted the service provider 90,000 shares of the Company's common stock (the "Consultant Shares"). The consultant has agreed that they will not (a) offer, pledge, sell, contract to sell, grant any option or contract to purchase, purchase any option or contract to sell, or otherwise dispose of, directly or indirectly, or (b) transfer title to any of the subject shares, for a period beginning the effective date of the consulting agreement and ending: (i) with respect to 22,500 of the Consultant Shares, upon the nine (9) month anniversary of the signing of the consulting agreement, (ii) with respect to 22,500 of the Consultant Shares, upon the six (6) month anniversary from the effective date of the registration statement of which this prospectus is a part, and (iii) with respect to 45,000 of the Consultant Shares, upon the twelve month anniversary from the effective date of the registration statement of which this prospectus is a part, without the prior written consent of the Company.

Transfer Agent and Registrar

Continental Stock Transfer and Trust, located at 1 State Street 30th Floor, New York, NY 10004, is the transfer agent and registrar for our common stock and preferred stock.

Quotation of Securities

Shares of our common stock will be listed on the NASDAQ Capital Market under the trading symbol **"MOTS"**.

Anti-Takeover Effect of Delaware Law, Certain Charter and Bylaw Provisions

Our certificate of incorporation and bylaws contain provisions that could have the effect of discouraging potential acquisition proposals or tender offers or delaying or preventing a change of control of our company. These provisions are as follows:

- they provide that special meetings of stockholders may be called by the board of directors or at the request in writing by stockholders of record owning at least twenty (20%) percent of the issued and outstanding voting shares of our common stock;

- they do not include a provision for cumulative voting in the election of directors. Under cumulative voting, a minority stockholder holding a sufficient number of shares may be able to ensure the election of one or more directors. The absence of cumulative voting may have the effect of limiting the ability of minority stockholders to effect changes in our board of directors; and

- they allow us to issue, without stockholder approval, up to 10,000,000 shares of preferred stock that could adversely affect the rights and powers of the holders of our common stock.

We are subject to the provisions of Section 203 of the General Corporation Law of the State of Delaware, an anti-takeover law. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date of the transaction in which the person became an interested stockholder, unless the business combination is approved in the following prescribed manner:

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

- upon completion of the transaction that resulted in the stockholder becoming an interested stockholder, the stockholder owned at least eighty-five percent (85%) of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the number of shares outstanding; (1) shares owned by persons who are directors and also officers and (2) shares owned by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; and

- on or subsequent to the time of the transaction, the business combination is approved by the board and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least sixty-six and two-thirds percent (66 2/3%) of the outstanding voting stock which is not owned by the interested stockholder.

Generally, for purposes of Section 203, a "business combination" includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. An "interested stockholder" is a person who, together with affiliates and associates, owns or, within three (3) years prior to the determination of interested stockholder status, owned fifteen percent (15%) or more of a corporation's outstanding voting securities.

Choice of Forum

Our certificate of incorporation, as amended, provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the exclusive forum for any derivative action or proceeding brought on our behalf; any action asserting a breach of fiduciary duty; any action asserting a claim against us, or any of our officers or Directors, arising pursuant to the Delaware General Corporation Law, our certificate of incorporation, as amended, or our bylaws; or any action asserting a claim against us that is governed by the internal affairs doctrine. This exclusive forum provision may limit the ability of our stockholders to bring a claim in a judicial forum that such stockholders find favorable for the disputes listed above, which may discourage such lawsuits against us, or any of our officers or directors.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no market for our common stock, and a liquid trading market for our common stock may not develop or be sustained after this offering. Future sales of substantial amounts of our common stock in the public market, or the perception that such sales could occur, could adversely affect market prices prevailing from time to time and could impair our ability to raise capital through the sale of our equity securities. Furthermore, because only a limited number of shares will be available for sale shortly after this offering due to existing contractual and legal restrictions on resale as described below, there may be sales of substantial amounts of our common stock in the public market after the restrictions lapse. This may adversely affect the prevailing market price and our ability to raise equity capital in the future. Although we have applied to have our common stock approved for listing on the NASDAQ Capital Market under the symbol "MOTS," we cannot assure you that there will be an active public market for our common stock.

Based on the number of shares outstanding as of September 30, 2017, upon completion of this offering, shares of common stock will be outstanding. Of the shares to be outstanding immediately after the completion of this offering, the shares of common stock to be sold in this offering will be freely tradable without restriction under the Securities Act unless purchased by our "affiliates," as that term is defined in Rule 144 under the Securities Act. In addition, any shares sold in this offering to entities affiliated with our existing stockholders, including stockholders affiliated with certain of our directors, will be subject to lock-up agreements.

The remaining 10,491,841 shares of common stock will be "restricted securities" under Rule 144.

Subject to the lock-up agreements described below and the provisions of Rule 144 and 701 under the Securities Act, these restricted securities will be available for sale in the public market as follows:

Date Available for Sale	Shares Eligible for Sale	Description
Date of Prospectus		Shares sold in the offering that are not subject to a lock-up
90 Days after Date of Prospectus		Shares saleable under Rules 144 and 701 that are not subject to a lock-up
180 Days after Date of Prospectus		Lock-up released; shares saleable under Rules 144 and 701

In addition:

- of the 1,836,844 shares of our common stock that were issuable upon the exercise of stock options outstanding as of September 30, 2017, options to purchase 506,453 shares of common stock were exercisable as of that date, and upon exercise these shares will be eligible for sale subject to the lock-up agreements described below and Rules 144 and 701 under the Securities Act;

- all 1,340,869 shares of our common stock that are issuable upon the exercise of warrants outstanding as of September 30, 2017 are currently exerciseable, and upon exercise these shares will be eligible for sale subject to the lock-up agreements described below and Rules 144 and 701 under the Securities Act; and

- all 1,581,128 shares of our common stock that are issuable upon the conversion of our Series A Convertible Preferred Stock outstanding as of September 30, 2017 are currently eligible for voluntary conversion, and upon such voluntary conversion these shares will be eligible for sale subject to the lock-up agreements described below and Rules 144 and 701 under the Securities Act.

Rule 144

In general, under Rule 144 as currently in effect, once we have been subject to the reporting requirements under the Exchange Act for at least 90 days, a person (or persons whose shares are aggregated) who is not deemed to have been an affiliate of ours at any time during the three months preceding a sale, and who has beneficially owned restricted securities within the meaning of Rule 144 for at least six months, would be entitled to sell those shares, subject only to the availability of current public information about us. A non-affiliated person who has beneficially owned restricted securities within the meaning of Rule 144 for at least one year would be entitled to sell those shares without regard to the provisions of Rule 144.

An affiliate of ours who has beneficially owned restricted shares of our common stock for at least one year (or six months, provided that such sale occurs after we have been subject to the reporting requirements under the Exchange Act for at least 90 days) would be entitled to sell, within any three-month period, a number of shares that does not exceed the greater of:

- 1% of shares of our common stock then outstanding; or
- the average weekly trading volume of shares of our common stock on the NASDAQ Capital Market during the four calendar weeks preceding the date on which notice of the sale is filed with the SEC.

Sales under Rule 144 by our affiliates or persons selling shares on behalf of our affiliates are also subject to manner of sale provisions, notice requirements and the availability of current public information about us.

Rule 701

In general, under Rule 701 as currently in effect, any of our employees, directors, officers, consultants or advisors who acquired common stock from us in connection with a written compensatory stock or option plan or other written agreement in compliance with Rule 701 under the Securities Act before the effective date of a registration statement is entitled to rely on Rule 701 to resell such shares in reliance on Rule 144. An affiliate of the issuer can resell shares in reliance on Rule 144 without having to comply with the holding period requirements of Rule 144, and a non-affiliate of the issuer can resell shares in reliance on Rule 144 without having to comply with the holding period requirements of Rule 144 and without regard to the volume of such sales or the availability of public information about the issuer. However, substantially all Rule 701 shares are subject to lock-up agreements as described below and under the section entitled "Underwriting" and will become eligible for sale upon the expiration of the restrictions set forth in those agreements.

Lock-up Agreements

Each of our directors and officers and the holders of substantially all of five percent (5%) or more of our common stock have agreed that they will not (a) offer, sell, contract to sell, grant any option to purchase, hypothecate, pledge or otherwise dispose of or (b) transfer title to any shares of our common stock acquired prior to the 2017 Private Placement, which includes any shares of our common stock acquired upon the exercise of any warrants acquired prior to the 2017 Private Placement, for a period beginning on December 22, 2016 and ending twelve (12) months following the effective date of the registration statement of which this prospectus is a part, without our prior written consent and the prior written consent of the Placement Agent.

In connection with the formation of Motus GI Holdings, Inc. ("Holdings") in September, 2015, certain affiliates of the Placement Agent and certain other parties not affiliated with us or the Placement Agent subscribed for an aggregate of 1,650,000 shares of our common stock (the "Formation Shares"), for which they paid an aggregate of $82,000 ($0.05 per share). Each of the holders of the Formation Shares have agreed that they will not (a) offer, sell, contract to sell, grant any option to purchase, hypothecate, pledge or otherwise dispose of or (b) transfer title to any shares of our common stock acquired prior to the 2017 Private Placement, which includes any shares of our common stock acquired upon the exercise of any warrants acquired prior to the 2017 Private Placement, for a period beginning on December 22, 2016 and ending twelve (12) months following the effective date of the registration statement of which this prospectus is a part, without our prior written consent and the prior written consent of the Placement Agent.

In March 2017, the Company signed a consulting service agreement by which it granted the service provider 90,000 shares of the Company's common stock (the "Consultant Shares"). The consultant has agreed that they will not (a) offer, pledge, sell, contract to sell, grant any option or contract to purchase, purchase any option or contract to sell, or otherwise dispose of, directly or indirectly, or (b) transfer title to any of the subject shares, for a period beginning the effective date of the consulting agreement and ending: (i) with respect to 22,500 of the Consultant Shares, upon the nine (9) month anniversary of the signing of the consulting agreement, (ii) with respect to 22,500 of the Consultant Shares, upon the six (6) month anniversary from the effective date of the registration statement of which this prospectus is a part, and (iii) with respect to 45,000 of the Consultant Shares, upon the twelve month anniversary from the effective date of the registration statement of which this prospectus is a part, without the prior written consent of the Company.

Our officers and directors and the holders of substantially all of our outstanding shares of capital stock have agreed with the underwriters, subject to certain exceptions, not to dispose of or hedge any of their common stock or securities convertible into or exchangeable for shares of common stock for a period through the date 180 days after the date of this prospectus, except with the prior written consent of , as the representative of the underwriters. The representative may in their sole discretion and at any time without notice release some or all of the shares subject to lock-up agreements prior to the expiration of the 180-day period. When determining whether or not to release shares from the lock-up agreements, the representative may consider, among other factors, the stockholder's reasons for requesting the release, the number of shares for which the release is being requested and market conditions at the time.

Registration Rights

Certain holders of our securities are entitled to various rights with respect to registration of their shares under the Securities Act. Registration of these shares under the under the Securities Act would result in these shares becoming fully tradeable without restriction under the Securities Act immediately upon the effectiveness of the registration. See the section entitled "Description of Securities – Registration Rights" for additional information.

Equity Incentive Plans

We intend to file one or more registration statements on Form S-8 under the Securities Act to register our shares issued or reserved for issuance under our equity incentive plans. The first such registration statement is expected to be filed soon after the date of this prospectus and will automatically become effective upon filing with the SEC. Accordingly, shares registered under such registration statement will be available for sale in the open market, unless such shares are subject to vesting restrictions with us or the lock-up restrictions described above. As of September 30, 2017, we estimate that such registration statement on Form S-8 will cover approximately 2,011,656 shares.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS OF OUR COMMON STOCK

The following is a summary of the material United States federal income tax consequences to non-U.S. holders (as defined below) of their ownership and disposition of our common stock, but does not purport to be a complete analysis of all the potential tax considerations relating thereto. This summary is based upon current provisions of the Code, existing and proposed United States Treasury Regulations promulgated thereunder, current administrative rulings, and judicial decisions, all as in effect as of the date hereof. Especially in light of recent legislative proposals, these authorities may be changed, possibly retroactively, so as to result in United States federal tax consequences different from those set forth below. We have not obtained, and do not intend to obtain, any opinion of counsel or ruling from the Internal Revenue Service, or the IRS, with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS will agree with such statements and conclusions.

This summary also does not address the tax considerations arising under the laws of any non-United States, state or local jurisdiction or under any non-income tax laws, including United States federal gift and estate tax laws, except to the limited extent set forth below. In addition, this discussion does not address the potential application of the tax on net investment income or the alternative minimum tax. This discussion may not apply, in whole or in part, to particular non-U.S. holders in light of their individual circumstances or to holders subject to special treatment under the United States federal income tax laws, including, without limitation:

- insurance companies, banks or other financial institutions;
- tax-exempt organizations;
- pension plans;
- controlled foreign corporations or passive foreign investment companies;
- brokers or dealers in securities or currencies;
- traders in securities that elect to use a mark-to-market method of accounting for their securities holdings;
- persons that own, or are deemed to own, more than 5% of our capital stock (except to the extent specifically set forth below);
- certain former citizens or long-term residents of the United States;
- persons that hold our common stock as a position in a hedging transaction, straddle, conversion transaction, synthetic security or other integrated investment;
- persons that hold or receive our common stock pursuant to the exercise of any employee stock option or otherwise as compensation; and
- persons that do not hold our common stock as a capital asset within the meaning of Section 1221 of the Code.

In addition, this discussion does not address the tax treatment of partnerships, including any entity or arrangement treated as a partnership for United States federal income tax purposes. Generally, the tax treatment of a person treated as a partner in such an entity will depend on the status of the partner, the activities of the partner and the partnership, and certain determinations made at the partner level. Accordingly, partnerships that hold our common stock, and partners in such partnerships, should consult their tax advisors.

THIS SUMMARY IS NOT INTENDED TO BE CONSTRUED AS LEGAL ADVICE. WE RECOMMEND THAT PROSPECTIVE INVESTORS CONSULT THEIR TAX ADVISORS REGARDING THE PARTICULAR U.S. FEDERAL INCOME TAX CONSEQUENCES TO THEM OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK, AS WELL AS ANY TAX CONSEQUENCES ARISING UNDER ANY STATE, LOCAL OR FOREIGN TAX LAWS, ANY APPLICABLE INCOME TAX TREATIES, OR ANY OTHER U.S. FEDERAL TAX LAWS (INCLUDING ESTATE AND GIFT TAX LAWS).

Definition of Non-U.S. Holder

For purposes of this discussion, you are a non-U.S. holder if you are a beneficial owner of our common stock that is not, for United States federal income tax purposes:

- an individual citizen or resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized in the United States or under the laws of the United States or any political subdivision thereof;
- an estate whose income is subject to United States federal income tax regardless of its source; or
- a trust whose administration is subject to the primary supervision of a United States court and which has one or more "United States persons" (as defined in the Code) who have the authority to control all substantial decisions of the trust, or which has made a valid election to be treated as a United States person.

Distributions to non-U.S. Holders

As described in the section titled "Dividend Policy," we do not anticipate paying any cash dividends or making distributions of other property on our common stock in the foreseeable future. However, if we do make distributions of cash or property on our common stock, those payments will constitute dividends for United States tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under United States federal income tax principles. To the extent those distributions exceed both our current and our accumulated earnings and profits, the excess will constitute a return of capital and will first reduce a non-U.S. holder's tax basis in our common stock, but not below zero, and then will be treated by a non-U.S. holder as gain from the sale of stock as described below under "Gain on dispositions of our common stock by non-U.S. holders."

Subject to the discussion below on effectively connected income, any dividend paid to a non-U.S. holder generally will be subject to United States withholding tax either at a rate of 30% of the gross amount of the dividend or such lower rate as may be specified by an applicable income tax treaty. To receive a reduced treaty rate, a non-U.S. holder must provide us with an IRS Form W-8BEN or W-8BEN-E (or applicable successor form) and certify qualification for the reduced rate. If a non-U.S. holder is eligible for a reduced rate of United States withholding tax pursuant to an income tax treaty, such non-U.S. holder may obtain a refund or credit of any excess amounts withheld by timely filing an appropriate claim with the IRS. If a non-U.S. holder holds our common stock through a financial institution or other agent acting on such non-U.S. holder's behalf, appropriate documentation will need to be provided to the agent, which then will be required to provide certification to us or our paying agent, either directly or through other intermediaries.

Dividends received by a non-U.S. holder that are effectively connected with such non-U.S. holder's conduct of a trade or business in the United States (and, if an applicable income tax treaty so provides, that are attributable to a permanent establishment or a fixed base maintained by such non-U.S. holder in the United States), are generally exempt from the 30% withholding tax if certain certification and disclosure requirements are satisfied. To obtain this exemption, a non-U.S. holder must provide us with an IRS Form W-8ECI (or applicable successor form) properly certifying such exemption. However, such effectively connected dividends, although not subject to withholding tax, generally are taxed at the same graduated United States federal income tax rates applicable to United States persons, net of certain deductions and credits. In addition, dividends received by a corporate non-U.S. holder that are effectively connected with the conduct of a trade or business in the United States may also be subject to a branch profits tax at a rate of 30% or such lower rate as may be specified by an applicable income tax treaty. Non-U.S. holders should consult with tax advisors regarding any applicable income tax or other treaties that may provide for different rules.

Any documentation provided to an applicable withholding agent may need to be updated in certain circumstances. The certification requirements described above also may require a non-U.S. holder to provide a United States taxpayer identification number.

For additional withholding rules that may apply to dividends, including dividends paid to foreign financial institutions (as specifically defined by the applicable rules) or to certain other foreign entities that have substantial direct or indirect United States owners, see the discussion below under the headings "Backup withholding and information reporting" and "Withholdable payments to foreign financial institutions and other foreign entities."

Gain on Disposition of Our Common Stock by non-U.S. Holders

Subject to the discussion below under the headings "Backup withholding and information reporting" and "Withholdable payments to foreign financial institutions and other foreign entities," a non-U.S. holder generally will not be required to pay United States federal income tax or withholding tax on any gain recognized upon the sale, exchange or other taxable disposition of our common stock unless:

- the gain is effectively connected with the conduct of a trade or business by such non-U.S. holder in the United States (and, if an applicable income tax treaty so provides, the gain is attributable to a permanent establishment or a fixed base maintained by such non-U.S. holder in the United States), in which case the non-U.S. holder will be required to pay tax on the net gain derived from the sale or disposition at the graduated rates and in the manner applicable to United States persons, and an additional branch profits tax at a rate of 30% (or such lower rate as may be specified by an applicable income tax treaty) may also apply to a corporate non-U.S. holder;

- such non-U.S. holder is a nonresident alien individual who is present in the United States for a period or periods aggregating 183 days or more during the calendar year in which the sale or disposition occurs and certain other conditions are met, in which case the non-U.S. holder will be required to pay a flat 30% tax (or such lower rate as may be specified by an applicable income tax treaty) on the gain derived from the sale or disposition, which gain may be offset by United States-source capital losses for the taxable year of the sale or disposition; or

- our common stock constitutes a United States real property interest by reason of our status as a "United States real property holding corporation", or USRPHC, for United States federal income tax purposes at any time within the shorter of the five-year period preceding such non-U.S. holder's disposition of, or holding period for, our common stock, in which case the non-U.S. holder generally will be taxed on net gain derived from the sale or disposition at the graduated rates applicable to United States persons.

We believe that we are not currently and will not become a USRPHC and the remainder of this discussion so assumes. However, because the determination of whether we are a USRPHC depends on the fair market value of our United States real property relative to the fair market value of our other business assets, there can be no assurance that we will not become a USRPHC in the future. Even if we become a USRPHC, however, as long as our common stock is regularly traded on an established securities market, such common stock will be treated as United States real property interests only if a non-U.S. holder actually or constructively holds more than 5% of such regularly traded common stock at any time during the shorter of the five-year period preceding such non-U.S. holder's disposition of, or holding period for, our common stock. Non- U.S. holders should consult with tax advisors regarding any applicable income tax or other treaties that may provide for different rules.

Information Reporting and Backup Withholding

We (or the applicable paying agent) must report annually to the IRS the amount of dividends on our common stock paid to non-U.S. holders and the amount of tax withheld, if any. A similar report will be sent to each non-U.S. holder. Copies of this information reporting may also be made available under the provisions of a specific income tax treaty or agreement with the tax authorities in a non-U.S. holder's country of residence.

Non-U.S. holders will generally be subject to backup withholding (at a current rate of 28%) for dividends on our common stock paid to such non-U.S. holders unless an exemption is established such as by, for example, properly certifying non-United States status on an IRS Form W-8BEN or W-8BEN-E (or applicable successor form). Notwithstanding the foregoing, backup withholding and information reporting may apply if either we or our paying agent has actual knowledge, or reason to know, that a holder of our common stock is a United States person.

Information reporting and backup withholding generally are not required with respect to the amount of any proceeds from the sale or other disposition of our common stock by a non-U.S. holder outside the United States through a foreign office of a foreign broker that does not have certain specified connections to the United States. However, if a non-U.S. holder sells or otherwise disposes of shares of common stock through a United States broker or the United States offices of a foreign broker, the broker will generally be required to report the amount of proceeds paid to such non-U.S. holder to the IRS and also to backup withhold on that amount unless the broker is provided appropriate certification of status as a non-United States person or an exemption is otherwise established. Information reporting will also apply if a non-U.S. holder sells shares of common stock through a foreign broker deriving more than a specified percentage of its income from United States sources or having certain other connections to the United States, unless such broker has documentary evidence in its records that such non-U.S. holder is a non-United States person and certain other conditions are met, or an exemption is otherwise established.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment may be refunded or credited against a non-U.S. holder's United States federal income tax liability, if any, provided that an appropriate claim is timely filed with the IRS. Non-U.S. holders should consult with tax advisors regarding the application of the information reporting and backup withholding rules to investment in our common stock.

Withholdable Payments to Foreign Financial Institutions and other Foreign Entities

The Foreign Account Tax Compliance Act, or FATCA, imposes a United States federal withholding tax of 30% on certain payments to "foreign financial institutions" (as specifically defined under these rules) and certain other non-United States persons that fail to comply with certain information reporting and certification requirements pertaining to their direct and indirect United States securityholders and/or United States account holders. Such payments include dividends on and, on or after January 1, 2019, gross proceeds from the sale or other disposition of our common stock. Under certain circumstances, a non-U.S. holder may be eligible for refunds or credits of such taxes. An intergovernmental agreement between the United States and an applicable foreign country may modify the requirements described in this paragraph. Non-U.S. holders should consult with tax advisors regarding the possible implications of this legislation and any applicable intergovernmental agreements on investment in our common stock.

U.S. Federal Estate Tax

Our common stock beneficially owned by an individual who is not a citizen or resident of the United States (as defined for United States federal estate tax purposes) at the time of their death will generally be includable in the decedent's gross estate for United States federal estate tax purposes and, therefore, may be subject to United States federal estate tax unless an applicable estate tax treaty or other treaty provides otherwise. Investors are urged to consult their own tax advisors regarding the United States federal estate tax consequences of the ownership or disposition of our common stock.

NON-U.S. HOLDERS ARE URGED TO CONSULT WITH TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE UNITED STATES FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATION, AS WELL AS ANY TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK ARISING UNDER THE UNITED STATES FEDERAL ESTATE OR GIFT TAX RULES OR UNDER THE LAWS OF ANY STATE, LOCAL, NON-UNITED STATES OR OTHER TAXING JURISDICTION OR UNDER ANY APPLICABLE TAX TREATY, INCLUDING THE CONSEQUENCES OF ANY PROPOSED CHANGE IN APPLICABLE LAWS.

UNDERWRITING

We and the underwriters for the offering named below have entered into an underwriting agreement with respect to the common stock being offered. Subject to the terms and conditions of the underwriting agreement, each underwriter has severally agreed to purchase from us, at the initial public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus, the number of shares of our common stock set forth opposite its name below. is the representative of the underwriters.

Underwriter	Number of Shares
Total	

The underwriting agreement provides that the obligations of the underwriters are subject to certain conditions precedent and that the underwriters have agreed, severally and not jointly, to purchase all of the shares sold under the underwriting agreement if any of these shares are purchased, other than those shares covered by the overallotment option described below. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the non-defaulting underwriters may be increased or the underwriting agreement may be terminated. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Overallotment Option to Purchase Additional Shares. We have granted to the underwriters an option to purchase up to additional shares of common stock at the public offering price, less the underwriting discount. This option is exercisable for a period of 30 days. To the extent that the underwriters exercise this option, the underwriters will purchase additional shares from us in approximately the same proportion as shown in the table above. If any additional shares of our common stock are purchased, the underwriters will offer the additional shares on the same terms as those on which the shares are being offered.

Discounts and Commissions. The following table shows the public offering price, underwriting discount and proceeds, before expenses to us. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

We estimate that the total expenses of the offering, excluding underwriting discount, will be approximately $ and are payable by us.

		Total	
	Per Share	Without Overallotment	With Overallotment
Public offering price			
Underwriting discount			
Proceeds, before expenses, to us			

The underwriters propose to offer the shares of common stock to the public at the public offering price set forth on the cover of this prospectus. The underwriters may offer the shares of common stock to securities dealers at the public offering price less a concession not in excess of $ per share. If all of the shares are not sold at the public offering price, the underwriters may change the offering price and other selling terms.

Discretionary Accounts. The underwriters do not intend to confirm sales of the shares to any accounts over which they have discretionary authority.

Market Information. Prior to this offering, there has been no public market for shares of our common stock. The initial public offering price will be determined by negotiations between us and the representative of the underwriters. In addition to prevailing market conditions, the factors to be considered in these negotiations will include:

- the history of, and prospects for, our company and the industry in which we compete;
- our past and present financial information;
- an assessment of our management; its past and present operations, and the prospects for, and timing of, our future revenues;
- the present state of our development; and
- the above factors in relation to market values and various valuation measures of other companies engaged in activities similar to ours.

An active trading market for the shares may not develop. It is also possible that after the offering the shares will not trade in the public market at or above the initial public offering price.

We have applied for the quotation of our common stock on under the symbol “MOTS”.

Stabilization. In connection with this offering, the underwriters may engage in stabilizing transactions, overallotment transactions, syndicate covering transactions, penalty bids and purchases to cover positions created by short sales.

- Stabilizing transactions permit bids to purchase shares of common stock so long as the stabilizing bids do not exceed a specified maximum, and are engaged in for the purpose of preventing or retarding a decline in the market price of the common stock while the offering is in progress.
- Overallotment transactions involve sales by the underwriters of shares of common stock in excess of the number of shares the underwriters are obligated to purchase. This creates a syndicate short position which may be either a covered short position or a naked short position. In a covered short position, the number of shares over-allotted by the underwriters is not greater than the number of shares that they may purchase in the overallotment option. In a naked short position, the number of shares involved is greater than the number of shares in the overallotment option. The underwriters may close out any short position by exercising their overallotment option or purchasing shares in the open market.
- Syndicate covering transactions involve purchases of common stock in the open market after the distribution has been completed in order to cover syndicate short positions. In determining the source of shares to close out the short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared with the price at which they may purchase shares through exercise of the overallotment option. If the underwriters sell more shares than could be covered by exercise of the overallotment option and, therefore, have a naked short position, the position can be closed out only by buying shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that after pricing there could be downward pressure on the price of the shares in the open market that could adversely affect investors who purchase in the offering.
- Penalty bids permit the representative to reclaim a selling concession from a syndicate member when the common stock originally sold by that syndicate member is purchased in stabilizing or syndicate covering transactions to cover syndicate short positions.

These stabilizing transactions, syndicate covering transactions and penalty bids may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of our common stock. As a result, the price of our common stock in the open market may be higher than it would otherwise be in the absence of these transactions. Neither we nor the underwriters make any representation or prediction as to the effect that the transactions described above may have on the price of our common stock. These transactions may be effected on , in the over-the-counter market or otherwise and, if commenced, may be discontinued at any time.

Passive Market Making. In connection with this offering, the underwriters and selling group members, if any, may engage in passive market making transactions in our common stock on in accordance with Rule 103 of Regulation M under the Securities Exchange Act of 1934, as amended, during a period before the commencement of offers or sales of common stock and extending through the completion of the distribution. A passive market maker must display its bid at a price not in excess of the highest independent bid of that security. However, if all independent bids are lowered below the passive market maker's bid, such bid must then be lowered when specified purchase limits are exceeded.

Lock-Up Agreements. Pursuant to certain ''lock-up'' agreements, we and our executive officers, directors and holders of substantially all of our common stock and securities convertible into or exchangeable for our common stock, including , have agreed, subject to certain exceptions, not to offer, sell, assign, transfer, pledge, contract to sell, or otherwise dispose of or announce the intention to otherwise dispose of, or enter into any swap, hedge or similar agreement or arrangement that transfers, in whole or in part, the economic consequence of ownership of, directly or indirectly, or make any demand or request or exercise any right with respect to the registration of, or file with the SEC a registration statement under the Securities Act relating to, any common stock or securities convertible into or exchangeable or exercisable for any common stock without the prior written consent of for a period of 180 days after the date of the pricing of the offering.

This lock-up provision applies to common stock and to securities convertible into or exchangeable or exercisable for common stock. It also applies to common stock owned now or acquired later by the person executing the agreement or for which the person executing the agreement later acquires the power of disposition, including any shares acquired by our directors and officers in the directed share program described below. The exceptions permit us, among other things and subject to restrictions, to: (1) issue common stock or options pursuant to employee benefit plans, (2) issue common stock upon exercise of outstanding options or warrants, or (3) file registration statements on Form S-8. The exceptions permit parties to the ''lock-up'' agreements, among other things and subject to restrictions, to: (a) make certain gifts, (b) if the party is a corporation, partnership, limited liability company or other business entity, make transfers to any shareholders, partners, members of, or owners of similar equity interests in, the party, or to an affiliate of the party, if such transfer is not for value, and (c) if the party is a corporation, partnership, limited liability company or other business entity, make transfers in connection with the sale or transfer of all of the party's capital stock, partnership interests, membership interests or other similar equity interests, as the case may be, or all or substantially all of the party's assets, in any such case not undertaken for the purpose of avoiding the restrictions imposed by the "lock-up" agreement. In addition, the lock-up provision will not restrict broker-dealers from engaging in market making and similar activities conducted in the ordinary course of their business.

in their sole discretion, may release our common stock and other securities subject to the lock-up agreements described above in whole or in part at any time. When determining whether or not to release our common stock and other securities from lock-up agreements, will consider, among other factors, the holder's reasons for requesting the release, the number of shares for which the release is being requested and market conditions at the time of the request. In the event of such a release or waiver for one of our directors or officers, shall provide us with notice of the impending release or waiver at least three business days before the effective date of such release or waiver and we will announce the impending release or waiver by issuing a press release at least two business days before the effective date of the release or waiver.

Electronic Offer, Sale and Distribution of Shares. A prospectus in electronic format may be made available on the websites maintained by one or more of the underwriters or selling group members, if any, participating in this offering and one or more of the underwriters participating in this offering may distribute prospectuses electronically. The representative may agree to allocate a number of shares to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the underwriters and selling group members that will make Internet distributions on the same basis as other allocations. Other than the prospectus in electronic format, the information on these websites is not part of this prospectus or the registration statement of which this prospectus forms a part, has not been approved or endorsed by us or any underwriter in its capacity as underwriter, and should not be relied upon by investors.

Other Relationships. Certain of the underwriters and their affiliates may in the future provide various investment banking, commercial banking and other financial services for us and our affiliates for which they may in the future receive customary fees.

Notice to Prospective Investors

Other than in the United States, no action has been taken by us or the underwriters that would permit a public offering of the securities offered by this prospectus in any jurisdiction where action for that purpose is required. The securities offered by this prospectus may not be offered or sold, directly or indirectly, nor may this prospectus or any other offering material or advertisements in connection with the offer and sale of any such securities be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus comes are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities offered by this prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

LEGAL MATTERS

The validity of the securities offered in this prospectus is being passed upon for us by Lowenstein Sandler LLP, New York, New York. has acted as counsel for the underwriters in connection with certain legal matters related to this offering.

EXPERTS

The consolidated balance sheets of Motus GI Holdings, Inc., and the related statements of operations, stockholders' deficit, and cash flows for each of the years in the two-year period ended December 31, 2016, have been audited by Brightman Almagor Zohar & Co., an independent registered public accounting firm, as stated in their report which is included in this prospectus herein. Such financial statements have been included herein in reliance on the report of such firm given upon their authority as experts in accounting and auditing.

DISCLOSURE OF COMMISSION POSITION ON INDEMNIFICATION FOR SECURITIES ACT LIABILITIES

Our directors and officers are indemnified to the fullest extent permitted under Delaware law. We also maintain insurance which protects our officers and directors against any liabilities incurred in connection with their service in such a capacity.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers and controlling persons pursuant to the foregoing, or otherwise, we have been advised that in the opinion of the SEC 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 us of expenses incurred or paid by a director, officer or controlling person of ours 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, we will, unless in the opinion of our 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.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the common stock offered by this prospectus. This prospectus, which is part of the registration statement, omits certain information, exhibits, schedules and undertakings set forth in the registration statement. For further information pertaining to us and our common stock, reference is made to the registration statement and the exhibits and schedules to the registration statement. Statements contained in this prospectus as to the contents or provisions of any documents referred to in this prospectus are not necessarily complete, and in each instance where a copy of the document has been filed as an exhibit to the registration statement, reference is made to the exhibit for a more complete description of the matters involved.

You may read and copy all or any portion of the registration statement without charge at the office of the SEC at the Public Reference Room at Station Place, 100 F Street, N.E., Washington, D.C. 20549. Copies of the registration statement may be obtained from the SEC at prescribed rates from the Public Reference Section of the SEC at such address. In addition, registration statements and certain other filings made with the SEC electronically are publicly available through the SEC's web site at http://www.sec.gov. The registration statement, including all exhibits and amendments to the registration statement, has been filed electronically with the SEC.

Upon completion of this offering, we will become subject to the information and periodic reporting requirements of the Securities Exchange Act of 1934, as amended, and, in accordance with such requirements, will file periodic reports, proxy statements, and other information with the SEC. These periodic reports, proxy statements, and other information will be available for inspection and copying at the regional offices, public reference facilities, and web site of the SEC referred to above. We intend to furnish our stockholders with annual reports containing consolidated financial statements audited by our independent registered accounting firm.

MOTUS GI HOLDINGS, INC.

CONSOLIDATED FINANCIAL STATEMENTS

MOTUS GI HOLDINGS, INC.

INDEX TO FINANCIAL STATEMENTS

Contents

MOTUS GI HOLDINGS, INC.
INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS
Expressed in U.S. dollars in thousands, except share data

	Note	As of June 30, 2017 Unaudited	As of December 31, 2016
ASSETS			
Current assets			
Cash and cash equivalents		12,940	11,644
Restricted cash		-	7
Accounts receivables		18	-
Inventory		419	81
Other current assets		673	263
Total current assets		14,050	11,995
Fixed assets, net		589	141
Long-term deposits		106	55
Total Assets		14,745	12,191
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade accounts payable		913	107
Other current liabilities		1,449	645
Total current liabilities		2,362	752
Other long-term liabilities	5	1,544	1,410
Shareholders' equity (deficit)	3		
Common stock - $0.0001 par value			
Authorized: 50,000,000 as of June 30, 2017 and December 31, 2016, respectively		1	1
Issued and outstanding: 10,489,066 and 9,294,463 as of June 30, 2017 and December 31, 2016, respectively			
Preferred series A stock - $0.0001 par value		(*)	(*)
Authorized: 2,000,000 as of June 30, 2017 and December 31 2016, respectively.			
Issued and outstanding: 1,581,128 and 1,214,845 as of June 30, 2017 and December 31 2016 respectively.			
Preferred stock - $0.0001 par value			
Authorized: 8,000,000 as of June 30, 2017			
Issued and outstanding: 0 as of December 31, 2016		-	-
Additional paid-in capital		43,020	35,949
Accumulated deficit		(32,182)	(25,921)
Total shareholders' equity		10,839	10,029
Total liabilities and shareholders' equity		14,745	12,191

(*) Represents an amount less than one thousand.

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

MOTUS GI HOLDINGS, INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
Expressed in U.S. dollars in thousands, except share and per share information

	Note	Six months ended June 30,		Three months ended June 30,	
		2017	2016	2017	2016
		Unaudited		Unaudited	
Revenue	2B	16	-	-	-
Cost of revenue		19	-	-	-
Gross loss		(3)	-	-	-
Research and development expenses, net		1,733	1,883	1,122	954
Marketing expenses		989	324	543	109
General and administrative expenses		2,508	848	1,230	429
Other income		(15)	-	-	-
Operating loss		5,218	3,055	2,895	1,492
Financing expenses, net		143	610	74	304
Registration rights expense		900	-	900	-
Net Loss		6,261	3,665	3,869	1,796
Weighted average number of common shares outstanding used in computing basic and diluted loss per share		10,175,157	940,028	10,488,647	940,028
Basic and diluted loss per common share		(0.615)	(3.898)	(0.369)	(1.910)

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

MOTUS GI HOLDINGS, INC.
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
Expressed in U.S. dollars in thousands, except share data

	Preferred stock - Motus Ltd. (pre- merger)		Preferred series A stock		Common stock				
	Number of shares (*)	USD	Number of shares (*)	USD	Number of shares (*)	USD	Additional paid in capital	Accumulate deficit	Total shareholders' equity
Balance as of January 1, 2016	2,971,224	(**)	-	-	940,028	(**)	14,175	(17,898)	(3,723)
Conversion of convertible notes	3,243,768	(**)	-	-	-	-	16,253	-	16,253
Exercise of warrants	-	-	-	-	88,748	(**)	-	-	-
Effect of reverse recapitalization transaction	(6,214,992)	(**)	1,214,845	(**)	8,265,687	1	5,467	-	5,468
Share-based compensation	-	-	-	-	-	-	54	-	54
Net loss	-	-	-	-	-	-	-	(8,023)	(8,023)
Balance as of December 31, 2016	-	-	1,214,845	(**)	9,294,463	1	35,949	(25,921)	10,029
(Unaudited)									
Issuance of shares	-	-	366,283	(**)	1,098,849	(**)	6,474	-	6,474
Share-based compensation	-	-	-	-	95,000	(**)	597	-	597
Exercise of options	-	-	-	-	754	(**)	(**)	-	-
Net loss for the period	-	-	-	-	-	-	-	(6,261)	(6,261)
Balance as of June 30, 2017	-	-	1,581,128	(**)	10,489,066	1	43,020	(32,182)	10,839

(*) Number of shares as of January 1, 2016 has been retroactively adjusted based on the equivalent number of shares received by the accounting acquirer in the reverse recapitalization (see note 1A).
(**) Represents an amount less than one thousand.

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

MOTUS GI HOLDINGS, INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
Expressed in U.S. dollars in thousands

	Six months ended June 30,	
	2017	**2016**
	Unaudited	
CASH FLOWS - OPERATING ACTIVITIES		
Net loss for the period	(6,261)	(3,665)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	25	18
Interest and revaluation of convertible notes and other long-term liabilities	134	594
Share-based compensation expense	597	8
Changes in assets and liabilities:		
Decrease (increase) in other current assets	(410)	21
Increase in accounts receivable	(18)	-
Increase in inventory	(338)	-
Increase (decrease) in trade accounts payable	806	66
Increase (decrease) in other current liabilities	804	(59)
Net cash used in operating activities	(4,661)	(3,017)
CASH FLOWS - INVESTING ACTIVITIES		
Acquisition of fixed assets	(473)	(5)
Increase in long-term deposits	(51)	35
Decrease in restricted cash	7	(35)
Net cash used in investing activities	(517)	(5)
CASH FLOWS - FINANCING ACTIVITIES		
Proceeds from issuance of shares, net	6,474	-
Proceeds from issuance of convertible notes	-	2,587
Net cash provided by financing activities	6,474	2,587
Increase (decrease) in cash and cash equivalents	1,296	(435)
Cash and cash equivalents at the beginning of the year	11,644	1,292
Cash and cash equivalents at the end of the period	12,940	857

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

NOTE 1 - GENERAL

A. ORGANIZATION AND BUSINESS

Organization

Motus GI Holdings, Inc. (the "Company") was incorporated in Delaware, U.S.A. in September 2016. The Company was established for the purpose of raising capital for the recapitalization of Motus GI Medical Technologies, Ltd. ("Motus, Ltd."), a company incorporated in Israel and its then wholly owned subsidiary Motus GI, Inc ("Motus, Inc."), a company incorporated in Delaware, U.S.A.

On December 22, 2016, the Company acquired (the "Recapitalization Transaction") 100% of the outstanding shares of Motus, Ltd. pursuant to a capital stock exchange agreement dated December 1, 2016, between the Company and the shareholders of Motus, Ltd. (the "Exchange Agreement"). In exchange for the outstanding shares of Motus, Ltd., the Company issued to the shareholders of Motus, Ltd. a total of 4,000,000 shares of the Company's common stock representing approximately 69% of the total shares then issued and outstanding after giving effect to the Recapitalization Transaction. As a result of the Recapitalization Transaction, Motus, Ltd. became a wholly owned subsidiary of the Company. The Recapitalization Transaction was accounted for as a reverse recapitalization of Motus, Ltd. As the shareholders of Motus, Ltd. received the largest ownership interest in the Company, Motus, Ltd. was determined to be the "accounting acquirer" in the reverse recapitalization. As a result, the historical financial statements of the Company were replaced with the historical financial statements of Motus, Ltd.

On December 31, 2016, the Company executed a stock purchase agreement to acquire Motus, Inc. from Motus, Ltd resulting in Motus, Inc. becoming a wholly owned subsidiary of the Company.

The Company and its subsidiaries, Motus, Ltd. and Motus, Inc., are collectively referred to as the "Company".

Business

The Company has developed the Pure-Vu system, approved by the FDA, that cleanses the colon during a colonoscopy procedure thereby reducing the dependency on unpleasant and time consuming pre-procedural colonoscopy preparation regimens to ensure clear visualization of the colon mucosa which is critical to procedural success. The Pure-Vu system has been designed to integrate with standard colonoscopes to enable cleaning during the procedure while preserving standard procedural workflow and techniques. The Company believes the Pure-Vu system has the potential to improve procedure quality, clinical outcomes and patient satisfaction while simultaneously lowering costs and improving margins for hospitals and increasing revenues and improving margins for outpatient colonoscopy clinics.

NOTE 1 - GENERAL (Cont.)

B. Going Concern

To date the Company has generated minimal revenues from its activities and has incurred substantial operating losses. Management expects the Company to continue to generate substantial operating losses and to continue to fund its operations primarily through utilization of its current financial resources, future product sales, and through additional raises of capital.

Such conditions raise substantial doubts about the Company's ability to continue as a going concern. Management's plan includes revenue generation through the sale of products and raising funds from outside investors. However, there is no assurance that such sale of products will occur or that outside funding will be available to the Company, will be obtained on favorable terms or will provide the Company with sufficient capital to meet its objectives. These financial statements do not include any adjustments relating to the recoverability and classification of assets, carrying amounts or the amount and classification of liabilities that may be required should the Company be unable to continue as a going concern.

NOTE 2 - BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

A. Unaudited Interim Financial Statements

These unaudited interim consolidated financial statements have been prepared as of June 30, 2017, and for the six and three-month period then ended. Accordingly, certain information and footnote disclosures normally included in annual financial statements prepared in accordance with U.S. GAAP have been omitted. These unaudited interim consolidated financial statements should be read in conjunction with the audited financial statements and the accompanying notes of the Company for the year ended December 31, 2016.

The results of operations presented are not necessarily indicative of the results to be expected for the year ending December 31, 2017.

B. Significant Accounting Policies

The significant accounting policies followed in the preparation of these unaudited interim condensed consolidated financial statements are identical to those applied in the preparation of the latest annual financial statements with the exception of the following described below.

Revenue recognition

During the first quarter of 2017, the Company began selling its products. The vast majority of the Company's sales are expected to be achieved through the effort of its direct sales force.

In accordance with ASC Topic 605 "Revenue Recognition", the Company recognizes revenues from sale of products when the following fundamental criteria are met: (i) persuasive evidence of an arrangement exists; (ii) delivery has occurred or services have been rendered; (iii) the price to the customer is fixed or determinable; and (iv) collection of the resulting receivable is reasonably assured. Generally, delivery occurs after products meet all of the customer's acceptance criteria based on pre-shipment electronic, functional and quality tests.

The Company provides one-year warranty on sale of its products. No events have occurred that would indicate a need to necessitate an allowance related to warranty costs. The Company's policy does not allow for sales returns; therefore, no allowance has been created with respect to such matter.

NOTE 2 - BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont.)

C. Recent Accounting Standards

The Company assesses the adoption impacts of recently issued accounting standards by the Financial Accounting Standards Board on its financial statements. Following are newly issued standards or material updates to the Company's previous assessments from its financial statements from the year ended December 31, 2016:

In May 2017, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2017-09, "Compensation-Stock Compensation (Topic 718): Scope of Modification Accounting," which clarifies when a change to terms or conditions of a share-based payment award must be accounted for as a modification. The new guidance requires modification accounting if the vesting condition, fair value or the award classification is not the same both before and after a change to the terms and conditions of the award. The new guidance is effective on a prospective basis beginning on January 1, 2018 and early adoption is permitted. The Company does not expect the adoption of this standard to have an impact on its consolidated financial statements.

In May 2014, the FASB issued a new revenue recognition standard that will supersede current revenue recognition guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will be effective for the first interim period within annual periods beginning after December 15, 2017, with early adoption permitted for annual periods beginning after December 15, 2016, and can be adopted either retrospectively to each prior reporting period presented or as a cumulative effect adjustment as of the date of adoption. The Company does not expect the adoption of this standard to have a material impact on its consolidated financial statements.

NOTE 3 - SHARE CAPITAL

Formation shares

During October and November 2016, the Company issued 1,650,000 shares of common stock pursuant to the formation of the Company.

Shares exchange

As detailed in Note 1, during the Recapitalization Transaction the Company issued 4,000,000 shares of common stock in exchange for 100% of the issued and outstanding and preferred shares of Motus Ltd.

NOTE 3 - SHARE CAPITAL (Cont.)

Registration Rights

In connection with the 2017 Private Placement (as defined below), the Company entered into a registration rights agreement (the "Registration Rights Agreement") with the 2017 Private Placement investors, (the "Investors"). The Company is required to file with the SEC after the date of the final closing of the 2017 Private Placement (the "Registration Filing Date"), a registration statement covering the resale of the shares of our common stock held by the Investors (the "Investor Shares") issued in the 2017 Private Placement, as well as the shares of our common stock underlying the Series A Convertible Preferred Stock, par value $0.0001 (the "Series A Convertible Preferred Stock"), issued in the 2017 Private Placement (together with the Investor Shares, the "Registrable Securities"). The Company is also required to use commercially reasonable efforts to have the registration statement declared effective within one hundred and fifty (150) days after the registration statement is filed (the "Effectiveness Deadline"); provided however, that if the Company signs a letter of intent or comparable agreement with an underwriter which contemplates an Initial Public Offering ("IPO") or holds an organizational meeting for an IPO, or otherwise orally engages an underwriter to begin working with the Company towards an IPO prior to the Effectiveness Deadline (the "IPO Process Commencement Date"), then the Company shall file a joint registration statement covering the primary shares to be issued in the IPO and the resale of the Registrable Securities, and in such event the Registration Filing Date shall be extended to a date that is seventy five (75) calendar days after the IPO Process Commencement Date and the Effectiveness Deadline shall be extended to a date that is one hundred twenty (120) calendar days after the initial filing of the Registration Statement with the Commission. If the IPO is abandoned at any time, then the Registration Filing Date will be sixty (60) calendar days from the actual date of abandonment and the Effectiveness Deadline will be one hundred and fifty (150) calendar days after the date of abandonment. The Company is also required to keep the registration statement continuously effective under the Securities Act for a period of one year or for such shorter period ending on the earlier to occur of the date when all the Registrable Securities covered by the registration statement have been sold or such time as all of the Registrable Securities covered by the registration statement can be sold under Rule 144 without any volume limitations.

If this registration statement is not declared effective on or before the Effectiveness Deadline, the Company will be required to pay to each holder of Registrable Securities purchased in the 2017 Private Placement an amount in cash equal to one-half of one percent (0.5%) of such holder's investment amount on every thirty (30) day anniversary of such Effectiveness Deadline until such failure is cured. The payment amount shall be prorated for partial thirty (30) day periods. The maximum amount of payments to be made by the Company to each Investor as the result of such failure, shall be an amount equal to six percent (6%) of each Investor's investment amount. Notwithstanding the foregoing, no payments shall be owed with respect to any period during which all of the holder's Registrable Securities may be sold by such holder without restriction under Rule 144. Each such payment shall be due and payable within five days after the end of each full 30-day period of the Registration Default Period. If the Company fails to pay any partial liquidated damages or refund pursuant to this Section in full within seven days after the date payable, the Company will pay interest thereon at a rate of 2% per annum.

The Company shall keep the registration statement "evergreen" for one (1) year from the date it is declared effective by the SEC or until Rule 144 of the Securities Act is available to the holders of Registrable Securities purchased in the 2017 Private Placement with respect to all of their shares, whichever is earlier. As of the issuance date of the financial statements, the registration statement was not declared effective on or before the Effectiveness Deadline. As such, the Company recorded a provision of $900,000 within other current liabilities as of June 30, 2017 with respect to the registration right penalty. In accordance with ASC 825-20, the amount was recorded in earnings as the payment became probable and the amount was reasonably estimated after the inception date of the registration rights agreement.

NOTE 3 - SHARE CAPITAL (Cont.)

Private placement

On December 22, 2016, prior to the consummation of the Recapitalization Transaction, the Company consummated a private placement transaction (the "2017 Private Placement") as part of the Recapitalization Transaction. The 2017 Private Placement consisted of units each consisting of three-quarter of a share of common stock, par value $0.0001 and one-quarter a share of convertible preferred series A stock, par value $0.0001.

Pursuant to the 2017 Private Placement, on December 22, 2016, the Company issued 1,211,655 shares of common stock and 403,885 shares of Series A Convertible Preferred Stock for total consideration of 8,077,000.

On January 30, 2017, the Company completed the second closing of the private placement. The Company raised $2.94 million for 146,865 units consisting of 3/4 of a share of common stock and 1/4 of a share of Series A Convertible Preferred Stock.

On February 24, 2017, the Company completed the third and final closing of the private placement. The Company raised $4.4 million for 219,418 units consisting of 3/4 of a share of common stock and 1/4 of a share of Series A Convertible Preferred Stock.

Each share of Series A Convertible Preferred Stock is initially convertible at the option of the holder into one share of common stock. Each share of Series A Convertible Preferred Stock will automatically convert into one share of common stock at the earliest to occur of (a) three years from the initial closing of the 2017 Private Placement or (b) notice by the Company to the holders of Series A Convertible Preferred Stock that the Company has elected to convert all outstanding shares ("Mandatory Conversion Date "). Holders of the Series A Convertible Preferred Stock will not be entitled to receive dividends. The preferred stockholders will vote on an as-converted basis with the common stockholders, and upon any liquidation, dissolution or winding-up of the Company, the holders of the Series A Convertible Preferred Stock will be entitled to receive, for each share of preferred stock an amount equal to the stated value plus any accrued and unpaid dividends thereon before any distribution or payment may be made to the common stockholders.

The Series A Convertible Preferred Stock includes the right, as a group, to receive: (i) a percentage of the net sales of the Pure-Vu™ system, and (ii) a percentage of the proceeds, if any, received by the Company in connection with the licensing of the Pure-Vu™ system ("Royalty Payment Rights"). See Note 5 for additional information.

Exchange of convertible notes

On December 22, 2016, Motus Ltd. was obligated with respect to convertible notes in the amount of $14,596,683, inclusive of accrued interest. In connection with the Recapitalization Transaction, the Company exchanged the convertible notes for approximately 2,432,808 shares of common stock and 810,960 shares of Series A Convertible Preferred Stock.

Convertible notes warrants

As a result of the Recapitalization Transaction, the Company issued 907,237 convertible note warrants (the "CNA Warrants") to replace the warrants previously issued to the convertible note holders. The five-year CNA Warrants are exercisable for the Company's common stock at an exercise price of $5.00 per share.

NOTE 4 - SHARE-BASED COMPENSATION

Employee stock option grant

The Company has one option plan that was approved in 2009. This plan was adjusted in 2016 following the reverse recapitalization transaction on December 22, 2016.

According to the original plan, employees and service providers were entitled to receive options to purchase common shares of Motus Ltd. Following the recapitalization, the options granted will entitle their holder to purchase shares of common stock of the Company. As a result, the number of options and exercise price per share were adjusted in a technical manner such that there was no change in the fair value of the awards under the adjusted plan. All number of options and exercise prices in this Note have been restated to reflect the adjusted option plan.

From 2012 through 2015, the Company granted its employees, not including its CEO, options to purchase an aggregate of 90,108 shares of common stock of the Company at an exercise price ranging from $2.38 to $2.52 per share. The options will expire 10 years from the date of issuance. Some of the options have a vesting period of 3 years, while others are upon the achievement of certain milestones. The remaining unvested shares will vest upon 1) the Company's obtainment of CE approval of its system; and 2) upon the enrollment of the first patient in a post market study with a "prep-less" indication, or the sale of the first 1,000 disposables.

On April 2, 2014, the Company granted its CEO options to purchase 67,238 shares of the Company's common stock. Of the total options granted, 48,527 options will vest upon the achievement of certain milestones, as detailed, above and additional milestones including the gross return in multiples on preferred A shares. The remaining 18,711 options will vest over a period of 3 years. The exercise price of the options are $2.38 per share.

On May 4, 2017, the Company's Board of Directors approved the issuance of 1,726,769 options to directors, employees, and consultants. The additional options that were granted have an exercise price of $5.00 and vest in accordance with the terms of the option agreements.

Among this grant, the Company's CEO received options to purchase 511,113 shares of the Company's common stock. Fifty-three percent (53%) of the options subject to the option were fully vested immediately upon grant, forty percent (40%) of the options will vest in a series of twelve (12) successive equal quarterly installments upon the CEO's completion of each successive calendar quarter of active service over the three (3) year period measured from the date of grant, and seven percent (7%) of the options will vest on December 22, 2019, provided that the CEO remains a service provider to the Company through each applicable vesting date. Additionally, the Company's former CFO as of the grant date, received options to purchase 154,227 shares of the Company's common stock. A portion of the options vested on the grant date and the remaining options will vest over a period of 3 years.

On May 4, 2017, the Company's Board of Directors approved unrestricted stock awards for the issuance of 5,000 shares of its common stock to employees of the Company, under the 2016 Equity Incentive Plan.

NOTE 4 - SHARE-BASED COMPENSATION (Cont.)

Employee stock option grant (Cont.)

A summary of the Company's option activity related to options to employees and related information is as follows:

	For the six months ended June 30, 2017		
	Shares	Weighted Average Exercise Price	Weighted average remaining contractual term (years)
Outstanding at beginning of period	110,711	2.42	8
Granted	1,113,269	5	10
Exercised	(754)	-	-
Cancelled	-	-	-
Outstanding at end of period	1,223,226	4.77	9.8

The number of options that had vested as of June 30, 2017 was 456,181.

The aggregate intrinsic value (the difference between the fair market value of the Company's common stock on June 30, 2017, and the exercise price, multiplied by the number of in-the-money options on that date) was $179,415.

Compensation expense recorded by the Company in respect of options granted in accordance with ASC 718-10 for the period ended June 30, 2017 and 2016 amounted to $316,000 and $8,000, respectively. The compensation expenses for the six months ended June 30 2017 were recorded in the statement of comprehensive loss as follows: $236,000 in general and administrative, $37,000 in sales and marketing expenses and $43,000 in research and development expenses. The compensation expenses for the six months ended June 30 2016 were recorded in the statement of comprehensive loss as follows: $4,000 in general and administrative expenses and $4,000 in research and development expenses.

The fair value of the stock options granted on May 4, 2017 was estimated at the date of grant using the Black-Scholes options pricing model with the following weighted-average assumptions:

Expected volatility	60%
Dividend Yield	0%
Risk-free interest	2.36%
Expected life of up to (years)	5

Options and warrants to service providers

The Company accounts for options to purchase common stock issued to non-employees using the guidance of ASC 505-50, "Equity-Based Payments to Non-Employees", whereby the fair value of such options is determined at the earlier of the date at which the non-employee's performance is completed or a performance commitment is reached.

In 2012 and 2014, the Company granted 7,510 and 7,509 options to its service providers, respectively, to purchase shares of the Company's common stock at an exercise price of $2.38 per share. The options vest over a period of 3 years and will expire 10 years from the date of issuance.

NOTE 4 - SHARE-BASED COMPENSATION (Cont.)

Options and warrants to service providers (Cont.)

In January 2017, the Company signed a consulting service agreement by which it granted the service provider an option to purchase 100,000 shares of the Company's common stock in exchange for its services. The options were fully vested as of the signing date of the agreement and may be exercised during a period of 5 years from issuance at an exercise price of $5.00 per share. As of June 30, 2017, the Company recorded an expense in the amount of $40,000 with respect to this agreement.

In March 2017, the Company signed a consulting service agreement by which it granted the service provider 90,000 shares of the Company's common stock, subject to a lock-up agreement, and a warrant to purchase 30,000 shares of the Company's common stock at an exercise price of $8.00 per share, in exchange for its services. The warrant will vest and become exercisable as follows: (i) 7,500 warrant shares will become exercisable on December 27, 2017, (ii) 7,500 warrant shares will become exercisable on the six month anniversary of the date the Securities and Exchange Commission declares the Company's Registration Statement on Form S-1 (the "Registration Statement Effectiveness Date"), and (iii) 15,000 warrant shares will become exercisable on the twelve month anniversary of the Registration Statement Effectiveness Date. The warrants are exercisable for a period of 5 years from the signing of the agreement. As of June 30, 2017, the Company recorded an expense in the amount of $215,000 with respect to this agreement. The share-based compensation expense previously recognized on unvested warrants to this service provider were revalued as of June 30, 2017 using the same assumptions as the options granted to employees and service providers in May 2017.

As part of the 1,726,769 options granted on May 4, 2017, Directors of the Company received options to purchase 482,500 shares of the Company's common stock. The options will vest on the first and second anniversary of the grant date contingent upon continued services as director of the Company. As of June 30, 2017, the Company had not incurred any expenses with regards to these options.

Additionally, the Company granted options to purchase 31,000 common shares of the Company to two services providers in exchange for consulting services. A portion of the options vested on the grant date and the remaining options will vest in a series of twelve equal, quarterly installments contingent upon providing continued service as of each quarter over a three-year period from the grant date. The exercise price of the options are $5.00 and will expire 10 years from the grant date.

In connection with the 2017 Private Placement, the Company issued 403,632 warrants to purchase 403,632 shares of the Company's common stock to the placement agent at an exercise price equal to the fair value of the common stock on the grant date. These warrants are exercisable for a period of 5 years from the grant date and provide for a cashless exercise.

Compensation expense recorded by the Company in respect of options granted in accordance with ASC 505-50 for the period ended June 30, 2017 amounted to $254,000. This amount was recorded as general and administrative expenses.

NOTE 5 - OTHER LONG-TERM LIABILITIES

As a part of the 2017 Private Placement, the Company issued Series A Convertible Preferred Stock which entitle its holders, in aggregate, to a royalty in an amount of:

- 3% of net sales subject to a maximum in any calendar year equal to the total dollar amount of units closed on in the private placement offering; and

- 5% of licensing proceeds subject to a maximum in any calendar year equal to the total dollar amount of units closed on in the private placement.

NOTE 5 - OTHER LONG-TERM LIABILITIES (Cont.)

Even if converted pursuant to the mandatory conversion as defined in Note 3 above, the royalty right certificate will remain in the hands of the holder in addition to the common stock to be issued following conversion. If converted at the option of the holder prior to the mandatory conversion, the holder will lose all rights to future royalty payments.

In addition, the Company issued royalty rights certificates to the placement agent, and its designees, with substantially similar terms as those of the Series A Convertible Preferred Stock, which grants the placement agent, and its designees the right, in the aggregate, to receive 10% of the amount of payments paid to the holders of the Series A Convertible Preferred Stock.

The royalty rights certificates were recorded as a liability at fair value in the consolidated financial statements with changes in the fair value recorded in profit and loss.

Activity of all royalty right liabilities, which are measured on a recurring basis, was as follow for the period ended June 30, 2017:

	Other long-term liabilities
As of December 31, 2016	$ 1,410
Revaluation of liabilities	134
As of June 30, 2017	1,544

The Company measures the fair value of the liabilities using the discounted cash flow method using level 3 assumptions, namely a discount rate of 20%. The fair value at inception was allocated to the royalty rights and the residual value was allocated to the preferred shares and recorded as equity.

In accordance with ASC-820-10-50-2(g), the Company performed a sensitivity analysis of the liability, which was classified as a level 3 financial instrument. The Company recalculated the fair value of the liability by applying a +/- 2% change to the input variable in the discounted cash flow model; the discount rate. A 2% decrease in the discount rate would increase the liability by approximately $167,000; a 2% increase in the discount rate would decrease the liability by approximately $144,000.

NOTE 6 - COMMITMENTS AND CONTINGENCIES

On April 13, 2017, the Company entered into a lease for a facility in Fort Lauderdale, Florida, which the Company intends to begin occupying in October 2017. The facility will be initially 4,554 square feet, which will increase to 6,390 square feet by the second year of the lease. The term will run for seven years and two months from the date the Company begins to occupancy the facility. Annual base rent is initially $156,555 per year, subject to annual increases of 2.75%.

The Company currently has a lease agreement for its facilities in Israel through December 31, 2019. The annual lease fees are $82,000. The Company has an option to renew the lease agreement for three more years after the initial term period ends. The annual lease fees will increase by 4% at the option period.

NOTE 7 - SUBSEQUENT EVENTS

On August 16, 2017, the Company hired a new CFO. Pursuant to the terms of the employment agreement, the CFO will be granted options to purchase 240,000 common shares of the Company. The options will vest over a three year period on a quarterly basis and the exercise price will be equal to the fair market value on the grant date, as determined by the Board of Directors.

NOTE 7 - SUBSEQUENT EVENTS (Cont.)

The Company's former CFO's share based payment awards granted in May 2017 were forfeited as of September 7, 2017.

On September 29, 2017, the Board of Directors approved the repricing of the May 4, 2017 options awarded from an exercise price of $5.00 to $4.50 per share. This change will be accounted for as a modification of a share-based payment award.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Motus GI Holdings, Inc.

We have audited the accompanying consolidated balance sheets of Motus GI Holdings, Inc. and its subsidiaries (the "Company") as of December 31, 2016 and December 31, 2015 and the related consolidated statements of comprehensive loss, changes in stockholders' equity, and cash flows for the years ended December 31, 2016 and December 31, 2015. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, based on our audit, such consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2016 and December 31, 2015 and the results of its operations and cash flows for the years ended December 31, 2016 and December 31, 2015 in conformity with accounting principles generally accepted in the United States of America.

/s/ Brightman Almagor Zohar & Co.
Brightman Almagor Zohar & Co.
Certified Public Accountants
Member of Deloitte Touche Tohmatsu Limited

Tel Aviv, Israel
April 7, 2017

MOTUS GI HOLDINGS, INC.
CONSOLIDATED BALANCE SHEETS
Expressed in U.S. dollars in thousands

	Note	As of December 31, 2016	2015
ASSETS			
Current assets			
Cash and cash equivalents	2E	11,644	1,292
Restricted cash		7	-
Inventory	4	81	-
Other current assets	3	263	180
Total current assets		11,995	1,472
Fixed assets, net	5	141	157
Long-term deposits		55	86
		196	243
Total Assets		12,191	1,715
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade accounts payable		107	462
Other current liabilities	6	645	236
		752	698
Convertible notes	10	-	4,740
Other long-term liabilities	8	1,410	-
Shareholders' equity (deficit) (**)	8		
Common stock - $0.0001 par value		1	(*)
Authorized: 50,000,000 and 9,904,081 as of December 31, 2016 and December 31, 2015, respectively			
Issued and outstanding: 9,294,463 and 940,028 as of December 31, 2016 and December 31, 2015, respectively			
Preferred series A stock - $0.0001 par value (Motus Holdings)		(*)	-
Authorized: 2,000,000 as of December 31, 2016			
Issued and outstanding: 1,214,845 as of December 31, 2016			
Preferred stock - $0.0001 par value (Motus Holdings)		-	-
Authorized: 8,000,000 as of December 31, 2016			
Issued and outstanding: 0 as of December 31, 2016			
Preferred A stock - $0.0001 par value (Motus Ltd.)		-	(*)
Authorized: 7,262,992 as of December 31, 2015			
Issued and outstanding: 2,971,224 as of December 31, 2015			
Additional paid-in capital		35,949	14,175
Accumulated deficit		(25,921)	(17,898)
Total shareholders' equity (deficit)		10,029	(3,723)
Total liabilities and shareholders' equity		12,191	1,715

(*) Represents an amount less than one thousand.
(**) Number of shares as of December 31, 2015 has been retroactively adjusted based on the equivalent number of shares received by the accounting acquirer in the reverse recapitalization (see note 1A).

The accompanying notes are an integral part of the consolidated financial statements.

MOTUS GI HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
Expressed in U.S. dollars in thousands, except share and per share information

	Note	Year ended December 31, 2016	2015
Research and development expenses, net	11	3,079	3,160
Marketing expenses	12	1,034	415
General and administrative expenses	13	1,894	1,750
Operating loss		6,007	5,325
Financing expenses, net	14	1,966	637
Loss before income taxes		7,973	5,962
Income tax expenses	15	50	29
Net loss for the year		8,023	5,991
Weighted average number of common shares outstanding used in computing basic and diluted loss per share (*)	16	1,146,028	940,028
Basic and diluted loss per common share		(7.00)	(6.37)

(*) Number of shares has been retroactively adjusted based on the equivalent number of shares received by the accounting acquirer in the reverse recapitalization (see note 1A).

The accompanying notes are an integral part of the consolidated financial statements.

MOTUS GI HOLDINGS, INC.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)
Expressed in U.S. dollars in thousands, except share data

	Preferred stock - Motus Ltd. (pre- merger)		Preferred series A stock		Common Stock				
	Number of shares (*)	USD	Number of shares (*)	USD	Number of shares (*)	USD	Additional paid in capital	Accumulated Deficit	Total shareholders' equity (deficit)
Balance as of January 1, 2015	2,630,446	(**)	-	-	940,028	(**)	12,650	(11,907)	743
Issuance of preferred shares	340,778	(**)	-	-	-	-	1,514	-	1,514
Share-based compensation	-	-	-	-	-	-	11	-	11
Loss for the year	-	-	-	-	-	-	-	(5,991)	(5,991)
Balance as of December 31, 2015	2,971,224	(**)	-	-	940,028	(**)	14,175	(17,898)	(3,723)
Conversion of convertible notes	3,243,768	(**)	-	-	-	-	16,253	-	16,253
Exercise of warrants	-	-	-	-	88,748	(**)	-	-	-
Effect of reverse recapitalization transaction	(6,214,992)	(**)	1,214,845	(**)	8,265,687	1	5,467	-	5,468
Share-based compensation	-	-	-	-	-	-	54	-	54
Net loss for the year	-	-	-	-	-	-	-	(8,023)	(8,023)
Balance as of December 31, 2016	-	-	1,214,845	(**)	9,294,463	1	35,949	(25,921)	10,029

(*) Number of shares as of December 31, 2015 has been retroactively adjusted based on the equivalent number of shares received by the accounting acquirer in the reverse recapitalization (see note 1A).
(**) Represents an amount less than one thousand.

The accompanying notes are an integral part of the consolidated financial statements.

MOTUS GI HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
Expressed in U.S. dollars in thousands

	Year ended December 31,	
	2016	**2015**
CASH FLOWS - OPERATING ACTIVITIES		
Loss for the year	(8,023)	(5,991)
Adjustments to reconcile loss to net cash from operating activities (Appendix A)	1,897	1,068
Net cash used in operating activities	(6,126)	(4,923)
CASH FLOWS - INVESTING ACTIVITIES		
Acquisition of fixed assets	(30)	(68)
Decrease (Increase) in long-term deposit	31	(86)
Decrease (Increase) in restricted cash	(7)	-
Net cash used in investing activities	(6)	(154)
CASH FLOWS - FINANCING ACTIVITIES		
Proceeds from issuance of shares, net	-	1,514
Cash acquired in connection with the reverse recapitalization, net (see note 1A)	6,878	-
Proceeds from issuance of convertible notes	9,606	4,107
Net cash provided by financing activities	16,484	5,621
Increase in cash and cash equivalents	10,352	544
Cash and cash equivalents at the beginning of the year	1,292	748
Cash and cash equivalents at the end of the year	11,644	1,292
Significant Non-Cash Transactions:		
Non-cash financing and investing activities:		
Convertible notes exchanged for common and preferred stock	$ 16,253	

The accompanying notes are an integral part of the consolidated financial statements.

MOTUS GI HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
Expressed in U.S. dollars in thousands

Appendix A - Adjustments to reconcile loss to net cash from operating activities:

	Year ended December 31,	
	2016	**2015**
Items not involving cash flows:		
Depreciation	46	45
Interest and revaluation of convertible notes	1,907	633
Share-based compensation expense	54	11
Changes in operating assets and liabilities:		
Decrease (increase) in other current assets	(83)	49
Increase in inventory	(81)	-
Increase (decrease) in trade accounts payable	(355)	371
Increase (decrease) in other payables	409	(41)
Total adjustments to reconcile loss to net cash from operating activities	1,897	1,068

The accompanying notes are an integral part of the consolidated financial statements.

NOTE 1 - GENERAL

A. ORGANIZATION AND BUSINESS

Organization

Motus GI Holdings, Inc. (the "Company") was incorporated in Delaware, U.S.A. in September 2016. The Company was established for the purpose of raising capital for the recapitalization of Motus GI Medical Technologies, Ltd. ("Motus, Ltd."), a company incorporated in Israel and its then wholly owned subsidiary Motus GI, Inc. ("Motus, Inc."), a company incorporated in Delaware, U.S.A.

On December 22, 2016, the Company acquired (the "Recapitalization Transaction") 100% of the outstanding shares of Motus, Ltd. pursuant to a capital stock exchange agreement dated December 1, 2016, between the Company and the shareholders of Motus, Ltd. (the "Exchange Agreement"). In exchange for the outstanding shares of Motus, Ltd., the Company issued to the shareholders of Motus, Ltd. a total of 4,000,000 of the Company's common shares representing approximately 69% of the total shares then issued and outstanding after giving effect to the Recapitalization Transaction. As a result of the Recapitalization Transaction, Motus, Ltd. became a wholly owned subsidiary of the Company. The Recapitalization Transaction was accounted for as a reverse recapitalization of Motus, Ltd. As the shareholders of Motus, Ltd. received the largest ownership interest in the Company, Motus, Ltd. was determined to be the "accounting acquirer" in the reverse recapitalization. As a result, the historical financial statements of the Company were replaced with the historical financial statements of Motus, Ltd.

Cash acquired in connection with the reverse capitalization per the statement of cash flows refers to the total net cash from the first closing of the 2017 Private Placement (gross proceeds of $8.077 million less approximately $1.2 million in issuance costs). A schedule showing assets acquired and liabilities assumed is as follows:

	Year ended December 31, 2016
Other long-term liabilities	$ 1,410
Reverse recapitalization effect on equity	$ 5,468
Cash acquired upon reverse recapitalization	$ 6,878

On December 31, 2016, the Company executed a stock purchase agreement to acquire Motus, Inc. from Motus, Ltd resulting in Motus, Inc. becoming a wholly owned subsidiary of the Company.

The Company and its subsidiaries, Motus, Ltd. and Motus, Inc., are collectively referred to as the "Company".

Business

The Company has developed the Pure-Vu system, approved by the FDA, that cleanses the colon during a colonoscopy procedure thereby reducing the dependency on pre-procedural colonoscopy preparation regimens to ensure clear visualization of the colon mucosa which is critical to procedural success. The Pure-Vu system has been designed to integrate with standard colonoscopes to enable cleaning during the procedure while preserving standard procedural workflow and techniques. The Pure-Vu system, which received FDA 510(k) clearance in September 2016, has the potential to give the gastroenterologist flexibility in instructing patients how to prepare for a colonoscopy, which currently requires extensive, time consuming and unpleasant bowel preparation regimens. The Company believes the Pure-Vu system has the potential to improve procedure quality, clinical outcomes and patient satisfaction while simultaneously lowering costs and improving margins for hospitals and increasing revenues and improving margins for outpatient colonoscopy clinics.

NOTE 1 - GENERAL (Cont.)

B. Risk factors

To date the Company has not yet generated revenues from its operations. As of the date of issuance of these financial statements, the Company has a cash and cash equivalent balance of approximately $15.8 million, which the Company believes is sufficient to fund its operations for more than 12 months from the date of issuance of these financial statements and sufficient to fund its operations necessary to continue development activities of its current proposed products. The Company plans to continue to fund its current operations as well as other development activities relating to additional product candidates, through future issuances of either debt and/or equity securities and possibly additional grants from the Israeli Innovation Authority.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of the financial statements are as follows:

A. Basis of presentation

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America.

B. Use of estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

C. Functional currency and foreign currency translation

The functional currency of the Company is the U.S dollar ("dollar") since the dollar is the currency of the primary economic environment in which the Company has operated and expects to continue to operate in the foreseeable future.

Transactions and balances denominated in dollars are presented at their original amounts. Transactions and balances denominated in foreign currencies have been re-measured to dollars in accordance with the provisions of ASC 830-10, "Foreign Currency Translation".

All transaction gains and losses from re-measurement of monetary balance sheet items denominated in non-dollar currencies are reflected in the statement of operations as financial income or expenses, as appropriate.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

D. Consolidation

The condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Motus Ltd., an Israel corporation, which has operations in Haifa, Israel, and Motus Inc., a Delaware corporation, which has operations in the U.S. All inter-company accounts and transactions have been eliminated in consolidation.

E. Cash and cash equivalents, net

The Company considers all highly liquid short-term investments purchased with an original maturity date of three months or less to be cash equivalents. The Company had approximately $11.6 million and $1.3, on deposit in bank operating accounts at December 31, 2016 and 2015, respectively.

F. Fair value of financial instruments

The carrying values of cash and cash equivalents, other current assets, accounts payable, and other current liabilities approximate their fair value due to the short-term maturity of these instruments.

The Company measures the fair value of certain of its financial instruments (such as the liability related to royalty payments) on a recurring basis. The method of determining the fair value of other long-term liabilities is discussed in Note 8.

A fair value hierarchy is used to rank the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as unadjusted quoted prices for similar assets and liabilities, unadjusted quoted prices in the markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

G. Inventory

Inventories are stated at lower of cost or market using the weighted average cost method and are evaluated at least annually for impairment. Inventories at December 31, 2016 consisted of components to be used in the manufacturing of inventory. Write-downs for potentially obsolete or excess inventory are made based on management's analysis of inventory levels, historical obsolescence and future sales forecasts. There was no inventory at December 31, 2015.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

H. Fixed assets, net

Fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated based on the straight-line method, at annual rates reflecting the estimate useful lives of the related assets, as follows:

	%
Computers and software	33
Laboratory equipment	15
Leasehold improvements	10

I. Stock-based compensation

The Company applies ASC 718-10, "Share-Based Payment," which requires the measurement and recognition of compensation expenses for all share-based payment awards made to employees and directors including employee stock options under the Company's stock plans based on estimated fair values.

ASC 718-10 requires companies to estimate the fair value of equity-based payment awards on the date of grant using an option-pricing model. The value of the portion of the award that is ultimately expected to vest is recognized as an expense over the requisite service periods in the Company's statement of operations.

The Company recognizes compensation expenses for the value of non-employee awards, which have graded vesting, based on the straight-line method over the requisite service period of each award, net of estimated forfeitures.

The Company estimates the fair value of stock options granted as equity awards using a Black-Scholes options pricing model. The option-pricing model requires a number of assumptions, of which the most significant are share price, expected volatility and the expected option term (the time from the grant date until the options are exercised or expire). Expected volatility is estimated based on volatility of similar companies in the technology sector. The Company has historically not paid dividends and has no foreseeable plans to issue dividends. The risk-free interest rate is based on the yield from governmental zero-coupon bonds with an equivalent term. The expected option term is calculated for options granted to employees and directors using the "simplified" method. Grants to non-employees are based on the contractual term. Changes in the determination of each of the inputs can affect the fair value of the options granted and the results of operations of the Company.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

J. Basic and diluted net loss per share

Basic loss per share is computed by dividing the net loss, as adjusted to include preferred shares dividend participation rights by the weighted average number of ordinary shares outstanding during the year. Shares and preferred shares contingently issuable for little or no cash are included in basic loss per share on an as issued basis.

Diluted loss per share is computed by dividing the net loss, as adjusted to include preferred shares dividend participation rights of preferred shares outstanding during the year as well as of preferred shares that would have been outstanding if all potentially dilutive preferred shares had been issued, by the weighted average number of ordinary shares outstanding during the year, plus the number of ordinary shares that would have been outstanding if all potentially dilutive ordinary shares had been issued, using the treasury stock method, in accordance with ASC 260-10 "Earnings per Share".

The weighted average number of common shares outstanding has been retroactively restated for the equivalent number of common shares received by the accounting acquirer as a result of the reverse recapitalization as if these common shares had been outstanding as of the beginning of the earliest period presented.

Potentially dilutive common shares were excluded from the calculation of diluted loss per share for all periods presented due to their anti-dilutive effect. The number of anti-dilutive common shares which were excluded from the calculation is 2,251,148 and 3,263,717 for 2016 and 2015, respectively.

K. Research and development costs, net

Research and development expenses are charged to the statement of comprehensive loss as incurred. Grants received for funding of approved research and development projects are recognized at the time the Company is entitled to such grants, on the basis of the costs incurred and applied as a deduction from the research and development expenses.

L. Patent costs

Costs incurred in connection with acquiring patent rights and the protection of proprietary technologies are charged to expense as incurred.

M. Convertible notes

Convertible notes with characteristics of both liabilities and equity are classified as either debt or equity based on the characteristics of their monetary value, with convertible notes classified as debt being measured at fair value, in accordance with ASC 480-10, "Accounting for Certain Financial instruments with Characteristics of both Liabilities and Equity".

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

N. Liabilities due to termination of employment agreements

Under Israeli employment laws, employees of Motus Ltd. are included under Article 14 of the Severance Compensation Act, 1963 ("Article 14") for a portion of their salaries. According to Article 14, these employees are entitled to monthly deposits made by Motus Ltd. on their behalf with insurance companies.

Payments in accordance with Article 14 release Motus Ltd. from any future severance payments (under the Israeli Severance Compensation Act, 1963) with respect of those employees. The aforementioned deposits are not recorded as an asset in the Company's balance sheet, and there is no liability recorded as the Company does not have a future obligation to make any additional payments.

O. Reclassification

Certain prior year amounts have been reclassified to conform to the current year presentation.

P. Transaction Costs

Transaction costs incurred in the Recapitalization Transaction were charged directly to equity to the extent of cash and net other current assets acquired.

Q. Recent accounting standards

In May 2014, the Financial Accounting Standards Board (the "FASB") issued a new standard to achieve a consistent application of revenue recognition within the U.S., resulting in a single revenue model to be applied by reporting companies under U.S. generally accepted accounting principles. Under the new model, recognition of revenue occurs when a customer obtains control of the promised goods or services in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In addition, the new standard requires that reporting companies disclose the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The new standard is effective for us beginning in the first quarter of 2018; early adoption is prohibited. The new standard is required to be applied retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying it recognized at the date of initial application. As the Company has not incurred revenues to date, it is unable to determine the expected impact the new standard will have on its consolidated financial statements.

In January 2016, the FASB issued ASU 2016-01 "Recognition and Measurement of Financial Assets and Financial Liabilities", which provides targeted improvements to the recognition, measurement, presentation and disclosure of financial assets and financial liabilities. Specific accounting areas addressed include, equity investments, financial liabilities reported under the fair value option and valuation allowance assessment resulting from unrealized losses on available-for-sale securities. The standard also changes certain presentation and disclosure requirements for financial instruments. This ASU is effective for the Company in its first quarter of fiscal year 2019. Early adoption, with certain exceptions, is not permitted. The Company does not expect that the adoption of this standard will have a significant impact on the financial position or results of operations.

Expressed in U.S. dollars in thousands

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Q. Recent accounting standards (Cont.)

In February 2016, the FASB issued Accounting Standards Update No. 2016-02, Leases (Topic 842) ("ASU 2016-02"), which amends, among other things, the existing guidance by requiring lessees to recognize lease assets (right-to-use) and liabilities (for reasonably certain lease payments) arising from operating leases on the balance sheet. For leases with a term of twelve months or less, ASU 2016-02 permits an entity to make an accounting policy election to recognize such leases as lease expense, generally on a straight-line basis over the lease term. ASU 2016-02 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018 using a modified retrospective approach, with early adoption permitted. The Company is currently evaluating ASU 2016-02 and its impact on its consolidated financial statements.

In March 2016, the FASB issued Accounting Standards Update No. 2016-09, Compensation-Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting ("ASU 2016-09"), which simplifies certain provisions associated with the accounting for stock compensation. Among other things, ASU 2016-09 requires companies to record excess tax benefits and tax deficiencies as income tax benefit or expense in the statement of income and eliminates the requirement to reclassify cash flows related to excess tax benefits from operating activities to financing activities in the statement of cash flows. ASU 2016-09 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2016, with early adoption permitted. The Company is currently reviewing and evaluating this guidance and its impact on its consolidated financial statements.

In June 2016, the FASB issued Accounting Standards Update No. 2016-13, Financial Instruments – Credit Losses – Measurement of Credit Losses on Financial Instruments, which introduces a model based on expected losses to estimate credit losses for most financial assets and certain other instruments. In addition, for available-for-sale debt securities with unrealized losses, the losses will be recognized as allowances rather than reductions in the amortized cost of the securities. The standard is effective for annual reporting periods beginning after December 15, 2019, with early adoption permitted for annual reporting periods beginning after December 15, 2018. The Company is evaluating the impact of the adoption on our consolidated balance sheet, results of operations, cash flows and disclosures.

NOTE 3 - OTHER CURRENT ASSETS

	As of December 31,	
	2016	2015
Government institutions	$ 41	$ 102
Grant receivable from Israeli Innovation Authority	-	53
Advance to suppliers	222	-
Other	-	25
	$ 263	$ 180

Expressed in U.S. dollars in thousands

NOTE 4 - INVENTORY

	As of December 31,	
	2016	2015
Components	$ 81	-
	$ 81	-

NOTE 5 - FIXED ASSETS, NET

	Computer and software	Leasehold improvements	Laboratory equipment	Total
Cost:				
Balance - January 1, 2016	$ 106	$ 75	$ 120	$ 301
Additions	6	8	16	30
Balance - December 31, 2016	112	83	136	331
Accumulated depreciation:				
Balance - January 1, 2016	84	13	47	144
Additions	21	8	17	46
Balance - December 31, 2016	105	21	64	190
Net book value:				
December 31, 2016	7	62	72	141
December 31, 2015	$ 22	$ 62	$ 73	$ 157

Expressed in U.S. dollars in thousands

NOTE 6 - OTHER CURRENT LIABILITIES

	As of December 31,	
	2016	2015
Wage-related liabilities (1)	$ 342	$ 162
Accrued expenses	224	41
Taxes payable	79	29
Other	-	4
	$ 645	$ 236
(1) Includes accrued vacation and convalescence pay	$ 113	$ 57

NOTE 7 - COMMITMENTS AND CONTINGENCIES

A. Motus Ltd. received approval from the Israel Innovation Authority (previously the Office of the Chief Scientist) to participate in certain R&D programs from 2011 until 2016 within the framework of determined budgets and time periods. As of December 31, 2016, Motus Ltd. had received an accumulated amount of $ 1,378,000 ("the Grant").

According to the agreement with the Israel Innovation Authority, the Company will pay royalties of 3% of sales up to an amount equal to the accumulated grant received. Repayment of the grant is contingent upon the successful completion of the Company's R&D programs and generating sales. The Company has no obligation to repay these grants, if the R&D program fails, is unsuccessful or aborted or if no sales are generated. The Company had not yet generated sales as of December 31, 2016; therefore, no liability was recorded in these consolidated financial statements.

B. Motus Ltd. entered into a lease agreement for its facilities on January 1, 2015. According to the lease agreement, Motus Ltd. will pay monthly rent of approximately $7,000. This agreement is for a period of 5 years ending on December 31, 2019, and Motus Ltd. has an option to renew the agreement for an additional 3-year period.

C. The Company has a severance liability to its CEO and COO of approximately $ 400,000 in the event that they are terminated or leave due to good cause, as outlined in their employee agreements. Management estimates that the likelihood of payment is remote; therefore, no liability was reflected in these consolidated financial statements.

NOTE 8 - SHARE CAPITAL

Formation shares

During October and November 2016, the Company issued 1,650,000 common shares pursuant to the formation of the Company.

Shares exchange

As detailed in Note 1, during the Recapitalization Transaction the Company issued 4,000,000 common shares in exchange for 100% of the issued and outstanding and preferred shares of Motus Ltd.

Registration Rights

In connection with the 2017 Private Placement, the Company entered into a registration rights agreement (the "Registration Rights Agreement") with the 2017 Private Placement investors, (the "Investors"). The Company is required to file with the SEC after the date of the final closing of the 2017 Private Placement (the "Registration Filing Date"), a registration statement covering the resale of the shares of our common stock held by the Investors (the "Investor Shares") issued in the 2017 Private Placement, as well as the shares of our common stock underlying the Series A Convertible Preferred Stock issued in the 2017 Private Placement (together with the Investor Shares, the "Registrable Securities"). The Company is also required to use commercially reasonable efforts to have the registration statement declared effective within one hundred and fifty (150) days after the registration statement is filed (the "Effectiveness Deadline"); provided however, that if the Company signs a letter of intent or comparable agreement with an underwriter which contemplates an Initial Public Offering ("IPO") or holds an organizational meeting for an IPO, or otherwise orally engages an underwriter to begin working with the Company towards an IPO prior to the Effectiveness Deadline (the "IPO Process Commencement Date"), then the Company shall file a joint registration statement covering the primary shares to be issued in the IPO and the resale of the Registrable Securities, and in such event the Registration Filing Date shall be extended to a date that is seventy five (75) calendar days after the IPO Process Commencement Date and the Effectiveness Deadline shall be extended to a date that is one hundred twenty (120) calendar days after the initial filing of the Registration Statement with the Commission. If the IPO is abandoned at any time, then the Registration Filing Date will be sixty (60) calendar days from the actual date of abandonment and the Effectiveness Deadline will be one hundred and fifty (150) calendar days after the date of abandonment. The Company is also required to keep the registration statement continuously effective under the Securities Act for a period of one year or for such shorter period ending on the earlier to occur of the date when all the Registrable Securities covered by the registration statement have been sold or such time as all of the Registrable Securities covered by the registration statement can be sold under Rule 144 without any volume limitations.

If this registration statement is not declared effective on or before the Effectiveness Deadline, the Company will be required to pay to each holder of Registrable Securities purchased in the 2017 Private Placement an amount in cash equal to one-half of one percent (0.5%) of such holder's investment amount on every thirty (30) day anniversary of such Effectiveness Deadline until such failure is cured. The payment amount shall be prorated for partial thirty (30) day periods. The maximum aggregate amount of payments to be made by us as the result of such failure, shall be an amount equal to six percent (6%) of each holder's investment amount. Notwithstanding the foregoing, no payments shall be owed with respect to any period during which all of the holder's Registrable Securities may be sold by such holder without restriction under Rule 144.

The Company shall keep the registration statement "evergreen" for one (1) year from the date it is declared effective by the SEC or until Rule 144 of the Securities Act is available to the holders of Registrable Securities purchased in the 2017 Private Placement with respect to all of their shares, whichever is earlier.

Private placement

On December 22, 2016, prior to the consummation of the Recapitalization Transaction, the Company consummated a private placement transaction as part of the Recapitalization Transaction. The private placement consisted of units each consisting of three-quarter of a share of common stock, par value $0.0001 and one-quarter a share of convertible preferred series A stock, par value $0.0001.

Pursuant to the private placement, on December 22, 2016, the Company issued 1,211,655 common shares and 403,885 preferred shares for total consideration of $8,077,000.

Each share of preferred series A stock is initially convertible at the option of the holder into one share of common stock. Each share of series A preferred stock will automatically convert into common stock at the earliest to occur of (a) three years from the initial closing of the private placement or (b) notice by the Company to the holders of series A preferred stock that the Company has elected to convert all outstanding shares ("mandatory conversion date"). Holders of the series A preferred stock will not be entitled to receive dividends. The preferred stockholders will vote on an as-converted basis with the common stockholders, and upon any liquidation, dissolution or winding-up of the Company, the holders of the series A preferred stock will be entitled to receive, for each share of preferred stock an amount equal to the stated value plus any accrued and unpaid dividends thereon before any distribution or payment may be made to the common stockholders.

The series A preferred stock includes the right, as a group, to receive: (i) a percentage of the net sales of the Pure-Vu™ medical device system, and (ii) a percentage of the proceeds, if any, received by the Company in connection with the licensing of the

Pure-Vu™ system ("Royalty Payment Rights"). For additional information, see "Royalty payment rights on series A preferred stock" on the following page.

Exchange of convertible notes

On December 22, 2016, Motus Ltd. held convertible notes in the amount of $14,596,683, inclusive of accrued interest. In connection with the Recapitalization Transaction, the Company exchanged the convertible notes for approximately 2,432,808 shares of common stock and 810,960 shares of series A preferred stock.

NOTE 8 - SHARE CAPITAL (Cont.)

Convertible notes warrants

As a result of the Recapitalization Transaction, the Company issued 907,237 convertible note warrants (the "CNA Warrants") to replace the warrants previously issued to the convertible note holders. The five-year warrants are exercisable for the Company's common stock at an exercise price of $5.00 per share.

Royalty payment rights on series A preferred stock

The Royalty Payment Rights entitle the holders in aggregate, to a royalty in an amount of:

- 3% of net sales subject to a maximum in any calendar year equal to the total dollar amount of units closed on in the private placement offering; and
- 5% of licensing proceeds subject to a maximum in any calendar year equal to the total dollar amount of units closed on in the private placement.

Even if converted pursuant to the mandatory conversion as defined above, the royalty right certificate will remain in the hands of the holder in addition to the common stock to be issued following conversion.

I f converted at the option of the holder prior to the mandatory conversion, the holder will lose all rights to future royalty payments.

The royalty rights certificate was recorded as a liability at fair value in the consolidated financial statements at December 31, 2016. The Company recognized a liability at fair value as "other long-term liabilities" with regard to the Royalty Payment Rights in an amount of $1,282,000. The fair value adjustment from the date of inception on December 22, 2016 until December 31, 2016 was immaterial.

In addition, the Company issued a royalty rights certificate to the agent with substantially similar terms as those of the Series A Convertible Preferred Stock, which grants the agent the right, in the aggregate, to receive 10% of the amount of payments paid to the holders of the Series A Convertible Preferred Stock.

The Company measured the fair value according to the discounted cash flow method. The fair value was allocated to the royalty rights and the residual value was allocated to the preferred shares and recorded as equity. The following assumptions (level 3 measurements) were used:

	Year ended December 31,	
	2016	2015
Discount rate	20%	-

In accordance with ASC-820-10-50-2(g), the Company performed a sensitivity analysis of the liability, which was classified as a level 3 financial instrument. The Company recalculated the fair value of the liability by applying a +/- 2% change to the input variable in the discounted cash flow model, namely, the discount rate. A 2% decrease in the discount rate would increase the liability by approximately $150,000; a 2% increase in the discount rate would decrease the liability by approximately $131,000.

NOTE 9 - SHARE-BASED COMPENSATION (Cont.)

Employee stock option grant

The Company has one valid option plan that was approved in 2009. This plan was adjusted in 2016 following the reverse recapitalization transaction on December 22, 2016.

According to the original plan, employees and service providers were entitled to receive options to purchase common shares of Motus Ltd. Following the recapitalization, the options granted will entitle their holder to purchase common shares of the Company. As a result, the number of options and exercise price per share were adjusted in a technical manner such that there was no change in the fair value of the awards under the adjusted plan. All number of options and exercise prices in this Note have been restated to reflect the adjusted option plan.

The following table presents the number of options outstanding according to the terms of the adjusted plan compared to the original plan:

	As of December 31, 2016	
	Original Plan	Adjusted Plan
Total options outstanding	1,757,730	125,730

From 2012 through 2015, the Company granted its employees, not including its CEO, options to purchase an aggregate of 90,108 shares of common stock of the Company at an exercise price ranging from $2.38 to $2.52 per share. The options will expire 10 years from the date of issuance. Some of the options have a vesting period of 3 years, while others are upon the achievement of certain milestones. The remaining unvested shares will vest upon 1) the Company's obtainment of CE approval of its system; and 2) upon the enrollment of the first patient in a post market study with a "prep-less" indication, or the sale of the first 1,000 disposables.

On April 2, 2014, the Company granted its CEO options to purchase 67,238 shares of the Company's common stock. Of the total options granted, 48,527 options will vest upon the achievement of certain milestones, as detailed, above and additional milestones including the gross return in multiples on preferred A shares. The remaining 18,711 will vest over a period of 3 years. The exercise price of the options are $2.38 per share.

A summary of the Company's option activity related to options to employees and related information is as follows:

	Shares	Weighted Average Exercise Price	Weighted average remaining contractual term (years)
Options outstanding, December 31, 2014	123,175	$ 2.38	9.7
Options granted	34,171	2.52	
Options forfeited or expired	(38,053)	2.38	
Options outstanding, December 31, 2015	119,293	2.42	9
Options forfeited or expired	(8,582)	2.38	
Options outstanding, December 31, 2016	110,711	$ 2.42	8

NOTE 9 - SHARE-BASED COMPENSATION (Cont.)

The number of options that had vested as of December 31, 2016 and December 31, 2015 was 67,908 and 35,524, respectively.

The aggregate intrinsic value (the difference between the fair market value of the Company's common shares on December 31, 2016 and December 31, 2015, respectively and the exercise price, multiplied by the number of in-the-money options on those dates) was $175,203 and $0 as of December 31, 2016 and December 31, 2015, respectively.

Compensation expense recorded by the Company in respect of options granted in accordance with ASC 718-10 for the years ended December 31, 2016 and 2015 amounted to $20 thousand and $11 thousand, respectively.

The fair value of the options is estimated at the date of grant using Black-Scholes options pricing model with the following assumptions (level 3 measurement) used in the calculation:

	Year ended December 31,	
	2016	2015
Expected volatility	60%	60%
Risk-free interest	1.5%	1.5%
Dividend yield	0%	0%
Expected life (in years)	5	5

Options to service providers

The Company accounts for option to purchase common shares issued to non-employees using the guidance of ASC 505-50, "Equity-Based Payments to Non-Employees", whereby the fair value of such options is determined at the earlier of the date at which the non-employee's performance is completed or a performance commitment is reached.

I n 2012 and 2014, the Company granted 7,510 and 7,509 options to its service providers, respectively, to purchase the Company's common stock at an exercise price of $2.38 per share. The options vest over a period of 3 years and will expire 10 years from the date of issuance.

	As of December 31,	
	2016	2015
Options outstanding	15,019	15,019
Options vested	11,392	7,490

Share-based compensation expense recorded by the Company with regard to options to service providers was $34 thousand and $0, as of December 31, 2016 and December 31, 2015, respectively.

Expressed in U.S. dollars in thousands

NOTE 10 -CONVERTIBLE NOTES

On June 9, 2015, Motus Ltd. signed a convertible note agreement with a number of lenders according to which the Company received approximately $4.1 million. During 2016, Motus Ltd. signed three additional amendments to the original agreement to raise an additional amount of approximately $9.6 million. The convertible notes accrued annual interest of 10%. In addition, each lender received options to purchase ordinary shares of Motus Ltd. in an amount equal to 33% of the amount received. As a part of the Recapitalization Transaction, the convertible notes were converted into common shares of the Company. See Note 8 for details regarding this transaction.

The Company concluded the value of the convertible notes were predominantly based on a fixed monetary amount known at the date of issuance as represented by the 10% discount on the Motus Ltd.'s common shares to be sold in a qualified financing round (as defined in Motus Ltd.'s Articles of Association). Accordingly, the convertible note was classified as debt and was measured at its fair value, pursuant to the provisions of ASC 480-10, "Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity". The fair value of the convertible note was measured based on observable inputs as the fixed monetary value of the variable number of shares to be issued upon conversion (level 2 measurement).

NOTE 11 -RESEARCH AND DEVELOPMENT EXPENSES, NET

	Year ended December 31,	
	2016	2015
Salaries and fringe benefits (*)	$ 1,059	$ 1,258
Subcontractors	1,473	1,026
Clinical Study	245	-
Materials	143	1,044
Patents	215	92
Travel	58	65
Other	30	-
Deprecation	12	38
	3,235	3,523
Less government grants	(156)	(363)
	$ 3,079	$ 3,160

(*) Includes share-based compensation expenses in the amount of $24 thousand and $11 thousand for the years ended in December 31, 2016 and December 31, 2015, respectively.

Expressed in U.S. dollars in thousands

NOTE 12 -MARKETING EXPENSES

	Year ended December 31,	
	2016	2015
Salaries and fringe benefits (*)	$ 824	$ 203
Professional services	64	209
Travel	84	-
Others	62	3
	$ 1,034	$ 415

(*) Includes share-based compensation expenses in the amount of $6 thousand for the year ended December 31, 2016.

NOTE 13 -GENERAL AND ADMINISTRATIVE EXPENSES

	Year ended December 31,	
	2016	2015
Salaries and fringe benefits (*)	$ 705	$ 874
Rental fees	115	149
Professional services	449	405
Other salaries benefits (**)	146	147
Office expenses	129	102
Depreciation	34	7
Travel	122	3
Others	194	63
	$ 1,894	$ 1,750

(*) Includes share based payment expenses in the amount of $24 thousand for the year ended December 31, 2016.
(**)Includes vehicles maintenance and benefits for all employees.

Expressed in U.S. dollars in thousands

NOTE 14 -FINANCE EXPENSES, NET

	Year ended December 31,	
	2016	2015
Bank fees and interest	$ 86	$ 5
Change in fair value and interest on convertible notes	1,907	633
Exchange rate differences	(27)	(1)
	$ 1,966	$ 637

NOTE 15 -INCOME TAXES

The Company is subject to income taxes under Israeli and U.S. tax laws:

Corporate tax rates

The Company is subject to Israeli corporate income tax rate of 26.5% in 2015, 25% in 2016, 24% in 2017, and 23% from 2018 and years thereafter.

The Company is subject to a blended U.S. income tax rate (federal as well as state corporate tax) of approximately 35%.

A. As of December 31, 2016, the Company generated net operating losses in Israel of approximately $25,628 thousand which may be carried forward and offset against taxable income in the future for an indefinite period.

B. The Company is still in its development stage and has not yet generated revenues; therefore, it is more likely than not that sufficient taxable income will not be available for the tax losses to be utilized in the future. Therefore, a valuation allowance was recorded to reduce the deferred tax assets to its recoverable amounts.

	As of December 31,	
	2016	2015
Deferred tax asset:		
Net loss carry-forward	$ 6,151	$ 4,670
Valuation allowance	(6,151)	(4,670)
Net deferred tax asset	$ -	$ -

NOTE 16 - BASIC AND DILUTED NET LOSS PER COMMON SHARE

The basic and diluted net loss per share and weighted average number of common shares used in the calculation of basic and diluted net loss per share are as follows (in thousands, except share and per share data):

As the inclusion of common share equivalents in the calculation would be anti-dilutive for all periods presented, diluted net loss per share is the same as basic net loss per share.

The weighted average number of common shares outstanding has been retroactively restated as of December 31, 2015 to reflect the equivalent number of common shares received by the accounting acquirer as a result of the reverse recapitalization as if these common shares had been outstanding as of the beginning of the earliest period presented.

NOTE 17 - SUBSEQUENT EVENTS

A. On January 30, 2017, the Company completed the second closing of the private placement (see Note 8). The Company raised $2.9 million for 146,865 units consisting of 3/4 common stock and 1/4 series A preferred stock.

B. On February 24, 2017, the Company completed the third and final closing of the private placement (see Note 8). The Company raised $4.4 million for 219,418 units consisting of 3/4 common stock and 1/4 series A preferred stock.

C. In connection with the aforementioned private placement, the Company issued 403,632 warrants to purchase 403,632 of the Company's common stock to the placement agent at an exercise price equal to the fair value of the common stock on the grant date. The warrants are exercisable for a period of 5 years from the grant date and provide for a cashless exercise.

Until , 2017 (the 25th day after the commencement of this offering), all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as an underwriter and with respect to their unsold allotments or subscriptions.

MOTUS GI HOLDINGS, INC.

Shares
Common Stock

PROSPECTUS

_____ __, 2017

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

The following table sets forth all fees and expenses to be paid by us, other than estimated underwriting discounts and commissions, in connection with this offering. All amounts shown are estimates except for the registration fee, the FINRA filing fee and the exchange listing fee.

SEC Registration Fee	$	*
FINRA filing fee	$	*
Securities exchange fee	$	*
Printing and engraving expenses	$	*
Accounting Fees and Expenses	$	*
Blue Sky fees and expenses (including legal fees)	$	*
Transfer agent and registrar fees and expenses	$	*
Legal Fees and Expenses	$	*
Miscellaneous Fees and Expenses	$	*
Total	$	*

* To be filed by amendment.

ITEM 14. INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 145 of the Delaware General Corporation Law (the "DGCL") provides, in general, that a corporation incorporated under the laws of the State of Delaware, as we are, may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding (other than a derivative action by or in the right of the corporation) by reason of the fact that such person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. In the case of a derivative action, a Delaware corporation may indemnify any such person against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification will be made in respect of any claim, issue or matter as to which such person will have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery of the State of Delaware or any other court in which such action was brought determines such person is fairly and reasonably entitled to indemnity for such expenses.

Our certificate of incorporation and bylaws provide that we will indemnify our directors, officers, employees and agents to the extent and in the manner permitted by the provisions of the DGCL, as amended from time to time, subject to any permissible expansion or limitation of such indemnification, as may be set forth in any amendment by stockholders or directors resolution.

Any repeal or modification of these provisions approved by our stockholders will be prospective only and will not adversely affect any limitation on the liability of any of our directors or officers existing as of the time of such repeal or modification.

We have director and officer liability insurance to cover liabilities our directors and officers may incur in connection with their services to us, including matters arising under the Securities Act.

We have entered into indemnification agreements with certain of our directors and officers whereby we have agreed to indemnify those directors and officers to the fullest extent permitted by law, including indemnification against expenses and liabilities incurred in legal proceedings to which the director or officer was, or is threatened to be made, a party by reason of the fact that such director or officer is or was a director, officer, employee or agent of Motus GI Holdings, Inc. (the "Company"), provided that such director or officer acted in good faith and in a manner that the director or officer reasonably believed to be in, or not opposed to, the best interests of the Company.

The Underwriting Agreement to be filed as Exhibit 1.1 to this registration statement provides for indemnification by the underwriters of us, our executive officers and directors, and by us of the underwriters for certain liabilities, including liabilities arising under the Securities Act and otherwise.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES

Since January 1, 2016, the Company made sales of the following unregistered securities:

Original Issuances of Stock, Warrants and Payment Rights Certificates

Formation of Holdings

In connection with our formation in September 2016, we sold an aggregate of 1,650,000 shares of our common stock for an aggregate of $82,000 ($0.05 per share), which includes 450,000 shares of our common stock owned by an affiliate of Aegis Capital Corp., the placement agent ("Placement Agent") for our private placement, for which closings occurred December 22, 2016 through February 24, 2017 (the "2017 Private Placement"), described below.

2017 Private Placement

From December 2016 through February of 2017, we sold an aggregate of 4,743,311 shares of our common stock and 1,581,128 shares of Series A Convertible Preferred Stock at a price of $5.00 per Unit, inclusive of 2,432,808 shares of our common stock and 810,960 shares of Series A Convertible Preferred Stock issued pursuant to the Exchange of Convertible Notes, to 229 accredited investors.

In connection with the 2017 Private Placement, we issued (i) the Placement Agent Warrants to the Placement Agent to purchase 403,632 shares of our common stock with an exercise price of $5.00 per share and (ii) the Placement Agent Royalty Payment Rights Certificates to receive, in the aggregate, 10% of the amount of payments paid to the holders of the Series A Convertible Preferred Stock.

Share Exchange Transaction

On December 1, 2016 Motus GI Medical Technologies Ltd. ("Opco"), and the holders of all issued and outstanding shares of capital stock of Opco (the "Opco Stockholders"), entered into a share exchange agreement (the "Share Exchange Agreement") with us. Pursuant to the terms of the Share Exchange Agreement, as a condition of and contemporaneously with the initial closing (the "Initial Closing") of the 2017 Private Placement, the Opco Stockholders sold to us, and we acquired, all of the issued and outstanding shares of capital stock of Opco (the "Share Exchange Transaction") and Opco became our wholly-owned subsidiary. Pursuant to the Share Exchange Transaction (i) the Opco Stockholders received an aggregate of 4,000,000 shares of our common stock in exchange for all of the issued and outstanding shares of capital stock of Opco, (ii) the Convertible Notes (as defined below) and the Convertible Note Warrants (as defined below) were exchanged for our securities, as described below, and (iii) all of the issued and outstanding options to purchase or otherwise acquire shares of Opco capital stock that were outstanding and unexercised as of immediately prior to the Initial Closing were substituted for 125,730 options to acquire shares of our common stock pursuant to our 2016 Equity Incentive Plan.

Exchange of Convertible Notes

Pursuant to the terms of a convertible note agreement (the "CNA"), as amended, Opco issued convertible notes (the "Convertible Notes") in a series of closings from June 2015 through November 2016, in an aggregate amount of $14,596,683 (inclusive of accrued interest through December 22, 2016, the date of the Initial Closing). Certain related parties purchased Convertible Notes pursuant to the CNA, see "Certain Relationships and Related Party Transactions - Convertible Note, Convertible Warrant, and 2017 Private Placement - Related Party Participation." At the Initial Closing, the holders of the Convertible Notes ("Convertible Holders") exchanged their Convertible Notes (the "Exchange of Convertible Notes"), together with accrued and unpaid interest thereon calculated through the date of the Initial Closing at a rate of 10% per annum, for Units of the 2017 Private Placement, at a price of $4.50 per Unit. As a result, upon consummation of the Initial Closing, the Convertible Notes were exchanged for Units representing (i) 2,432,808 shares of our common stock (inclusive of shares of our common stock resulting from the accrued and unpaid interest of the Convertible Notes through the date of the Initial Closing) and (ii) 810,960 shares of Series A Convertible Preferred Stock (inclusive of shares of Series A Convertible Preferred Stock resulting from the accrued and unpaid interest of the Convertible Notes through the date of the Initial Closing).

Exchange of Convertible Note Warrants

In connection with, and pursuant to the terms of, the CNA, each Convertible Holder also received a seven (7) year warrant (the "Convertible Note Warrants") to purchase Preferred A Shares of Opco, nominal value in Israeli New Shekel ("NIS") 0.01 per share, with an exercise price per share of $1.00 (the "Convertible Note Warrant Exercise Price"). Each Convertible Note Warrant entitled the holder to purchase that number of shares of Preferred A Shares of Opco equal to thirty-three percent (33%) of the principal amount of the Convertible Note in connection with which it was issued. Convertible Note Warrants to purchase an aggregate 4,536,186 shares of Preferred A Shares of Opco with an exercise price of $1.00 were issued in connection with the CNA. Certain related parties held Convertible Note Warrants pursuant to the CNA, see "Certain Relationships and Related Party Transactions - Convertible Note, Convertible Warrant, and 2017 Private Placement - Related Party Participation." At the Initial Closing, the holders of the Convertible Note Warrants exchanged their Convertible Note Warrants for five (5) year warrants (the "Exchange Warrants") to purchase an aggregate 907,237 shares of our common stock at an exercise price of $5.00 per share, such amount being equal to thirty-three percent (33%) of the principal amount of the Convertible Notes divided by $5.00.

Service Provider Stock and Warrants

In May 2017, we issued a service provider (a) 90,000 shares of our common stock, subject to a lock-up agreement, and (b) five (5) year warrants to purchase 30,000 shares of our common stock with an exercise price of $8.00 per share, as partial payment for services pursuant to a consulting agreement between the service provider and us.

During August and September of 2017, we issued a service provider an aggregate of 2,778 shares, and pursuant to the terms of the agreement with such service provider we are obligated to issue one additional installment of 1,389 shares to such service provider in October 2017.

Issuance Pursuant to Exercise of Stock Option

In May 2017, we issued 754 shares of our common stock pursuant to the exercise of a stock option.

Stock Options

Since January 1, 2016, we have granted stock options under our 2016 Equity Incentive Plan to purchase an aggregate of 2,099,499 shares of our common stock, at exercise prices ranging from $2.38 to $4.50 per share, following the modification of share-based payment awards on September 29, 2017. Pursuant to the terms of the 2016 Equity Incentive Plan, as of September 30, 2017, 262,654 of the shares covered by such grants have been forfeited, cancelled, returned to the us for failure to satisfy vesting requirements or otherwise terminated without payment, and such shares are no longer counted against the maximum share limitation of the 2016 Equity Incentive Plan.

Unrestricted Stock Awards

Since January 1, 2016, we have granted unrestricted stock awards under our 2016 Equity Incentive Plan for an aggregate of 5,000 shares of our common stock.

Securities Act Exemptions

We deemed the offers, sales and issuances of the securities described above under "Original Issuances of Stock, Warrants and Payment Rights Certificates" to be exempt from registration under the Securities Act of 1933, as amended (the "Securities Act"), in reliance on Section 4(a)(2) of the Securities Act, including Regulation D and Rule 506 promulgated thereunder, relative to transactions by an issuer not involving a public offering. All purchasers of securities in transactions exempt from registration pursuant to Regulation D represented to us that they were accredited investors and were acquiring the shares for investment purposes only and not with a view to, or for sale in connection with, any distribution thereof and that they could bear the risks of the investment and could hold the securities for an indefinite period of time. The purchasers received written disclosures that the securities had not been registered under the Securities Act and that any resale must be made pursuant to a registration statement or an available exemption from such registration.

We deemed the grants of stock options and issuances of our common stock upon exercise of such options, and the restricted share awards, described above under "Stock Options" to be exempt from registration under the Securities Act in reliance on Section 4(a)(2) of the Securities Act, including Regulation D and Rule 506 promulgated thereunder and Rule 701 of the Securities Act as offers and sales of securities under compensatory benefit plans and contracts relating to compensation in compliance with Rule 701. Each of the recipients of securities in any transaction exempt from registration either received or had adequate access, through employment, business or other relationships, to information about us.

All certificates representing the securities issued in the transactions described in this Item 15 included appropriate legends setting forth that the securities had not been offered or sold pursuant to a registration statement and describing the applicable restrictions on transfer of the securities. There were no underwriters employed in connection with any of the transactions set forth in this Item 15. All recipients had adequate access, through their relationships with us, to information about us. The sales of these securities were made without any general solicitation or advertising.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

Exhibit No.	Description
1.1*	Form of Underwriting Agreement
2.1 +	Share Exchange Agreement, dated December 1, 2016
3.1	Certificate of Incorporation
3.2	Certificate of Amendment to the Certificate of Incorporation
3.3	Bylaws
3.4	Certificate of Designations of Series A Convertible Preferred Stock
4.1	Form of Common Stock Certificate
4.2	Form of Series A Convertible Preferred Stock Certificate
4.3	Form of Exchange Warrant
4.4	Form of Placement Agent Warrant
4.5	Form of Registration Rights Agreement
4.6	Form of Consultant Warrant
4.7	Form of Placement Agent Royalty Payment Rights Certificate
5.1*	Opinion of Lowenstein Sandler LLP
10.1	Placement Agency Agreement, dated December 1, 2016, between the Company and Aegis Capital Corp.
10.2	Form of Subscription Agreement
10.3	Form of Voting Agreement, dated December 1, 2016, by and among the Company and the stockholders named therein
10.4†	2016 Equity Incentive Plan and 2016 Israeli Sub-Plan
10.5†	Form of Incentive Stock Option Agreement
10.6†	Form of Non-Qualified Stock Option Agreement
10.7†	Form of Restricted Stock Agreement
10.8†	Form of Assumed Options to Israeli Employees and Directors Agreement
10.9	Form of Assumed Options to Israeli Non-Employees and Controlling Shareholders Agreement
10.10†	Form of Israeli Option Grant to Israeli Employees and Directors Agreement

10.11	Form of Israeli Option Grant to Israeli Non-Employees and Controlling Shareholders Agreement
10.12†	Employment Agreement, dated December 22, 2016, between the Company and Mark Pomeranz
10.13	Lease, dated April 13, 2017, between Company and Victoriana Building, LLC
10.14	Form of Subscription Agreement for Convertible Notes Offering
10.15	Finders Agreement, dated October 14, 2016, between the Company and Aegis Capital Corporation
10.16	Finders Agreement, dated December 22, 2016, between the Company and Aegis Capital Corporation
10.17†	Form of Indemnification Agreement
10.18†	Employment Agreement, dated August 16, 2017, between the Company and Andrew Taylor
21.1	List of Subsidiaries of the Company
23.1*	Consent of Brightman Almagor Zohar & Co.
23.2 *	Consent of Lowenstein Sandler LLP (included in Exhibit 5.1)
24.1	Power of Attorney (included on the signature page)
*	To be filed by amendment.
+	As permitted by Item 601(b)(2) of Regulation S-K, certain schedules to this agreement have not been filed herewith. The company will furnish supplementally a copy of any omitted schedule to the SEC upon request.
†	Indicates management contract or compensatory plan.

ITEM 17. UNDERTAKINGS

(a) The undersigned Registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

(b) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(c) The undersigned Registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus 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.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Ft. Lauderdale, State of Florida on , 2017.

MOTUS GI HOLDINGS, INC.

By: _____
Name: Mark Pomeranz
Title: Chief Executive Officer

KNOW ALL MEN BY THESE PRESENTS, that the undersigned officers and directors Motus GI Holdings, Inc., a Delaware corporation (the "Company"), do hereby constitute and appoint each of Mark Pomeranz and Andrew Taylor as his or her true and lawful attorney-in-fact and agent, with full power of substitution and re-substitution, for him and in his name, place, and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments, exhibits thereto and other documents in connection therewith) to this Registration Statement and any subsequent registration statement filed by the registrant pursuant to Rule 462(b) of the Securities Act of 1933, as amended, which relates to this Registration Statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, 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 below by the following persons in the capacities and on the dates indicated.

Person	Capacity	Date
Mark Pomeranz	Chief Executive Officer and Director (Principal Executive Officer)	, 2017
Andrew Taylor	Chief Financial Officer (Principal Financial and Accounting Officer)	, 2017
David Hochman	Chairman of the Board	, 2017
Darren Sherman	Director	, 2017
Gary Jacobs	Director	, 2017
Samuel Nussbaum	Director	, 2017
Shervin Korangy	Director	, 2017

SHARE EXCHANGE AGREEMENT

by and among

Motus GI Holdings, Inc.,

Motus GI Medical Technologies Ltd.,

The Stockholders of Motus GI Medical Technologies Ltd.

and

Orchestra Medical Ventures II, L.P., as Stockholder Representative

and

Altshuler Shaham Trusts Ltd, as ESOP Trustee

Dated as of December 1, 2016

TABLE OF CONTENTS

TABLE OF CONTENTS
continued

TABLE OF CONTENTS
continued

TABLE OF CONTENTS
continued

SHARE EXCHANGE AGREEMENT

THIS SHARE EXCHANGE AGREEMENT is made and entered into as of December 1, 2016, by and among Motus GI Holdings, Inc., a Delaware corporation (the "***Purchaser***"), Motus GI Medical Technologies Ltd., an Israeli company (the "***Company***") and the stockholders of the Company set forth on the signature pages to this Agreement (collectively, the "***Stockholders***" and, individually, a "***Stockholder***"), and Orchestra Medical Ventures II, L.P., as Stockholder Representative (the "***Stockholder Representative***") and Altshuler Shaham Trusts Ltd (the "ESOP Trustee").

Recitals

Whereas, the Stockholders desire to sell to and exchange with the Purchaser all of the securities of the Company that they hold for securities of the Purchaser as set forth herein (the transactions set forth herein, the "***Transactions***");

Whereas, as a condition to the Transactions, each of the Stockholders listed on Schedule A hereto is entering into a voting agreement with the Purchaser and the stockholders of the Purchaser immediately prior to the Closing (as defined herein) (the "***Voting Agreement***"); and

Whereas, concurrently with the execution and delivery of this Agreement, and as a condition and inducement to the Purchaser's willingness to enter into this Agreement, the Purchaser and the Company will enter into a Placement Agency Agreement with Aegis Capital Corp, dated the date hereof, pursuant to which the Purchaser shall complete the closing of a private placement offering of units ("**Units**") that will raise at least Twenty Million Dollars ($20,000,000) (the "***Private Placement***"), including in such $20.0 million the conversion of approximately $14.0 million of the Company's outstanding convertible notes into the securities issued in the Private Placement, concurrently with, and as a condition to, the Transactions under this Agreement.

Now, Therefore, in consideration of the respective covenants, agreements and representations and warranties set forth in this Agreement, the parties to this Agreement, intending to be legally bound, agree as follows:

ARTICLE I
DESCRIPTION OF TRANSACTION

Section 1.1 Exchange of Ordinary Shares, Preferred A Shares

(a) Subject to the terms and conditions in this Agreement, at the Closing, each Stockholder agrees to sell, transfer, assign and deliver such number of (i) Ordinary Shares of the Company, par value NIS 0.01 per share ("***Ordinary Shares***") and (ii) Preferred A Shares of the Company, par value NIS 0.01 per share ("***Preferred A Shares***" and, together with the Ordinary Shares, the "***Shares***"), set forth opposite its name on Schedule A, together with any additional Ordinary Shares which may be issued to a Stockholder after the date hereof, but prior to Closing, as a result of the exercise of any Company Options or Company Warrants to the Purchaser, free and clear of all Liens, and the Purchaser agrees to sell and issue to each such Stockholder or the ESOP Trustee, as applicable, in exchange for the Shares, such number of shares of common stock, par value $0.0001 per share of the Purchaser (the "***Purchaser Common Stock***") set forth opposite each Stockholder's name on Schedule A.

Section 1.2 Assumption and Substitution of Company Options and Exercise of Warrants.

(a) Subject to the terms and conditions in this Agreement, effective as of the Closing, all the issued, outstanding and unexercised options (the "***Company Options***") to purchase or otherwise acquire Ordinary Shares of the Company that were granted under the Company's 2009 Employee Share Option Plan (the "***Company Option Plan***") that are held individually or by the trustee of the Company Option Plan (the "***Trustee***") for the benefit of certain individuals, in each case as set forth on Schedule B hereto (the "***Company Option Holders***"), which represents all of the outstanding Company Options whether vested or unvested, shall be assumed and substituted by the Purchaser for the number of options to acquire shares of Purchaser Common Stock set forth opposite such Company Option Holder's name on Schedule B hereto (each a "***Replacement Option***"). Each Company Option so assumed and substituted by the Purchaser pursuant to this Section 1.2(a) shall continue to have the same expiration date, vesting schedule and aggregate exercise price as in effect immediately prior to the Closing; *provided* that (x) such Replacement Option shall be exercisable for that number of whole shares of Purchaser Common Stock set forth opposite such Company Option Holder's name set forth on Schedule B hereto and (y) the per share exercise price for the shares of Purchaser Common Stock issuable upon exercise of such substituted Company Option shall be as set forth opposite such Company Option Holder's name set forth on Schedule B hereto. The Replacement Options shall be governed by the Purchaser's 2016 Equity Incentive Plan and individual option grant agreements or other similar agreements. Notwithstanding anything herein to the contrary, the exercise price of the Replacement Option issued to Company Option Holders who are U.S. Citizens, the number of shares purchasable pursuant to the Replacement Option and the terms and conditions of exercise of the Replacement Option shall in all events be determined in order to comply with Section 409A of the Internal Revenue Code of 1986, as amended ("Code"), and in the case of any Company Option to which Section 421 of the Code applies by reason of its qualification under Section 422 of the Code, Section 424 of the Code.

(b) Subject to the terms and conditions in this Agreement, each Person who holds warrants (each a "***Company Warrant Holder***") to purchase or otherwise acquire Ordinary Shares of the Company, as set forth on Schedule C hereto, which represents all of the outstanding warrants to purchase or otherwise acquire Ordinary Shares of the Company, (the "***Company Warrants***") whether vested or unvested and that are unexercised as of the date of this Agreement, hereby agrees and acknowledges that (i) prior to the Closing such Company Warrant Holder will exercise their Company Warrants in accordance with the exercise procedures set forth in the Company Warrants, and (ii) that if such Company Warrant has not been exercised as of the date of the Closing, such Company Warrant shall be deemed automatically exercised, effective immediately prior to the Closing, as if the Company Warrant had been exercised in accordance with the exercise procedures set forth in the Company Warrants. As a result of such exercise, each Company Warrant Holder will be the holder of that number of Ordinary Shares set forth opposite such Company Warrant Holder's name on Schedule C hereto, as of immediately prior to the Closing, and such Ordinary shares will be exchanged pursuant to the Transactions, as described in Section 1.1(a) above.

Section 1.3 Assumption and Conversion of Notes and Exchange of CNA Warrants

(a) Subject to the terms and conditions in this Agreement, effective as of the Closing, the Company hereby agrees and undertakes to assign to the Purchaser and the Purchaser hereby agrees to assume any and all obligations of the Company under all outstanding Indebtedness of the Company under the Company's outstanding convertible notes (the "***Company Notes***") in exchange for an intercompany note made by the Company to the Purchaser in the aggregate outstanding amount of all Company Notes as of the Closing, including all accrued and outstanding interest thereon. Each Person who holds Company Notes (the "***Noteholders***") will receive a number of Units sold in the Private Placement calculated on the basis of an exchange price of 90% of the sale price of the Units issued in such Private Placement such that each Noteholder will receive in exchange for the outstanding Company Notes held by each such Noteholder the number of Units, in each case, as set forth opposite such Noteholder's name on Schedule D hereto. The Company Notes will be cancelled after such conversion.

(b) Subject to the terms and conditions in this Agreement, effective as of the Closing, all issued and outstanding warrants issued to the Noteholders in connection with the issuance of the Company Notes (the "***CNA Warrants***"), as set forth on Schedule E hereto, shall be automatically exchanged for five-year warrants (the "***Purchaser Warrants***") exercisable for Purchaser Common Stock at an exercise price of $5.00 per share. The number of Purchaser Common Stock underlying the new warrant held by each respective Noteholder shall be equal to one-third (1/3) of the principal amount of the aggregate amount of the Notes held by such Noteholder immediately prior to the Closing divided by the Original Issue Price, in each case as set forth opposite such Noteholder's name on Schedule E hereto.

Section 1.4 Conditionality. Notwithstanding the foregoing, the exchange and conversion ratios set forth above in Section 1.1, Section 1.2 and Section 1.3, and the schedules reference therein, are based on the assumptions that (i) the sale price of each Unit is $5.00 and (ii) the composition of each Unit sold in the Private Placement remains three-quarter (3/4) of a share of Purchaser Common Stock and one-quarter (1/4) of a share of convertible preferred stock, par value $0.0001 (the "***Purchaser Series A Convertible Preferred Stock***" and, together with Purchaser Common Stock, "***Purchaser Stock***"). To the extent any of these assumptions change, the exchange and conversion ratios set forth above in Section 1.1, Section 1.2 and Section 1.3, and the schedules referenced therein, will be modified accordingly.

Section 1.5 Transfer of Share and Note Certificates. At the Closing, each Stockholder and Noteholder, as applicable, shall deliver to the Purchaser all physical original certificates evidencing all securities of the Company held by such Stockholder and Noteholder, and, if applicable, a share transfer deed, in form acceptable to the Purchaser, appropriately completed and signed. In addition, the Purchaser shall deliver or cause its transfer agent to issue to (i) each Stockholder and Noteholder, as applicable, a stock certificate or warrant certificate representing the number of Purchaser Common Stock or Purchaser Warrants set forth on Schedules A and E opposite such Stockholder's name, and (ii) to each Noteholder, certificates representing the number of Purchaser securities underlying the Units issued to such Noteholder pursuant to Section 1.3.

Section 1.6 Lost, Stolen or Destroyed Certificates. In the event any stock certificates shall have been lost, stolen or destroyed, the agent shall make such payment in exchange for such lost, stolen or destroyed stock certificates upon the making of an affidavit of that fact by the holder thereof.

Section 1.7 Adjustments. Without limiting the other provisions of this Agreement, if at any time during the period between the date of this Agreement and the Closing, any change in the number of outstanding shares of Purchaser Common Stock (or securities convertible or exchangeable into or exercisable for shares of Purchaser Common Stock) shall occur as a result of a reclassification, recapitalization, stock split (including a reverse stock split), or combination, exchange or readjustment of shares, merger or any stock dividend or stock distribution with a record date during such period, the consideration set forth in this Article I shall be correspondingly adjusted to reflect such change.

Section 1.8 Withholding. Notwithstanding any other provision in this Agreement, the Purchaser or any other Person that has any withholding obligation with respect to any payment made pursuant to this Agreement shall be entitled to deduct and withhold, or cause to be deducted and withheld, from the consideration payable or otherwise deliverable to any Person pursuant to this Agreement such amounts as may be required to be deducted and withheld under any provisions of federal, local or foreign tax law or under any applicable legal requirements. To the extent that amounts are so deducted or withheld, such deducted or withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Person in respect of whom such deduction and withholding was made.

Section 1.9 Definitions. Capitalized terms used in this Agreement but not otherwise defined in this Agreement shall have the meanings set forth in **Exhibit A** hereto.

ARTICLE II
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Solely in connection with the assumption by the Purchaser of the obligations under the Company Notes as set forth in Section 1.3(a) above, the Company represents and warrants to the Purchaser, as of the date of this Agreement and as of the Closing Date, as set forth below:

Section 2.1 Organization; Capitalization.

(a) The Company is duly organized and validly existing in good standing under the laws of the jurisdiction in which it was formed, and has the requisite power and authority to own its properties and to carry on its business as now being conducted. The Company is not a party to any joint venture and, other than Motus GI Inc., a Delaware corporation and wholly owned subsidiary of Company, does not directly or indirectly own or hold capital stock or an equity or similar interest in any entity. The Company is duly qualified as a foreign entity to do business and is in good standing in every jurisdiction in which its ownership of property or the nature of the business conducted by it makes such qualification necessary, except to the extent that the failure to be so qualified or be in good standing would not have a Material Adverse Effect on the Company.

(b) The authorized capital stock of the Company consists of (i) 45,000,000 Ordinary Shares, and (ii) 33,000,000 Preferred A Shares. As of the date of this Agreement and the Closing (assuming no Company Options have been exercised and without taking into account the exercise of the Company Warrants after the date of this Agreement), there are (i) 4,271,094 Ordinary Shares issued and outstanding; and (ii) 13,499,999 shares of Preferred A Shares issued and outstanding. Schedule 2.1(b) sets forth (A) a complete and accurate list of all holders of Ordinary Shares and Preferred A Shares, indicating the number of Ordinary Shares and Preferred A Shares held by each holder; which represents all of the issued and outstanding shares of capital stock of the Company, (B) all stock option plans and other stock or equity-related plans of the Company, (C) all options and warrants outstanding and (D) a complete and accurate list of all Noteholders, indicating the number of Company Notes held by each such noteholder; which represents all of the issued and outstanding Company Notes. All of the issued and outstanding Shares are duly authorized, validly issued, fully paid, nonassessable and free of all preemptive rights. Other than as listed in Schedule 2.1(b) and as set forth in the Company's Certificate of Incorporation, there are no outstanding or authorized options, warrants, rights, notes, agreements or commitments to which the Company is a party or which are binding upon the Company providing for the issuance or redemption of any of its capital stock. Other than as listed in Schedule 2.1(b) and as set forth in the Company's Fourth Amended and Restated Articles of Incorporation of the Company (the "Certificate of Incorporation"), as of the Closing Date there are no outstanding or authorized stock appreciation, phantom stock or similar rights with respect to the Company. Except as set forth in Schedule 2.1(b) and as set forth in the Company's Certificate of Incorporation, there are no agreements to which the Company is a party or by which it is bound with respect to the voting (including without limitation voting trusts or proxies), registration under the Securities Act or sale or transfer (including without limitation agreements relating to pre-emptive rights, rights of first refusal, co-sale rights or "drag-along" rights) of any securities of the Company. To the knowledge of the Company, there are no agreements among other parties, to which the Company is not a party and by which it is not bound, with respect to the voting (including without limitation voting trusts or proxies) or sale or transfer (including without limitation agreements relating to rights of first refusal, co-sale rights or "drag-along" rights) of any securities of the Company. All of the issued and outstanding Shares were issued in compliance with applicable foreign, federal and state securities laws.

Section 2.2 Authority; Execution and Delivery; Enforceability.

(a) The Company has all requisite power, authority and legal capacity to execute and deliver this Agreement and each Ancillary Agreement to which the Company is a party, to perform its obligations hereunder and thereunder and to consummate the Transactions and the other transactions contemplated hereby and thereby. The execution, delivery and performance of this Agreement and the Ancillary Agreements to which the Company is a party, and the consummation of the transactions contemplated hereby and thereby, have been duly authorized and approved by all required action on the part of the Company and the Board of Directors of the Company (the "***Company Board***") and, except for the adoption of this Agreement and the Ancillary Agreements and the transactions contemplated hereunder and thereunder by the Stockholders, no other corporate or other proceedings on the part of the Company or the Company Board are necessary to authorize this Agreement, the Ancillary Agreements and the transactions contemplated hereby or thereby.

(b) Except for the execution of this Agreement by the Stockholders and the consents required pursuant to Section 6.1(c), no other vote of or action by the stockholders of the Company or any other Person is required to adopt and approve this Agreement or to consummate the Transactions or the other transactions contemplated hereby.

(c) This Agreement has been duly authorized, executed and delivered and constitutes, the valid and binding obligations of the Company, enforceable against the Company in accordance with its terms (i) except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect related to laws affecting creditors' rights generally, including the effect of statutory and other laws regarding fraudulent conveyances and preferential transfers, and except that no representation is made herein regarding the enforceability of the Company's obligations to provide indemnification and contribution remedies under the securities laws and (ii) subject to the limitations imposed by general equitable principles (regardless of whether such enforceability is considered in a proceeding at law or in equity).

Section 2.3 No Conflicts. None of the execution and delivery of or performance by the Company under this Agreement or the consummation of the transactions herein contemplated conflicts with or violates, or will result in the creation or imposition of, any lien, charge or other encumbrance upon any of the assets of the Company under any agreement or other instrument to which the Company is a party or by which the Company or its assets may be bound, or any term of the Company's Certificate of Incorporation, or any license, permit, judgment, decree, order, statute, rule or regulation applicable to the Company or any of its assets, except in the case of a conflict, violation, lien, charge or other encumbrance (except with respect to the Company's Certificate of Incorporation) which would not reasonably be expected to, have an Material Adverse Effect on the Company.

Section 2.4 Financial Statements.

(a) The Company's audited financial statements as and for the period ended December 31, 2015 (the "***Financial Statements***"), together with the related notes, if any, present fairly, in all material respects, the financial position of the Company as of the dates specified and the results of operations for the periods covered thereby. Such financial statements and related notes were prepared to conform with United States generally accepted accounting principles applied on a consistent basis throughout the periods indicated, and were audited in accordance with generally accepted auditing standards in Israel, including those prescribed under the Auditors' Regulations (Auditor's Mode of Performance), 1973. Except as set forth in such Financial Statements and with respect to the Company's outstanding convertible notes, the Company has no known material liabilities of any kind, whether accrued, absolute, contingent, or otherwise. All other financial and statistical information provided to the Purchaser by the Company with respect to the Company present fairly in all material respects the information shown therein on a basis consistent with the Financial Statements of the Company. The Company does not know of any facts, circumstances or conditions which could reasonably be expected to have a Material Adverse Effect, except as set forth on Schedule 2.4(a).

(b) Except as set forth on Schedule 2.4(b), since the date of the Company's most recent Financial Statements, there has been no Material Adverse Effect on the Company. Except as set forth on Schedule 2.4(b), since the date of the Company's most recent Financial Statements, the Company has not (i) declared or paid any dividends, (ii) sold any assets, individually or in the aggregate, in excess of $75,000 outside of the ordinary course of business or (iii) had capital expenditures, individually or in the aggregate, in excess of $75,000. The Company has not taken any steps to seek protection pursuant to any bankruptcy law nor does the Company have any knowledge or reason to believe that its creditors intend to initiate involuntary bankruptcy proceedings or any actual knowledge of any fact which would reasonably lead a creditor to do so.

Section 2.5 Indebtedness. Except as set forth on Schedule 2.5, the Company (i) has no outstanding Indebtedness (as defined herein) in excess of $1,000,000, (ii) is not a party to any contract, agreement or instrument, the violation of which, or default under which, by the other party(ies) to such contract, agreement or instrument would result in a Material Adverse Effect, or (iii) is not in violation of any term of or in default under any contract, agreement or instrument relating to any Indebtedness, except where such violations and defaults would not result, individually or in the aggregate, in a Material Adverse Effect. At the Closing, the Company Notes shall be assumed by the Purchaser and automatically exchanged as further set forth above in Section 1.3(a).

Section 2.6 Governmental Authorizations. The conduct of business by the Company as presently, and proposed to be conducted as set forth in that certain Confidential Private Placement Memorandum dated December 1, 2016 (the "***Memorandum***"), is not subject to continuing oversight, supervision, regulation or examination by any Governmental Body of the United States, or any other jurisdiction wherein the Company conducts, or proposes to conduct, such business, except as described in the Memorandum. The Company has obtained all material Governmental Authorizations necessary to conduct its business as presently conducted. The Company has not received any written notice of any violation of, or noncompliance with, any federal, state, local or foreign laws, ordinances, regulations and orders (including, without limitation, those relating to environmental protection, occupational safety and health, securities laws, equal employment opportunity, consumer protection, credit reporting, "truth-in-lending", and warranties and trade practices) applicable to its business, the violation of, or noncompliance with, would have an Material Adverse Effect on the Company, and the Company knows of no facts or set of circumstances which could give rise to such a notice.

Section 2.7 Company Agreements. Except as set forth on Schedule 2.7, no default by the Company or, to the knowledge of the Company, any other party, exists in the due performance under any material agreement to which the Company is a party or to which any of its assets is subject (collectively, the "***Company Agreements***"). The Company Agreements are in full force and effect in accordance with their respective terms, subject to any applicable bankruptcy, insolvency or other laws affecting the rights of creditors generally and to general equitable principles and the availability of specific performance.

Section 2.8 Intellectual Property. Except as described in the Memorandum, the Company owns all right, title and interest in, or possesses enforceable rights to use, all patents, patent applications, trademarks, service marks, copyrights, rights, licenses, franchises, trade secrets, confidential information, processes and formulations necessary for the conduct of its business as now conducted (collectively, the "***Intellectual Property***"). To the knowledge of the Company, the Company has not infringed upon the rights of others with respect to the Intellectual Property and, except as set forth on Schedule 2.8, the Company has not received written notice that it has or may have infringed or is infringing upon the rights of others with respect to the Intellectual Property, or any written notice of conflict with the asserted rights of others with respect to the Intellectual Property. To the knowledge of the Company, no others have infringed upon the rights of the Company with respect to the Intellectual Property. Except as set forth on Schedule 2.8, none of the Company's Intellectual Property have expired or terminated, or are expected to expire or terminate, within three years from the date of this Agreement.

Section 2.9 Employee Matters. The Company is not a party to any collective bargaining agreement nor does it employ any member of a union. No executive officer of the Company (as defined in Rule 501(f) of the Act) has notified the Company that such officer intends to leave the Company or otherwise terminate such officer's employment with the Company. No executive officer of the Company, to the knowledge of the Company, is in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement, non-competition agreement, or any other contract or agreement or any restrictive covenant, and the continued employment of each such executive officer does not subject the Company to any liability with respect to any of the foregoing matters. The Company is in compliance with all federal, state, local and foreign laws and regulations respecting labor, employment and employment practices and benefits, terms and conditions of employment and wages and hours, except where failure to be in compliance would not, either individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect on the Company.

Section 2.10 Proceedings. Except as set forth on Schedule 2.10, there are no Legal Proceedings pending before any Governmental Body or, to the knowledge of the Company, threatened, against the Company, or involving its assets or any of its officers or directors (in their capacity as such) which, if determined adversely to the Company or such officer or director, could reasonably be expected to have a Material Adverse Effect on the Company or adversely affect the transactions contemplated by this Agreement or the enforceability thereof.

Section 2.11 Compliance. The Company is not: (i) in violation of its organizational documents; (ii) in default of any indenture, mortgage, deed of trust, note or other agreement or instrument to which the Company is a party or by which it is or may be bound or to which any of its assets may be subject, the default of which could reasonably be expected to have a Material Adverse Effect on the Company; (iii) in violation of any statute, rule or regulation applicable to the Company, the violation of which would have a Material Adverse Effect on the Company; or (iv) in violation of any judgment, decree or order of any Governmental Body having jurisdiction over the Company and specifically naming the Company, which violation or violations individually, or in the aggregate, could reasonably be expected to have a Material Adverse Effect on the Company.

Section 2.12 Related Party Transactions. Except as set forth on Schedule 2.12, as of the date of this Agreement, no current or former stockholder, director, officer or employee of the Company, nor, to the knowledge of the Company, any affiliate of any such person is presently, directly or indirectly through his affiliation with any other person or entity, a party to any loan from the Company or any other transaction (other than as an employee) with the Company providing for the furnishing of services by, or rental of any personal property from, or otherwise requiring cash payments to any such person.

Section 2.13 Taxes. Except as set forth on Schedule 2.13, the Company has filed, on a timely basis, each federal, state, local and foreign tax return, report and declarations that were required to be filed, or has requested an extension therefor and has paid all taxes and all related assessments, charges, penalties and interest to the extent that the same have become due. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of the Company know of no basis for any such claim. The Company has not executed a waiver with respect to the statute of limitations relating to the assessment or collection of any foreign, federal, state or local tax. To the Company' knowledge, none of the Company' tax returns are presently being audited by any taxing authority. No liens have been filed and no claims are being asserted by or against the Company with respect to any taxes (other than liens for taxes not yet due and payable). The Company has not received written notice of assessment or proposed assessment of any taxes claimed to be owed by it or any other Person on its behalf. The Company is not a party to any tax sharing or tax indemnity agreement or any other agreement of a similar nature that remains in effect. The Company has complied in all material respects with all applicable legal requirements relating to the payment and withholding of taxes and, within the time and in the manner prescribed by law, has withheld from wages, fees and other payments and paid over to the proper governmental or regulatory authorities all amounts required.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF STOCKHOLDERS

Each Stockholder hereby represents and warrants to the Purchaser, severally and not jointly, as of the date of this Agreement and as of the Closing Date, as set forth below:

Section 3.1 Authority, No Conflict; Required Filings and Consents.

(a) Such Stockholder has full power and authority to do and perform all acts and things to be done by him under this Agreement. Such Stockholder has all requisite power and authority to enter into this Agreement and any Ancillary Agreement to which he is a party, perform his obligations under this Agreement and any Ancillary Agreement to which he is a party and to consummate the transactions contemplated by this Agreement and any Ancillary Agreement to which he is a party. This Agreement has been duly executed and delivered by such Stockholder and constitutes the legal, valid and binding obligation of such Stockholder, enforceable against such Stockholder in accordance with its terms, except as such enforceability may be limited by (i) bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting or relating to creditors' rights generally, and (ii) the availability of injunctive relief and other equitable remedies.

(b) Neither the execution, delivery or performance by such Stockholder of this Agreement or any of the Ancillary Agreements, nor the consummation of the transactions contemplated by this Agreement or any of the Ancillary Agreements, will directly or indirectly (with or without notice or lapse of time, or both): (i) contravene, conflict with, or result in any violation or breach of, or constitute (with or without notice or lapse of time, or both) a default (or give rise to a right of modification, termination, cancellation or acceleration of any obligation or loss of any material benefit) under, require notice to any Person or a consent or waiver under, constitute a change in control under, require the payment of a fee or penalty under or result in the creation or imposition of any Lien upon or with respect to any asset owned or used by such Stockholder under, any of the terms, conditions or provisions of its organizational documents, if relevant, any note, bond, mortgage, indenture, lease, license, Contract or other agreement, instrument or obligation to which such Stockholder is a party or by which he or any of his properties or assets may be bound; (ii) contravene, conflict with or violate, or give any Stockholder the right to challenge any of the transactions contemplated by this Agreement or any of the Ancillary Agreements or to exercise any remedy or obtain any relief under, any Law or any order, writ, injunction, judgment or decree to which such Stockholder is subject; or (iii) contravene, conflict with or result in a violation of any of the terms or requirements of, or give any Governmental Body the right to revoke, withdraw, suspend, cancel, terminate or modify, any Governmental Authorization that is held by such Stockholder or that otherwise relates to the business of such Stockholder or to any of the assets owned, used or controlled by such Stockholder.

Section 3.2 Ownership; Title to Shares.

(a) Such Stockholder is the record and beneficial owner of the Shares shown as owned by such Stockholder on Schedule A hereto, and such Stockholder has sole voting and dispositive power over such Shares, other than the Shares (the "***Pledged NGT Shares***") owned by N.G.T. New Generation Technologies Ltd ("***NGT***"), which, as of the date of this Agreement, are pledged in favor of the Office of Chief Scientist of the Ministry of Economy and Industry (the "***OCS***"). Such Stockholder has, and immediately prior to the Closing, will have, good and valid title to the Shares to be sold by such Stockholder pursuant to this Agreement, free and clear of all Liens. Immediately following the Closing, such Stockholder will hold no Shares, Company Options, Company Warrants or Company Notes or other securities of the Company.

(b) Upon receipt by such Stockholder of Purchaser Stock as set forth on Schedule A hereto and transfer of the Shares owned by such Stockholder to the Purchaser in accordance with the terms of this Agreement, the Purchaser will receive good and valid title to such Shares, free and clear of all Liens.

(c) There are no options, warrants, equity securities, calls, rights, commitments or agreements of any character to which the Stockholder is a party or by which the Stockholder is bound obligating the Stockholder to exchange, transfer, deliver or sell, or cause to be exchanged, transferred, delivered or sold, the Shares or other equity interests of the Company owned by the Stockholder or any security or rights convertible into or exchangeable or exercisable for any such Shares or other equity interests of the Company. Other than the proxies granted in connection with the Company Option Plan, if applicable, the Stockholder is not a party to or bound by any agreements or understandings with respect to the voting (including pooling agreements, voting trusts and proxies) or sale or transfer (including agreements imposing transfer restrictions) of any of the Shares or other equity interests of the Company owned by the Stockholder.

Section 3.3 Litigation. There are no Legal Proceedings pending or, to the knowledge of such Stockholder, threatened that relate to such Stockholder's ownership of any capital stock of the Company, or any option or other right of such Stockholder to the capital stock of the Company, or any right of such Stockholder to receive consideration as a result of this Agreement, and there is no reasonable basis for any of the foregoing. There are no actions, suits, proceedings (including any arbitration proceedings), orders, investigations or claims pending or, to the knowledge of the Stockholder, threatened against or affecting the Stockholder in which it is sought to restrain or prohibit or to obtain damages or other relief in connection with the transactions contemplated by this Agreement.

Section 3.4 Brokerage and Transaction Bonuses. There are no claims for brokerage commissions, finders' fees or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or agreement binding upon the Stockholder. There are no special bonuses or other similar compensation payable to any employee of the Stockholder in connection with the transactions contemplated by this Agreement and the Ancillary Agreements. The Stockholder shall pay, and hold the Company, the Purchaser and its Affiliates harmless against, any liability, loss or expense (including reasonable attorneys' fees and out of pocket expenses) arising in connection with any such claim, brokerage commission, finders' fee or special bonus or other similar compensation.

Section 3.5 Restricted Securities. The Stockholder understands that the shares of Purchaser Stock have not been, and will not be, registered under the Securities Act, by reason of a specific exemption from the registration provisions of the Securities Act which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of the Stockholder's representations as expressed herein. The Stockholder understands that the shares of Purchaser Stock are "restricted securities" under applicable United States federal and state securities laws and that, pursuant to these laws, the Stockholder must hold the shares of Purchaser Stock indefinitely unless they are registered with the United States Securities and Exchange Commission and qualified by state authorities, or an exemption from such registration and qualification requirements is available. The Stockholder further acknowledges that if an exemption from registration or qualification is available, it may be conditioned on various requirements including, but not limited to, the time and manner of sale, the holding period for the shares of Purchaser Stock, and on requirements relating to the Purchaser which are outside of the Stockholder's control, and which the Purchaser is under no obligation and may not be able to satisfy.

Section 3.6 Investor Status. The Stockholder is either an "accredited investor" as defined in Rule 501(a) of Regulation D promulgated under the Securities Act, or (ii) not a U.S. Person.

Section 3.7 No Bad Actor Disqualification Events. The Stockholder is not subject to any "bad actor" disqualifying event described in Rule 506(d)(1)(i)-(viii) of the Securities Act.

Section 3.8 Investment Experience. The Stockholder represents that he is a sophisticated investor experienced in evaluating and investing in private placement transactions of securities of companies in similar stage of development as the Purchaser and acknowledges that the Stockholder can bear the economic risk of his investment for an indefinite period of time, and has such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of the investment in shares of Purchaser Stock.

Section 3.9 Foreign Investors. If the Stockholder is not a United States person (as defined by Section 7701(a)(30) of the Code), the Stockholder hereby represents that he has satisfied himself as to the full observance of the laws of his jurisdiction in connection with any invitation to subscribe for shares of Purchaser Stock or any use of this Agreement, including (a) the legal requirements within his jurisdiction for the purchase of shares of Purchaser Stock, (b) any foreign exchange restrictions applicable to such purchase, (c) any governmental or other consents that may need to be obtained, and (d) the income tax and other tax consequences, if any, that may be relevant to the purchase, holding, redemption, sale or transfer of shares of Purchaser Stock. The Stockholder's beneficial ownership of shares of Purchaser Stock will not violate any applicable securities or other laws of the Stockholder's jurisdiction.

Section 3.10 No General Solicitation. Neither the Stockholder, nor any of his officers, managers, employees, agents, members or partners, if any, has either directly or indirectly, including through a broker or finder (a) engaged in any general solicitation, or (b) published any advertisement in connection with the offer and sale of the Purchaser Common Stock.

Section 3.11 Residence. The Stockholder resides in the state, province or country identified in the address of the Stockholder set forth on the signature page hereto.

Section 3.12 Legends. The Stockholder understands that the shares of Purchaser Stock acquired hereunder and any securities issued in respect of or exchange therefor may bear any one or more of the following legends: (a) any legend required by the securities laws of any state to the extent such laws are applicable to the shares of Purchaser Stock represented by the certificate so legended, (b) customary legends to the effect that the shares of Purchaser Stock has not been registered under the Securities Act and that the transfer thereof may be accordingly restricted and (c) for Purchaser Stock issued to a Stockholder that is not a U.S. Person, a legend to the effect that transfer is prohibited except in accordance with the provisions of Regulation S, pursuant to registration under the Securities Act, or pursuant to an available exemption from registration, and that hedging transactions involving such securities may not be conducted unless in compliance with the Securities Act.

Section 3.13 Investment Purpose; Disclosure of Information.

(a) The Stockholder has requested, received, reviewed and considered all the information the Stockholder deems necessary, appropriate or relevant as a prudent and knowledgeable investor in evaluating the investment in shares of Purchaser Stock, including, without limitation, the Memorandum. The Stockholder further represents that the Stockholder has had an opportunity to ask questions of and receive answers from the Purchaser regarding the terms and conditions of the offering of the shares of Purchaser Stock and the business, prospects and financial condition of the Purchaser necessary to verify the accuracy of any information furnished to the Stockholder or to which the Stockholder had access.

(b) The Stockholder is acquiring the shares of Purchaser Stock pursuant to this Agreement for the Stockholder's own account for investment purposes only and with no present intention of distributing any shares of Purchaser Stock, and no arrangement or understanding exists with any other persons regarding the distribution of shares of Purchaser Stock.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser represents and warrants to the Company and each of the Stockholders, as of the date of this Agreement and as of the Closing Date, as set forth below.

Section 4.1 Organization; Capitalization.

(a) The Purchaser is duly organized and validly existing in good standing under the laws of the jurisdiction in which it was formed, and has the requisite power and authority to own its properties and to carry on its business as now being conducted. The Purchaser is not a party to any joint venture and neither directly or indirectly owns or holds capital stock or an equity or similar interest in any entity. The Purchaser is duly qualified as a foreign entity to do business and is in good standing in every jurisdiction in which its ownership of property or the nature of the business conducted by it makes such qualification necessary, except to the extent that the failure to be so qualified or be in good standing would not have a Material Adverse Effect on the Purchaser. The Purchaser does not own, directly or indirectly, any capital stock or other equity interests of any other Person.

(b) As of the date of this Agreement, the authorized capital stock of the Purchaser consists of 50,000,000 shares of Purchaser Common Stock, of which 1,650,000 shares were issued and outstanding, and 10,000,000 shares of preferred stock, par value $0.0001 per share, of which 2,000,000 were designated as Series A Convertible Preferred Stock, none of which was issued and outstanding as of the date of this Agreement. Immediately following the Closing, the authorized capital stock of the Purchaser consists of 50,000,000 shares of Purchaser Common Stock, of which 1,650,000 shares were issued and outstanding as of the date of this Agreement, and 10,000,000 shares of preferred stock, par value $0.0001 per share, of which 2,000,000 were designated as Series A Convertible Preferred Stock, none of which was issued and outstanding as of the date of this Agreement.[1] All of the issued and outstanding shares of Purchaser Common Stock are duly authorized, validly issued, fully paid, nonassessable and free of all preemptive rights. There are no outstanding or authorized, warrants, options to purchase common stock, stock appreciation, phantom stock or similar rights with respect to the Purchaser. There are no agreements to which the Purchaser is a party or by which it is bound with respect to the voting (including without limitation voting trusts or proxies), registration under the Securities Act, or sale or transfer (including without limitation agreements relating to pre-emptive rights, rights of first refusal, co-sale rights or "drag-along" rights) of any securities of the Purchaser. There are no agreements among other parties, to which the Purchaser is not a party and by which it is not bound, with respect to the voting (including without limitation voting trusts or proxies) or sale or transfer (including without limitation agreements relating to rights of first refusal, co-sale rights or "drag-along" rights) of any securities of the Purchaser. All of the issued and outstanding shares of Purchaser Common Stock were issued in compliance with applicable federal and state securities laws. The 4,000,000 shares of Purchaser Common Stock to be issued at the Closing, when issued and delivered in accordance with the terms hereof, shall be duly and validly issued, fully paid and nonassessable and free of all preemptive rights and will be issued in compliance with applicable federal and state securities laws. Furthermore, the 907,237 and 125,731 shares of Purchaser Common Stock underlying the Purchaser Warrants and the Replacement Options, respectively, to be issued at the Closing have been duly and validly authorized and reserved for issuance, and when issued in accordance with the terms of the Purchaser Warrants and the Replacement Options, as the case may be, shall be duly and validly issued, fully paid and nonassessable and free of all preemptive rights and will be issued in compliance with applicable federal and state securities laws.

Section 4.2 Authority. The Purchaser has all requisite corporate power and authority to conduct its business as presently conducted and as proposed to be conducted, to enter into and perform its obligations under this Agreement and the Ancillary Agreements. This Agreement has been duly authorized, executed and delivered and constitutes the valid and binding obligations of Purchaser, enforceable against Purchaser, in accordance with their respective terms (i) except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect related to laws affecting creditors' rights generally, including the effect of statutory and other laws regarding fraudulent conveyances and preferential transfers, and (ii) subject to the limitations imposed by general equitable principles (regardless of whether such enforceability is considered in a proceeding at law or in equity).

Section 4.3 No Conflicts. Neither the execution and delivery of, or performance by Purchaser under this Agreement or any of the other Ancillary Agreements nor the consummation of the transactions herein or therein contemplated conflicts with or violates, or will result in the creation or imposition of, any lien, charge or other encumbrance upon any of the assets of Purchaser under any agreement or other instrument to which Purchaser is a party or by which Purchaser or its assets may be bound, or any term of the certificate of incorporation or by-laws of Purchaser, or any license, permit, judgment, decree, order, statute, rule or regulation applicable to Purchaser or any of its assets, except in the case of a conflict, violation, lien, charge or other encumbrance (except with respect to Purchaser's certificate of incorporation or by-laws) which would not, or could not reasonably be expected to, have a Material Adverse Effect on Purchaser.

[1] This cap table assumes that $20,000,000 of Units are sold in the Private Placement at a per unit cost of $5.00 and that the Private Placement is consummated on November 30, 2016, In the event that the Private Placement is not consummated on November 30, 2016, interest will accrue daily on the Notes at the amount of $3,836, per day and must be addressed in the cap table.

Section 4.4 Governmental Authorizations. No consent, authorization or filing of or with any court or Governmental Body is required in connection with the issuance or the consummation of the transactions contemplated herein or in the Ancillary Agreements, other than: the filing of Form D with the Commission and such filings as are required to be made under applicable state securities laws.

Section 4.5 Proceedings. There are no Legal Proceedings pending before any court or governmental authority or, to the knowledge of Purchaser, threatened, against Purchaser, or involving its assets or any of its officers or directors (in their capacity as such) which, if determined adversely to Purchaser, or its officers or directors, could not reasonably be expected to have a Material Adverse Effect on Purchaser or adversely affect the transactions contemplated by this Agreement or the enforceability thereof.

Section 4.6 No Operations. The Purchaser has no operating history. Since its date of formation and as of the date hereof, the Purchaser (i) has not conducted any business or operations other than negotiating and executing such definitive documentation necessary to duly form and capitalize Purchaser, (ii) does not own any assets, other than the proceeds from the initial capitalization of the Purchaser and (iii) has not assumed any liabilities whatsoever, other than liabilities incurred in connection with the formation of the Purchaser.

Section 4.7 Financial Statements. The Purchaser was recently formed and has not prepared any financial statements.

Section 4.8 No Transfers of Regulation S Securities. The Purchaser will refuse to register any transfer of Purchaser Stock issued to a Stockholder that is not a U.S. Person not made in accordance with the provisions of Regulation S, and/or pursuant to registration under the Securities Act or pursuant to another available exemption thereunder.

ARTICLE V
CERTAIN COVENANTS AND AGREEMENTS

Section 5.1 Conduct of Business Pending Closing. From the date hereof until the Closing, the Company will:

(a) maintain its existence in good standing;

(b) maintain the general character of its business and properties and conduct its business in the Ordinary Course of Business, except as otherwise expressly permitted by this Agreement;

(c) maintain its business and accounting records consistent with past practices;

(d) file on a timely basis with the appropriate taxing authorities all tax returns required to be filed, and pay all taxes due, before the Closing Date; and

(e) use commercially reasonable efforts to (i) preserve its business intact, and (ii) keep available to the Company the services of its present officers and employees.

(f) with respect to any Company Option Holder who exercises their option to acquire Ordinary Shares, for purposes of the Transactions described herein, (i) treat such Company Option Holder as a Stockholder, (ii) treat any shares issued pursuant to the exercise of such Company Options as Ordinary Shares, and (iii) have such Company Option Holder sign an addendum to this Agreement, joining this Agreement as a Stockholder with respect to the Ordinary Shares acquired by such Option Holder upon exercise of their Company Option.

Section 5.2 Prohibited Actions Pending Closing. Unless otherwise expressly permitted herein or approved by the Purchaser in writing, from the date hereof until the Closing, the Company shall not:

(a) declare, set aside or pay any dividend or other distribution in respect of any shares of capital stock of the Company or repurchase, redeem or acquire any outstanding shares of capital stock or other securities of, or other ownership interest in, the Company;

(b) merge, consolidate or adopt a plan of complete or partial liquidation, dissolution, restructuring, recapitalization or other reorganization involving the Company, other than the Transactions;

(c) split, combine or reclassify any shares of capital stock of the Company or other securities of the Company or amend the terms of any such stock or securities;

(d) change accounting or tax reporting principles, methods or policies of the Company;

(e) make, change or rescind any material election concerning taxes or tax returns, file any amended tax return, enter into any closing agreement with respect to taxes, settle or compromise any material tax claim or assessment or surrender any right to claim a refund of taxes or obtain any tax ruling;

(f) enter into any transaction other than in the Ordinary Course of Business;

(g) make any loans, advances or capital contributions to, or investments in, any Person or pay any fees to any director, officer, partner or Affiliate thereof or to any Company Stockholder (who is not a director, officer or partner) or Affiliate of any Company Stockholder (other than business expenses incurred in the Ordinary Course of Business);

(h) (i) mortgage, pledge or subject to any lien any of its assets, or (ii) acquire any assets or sell, assign, transfer, convey, lease or otherwise dispose of any assets of the Company, except, in the case of clause (ii), in the Ordinary Course of Business;

(i) cancel or compromise any Indebtedness or amend, cancel, terminate, relinquish, waive or release any contract or right, in each case, except in the Ordinary Course of Business, and which, in the aggregate, would not be material to the Company taken as a whole;

(j) make or commit to make any capital expenditures or capital additions or betterments in excess of $50,000 individually or $100,000 in the aggregate;

(k) issue, create, incur, assume, guarantee, endorse or otherwise become liable or responsible with respect to (whether directly, contingently, or otherwise) any Indebtedness where such Indebtedness of the Company exceeds, in the aggregate, $100,000 other than legal fees and expenses in connection with the Transactions and the Private Placement;

(l) institute or settle any legal proceeding; and

(m) agree, commit, arrange or enter into any understanding to do anything set forth in this Section 5.02.

Section 5.3 Access to Information. The Company shall, and shall cause its officers, directors, employees and agents to, afford the officers, employees and agents of the Purchaser complete access at all reasonable times, from the date hereof to the Closing, to its officers, employees, agents, properties, books and records, and shall furnish Purchaser all financial, operating and other data and information as Purchaser, through its officers, employees or agents, may reasonably request. Purchaser shall keep all information discovered in the course of such investigation confidential.

Section 5.4 Reasonable Efforts to Close. Subject to the terms and conditions provided in this Agreement, each of the parties hereto shall use reasonable best efforts to take promptly, or cause to be taken promptly, all actions, and to do promptly, or cause to be done promptly, all things necessary, proper or advisable under applicable Law to consummate and make effective the Transactions and the other transactions contemplated hereby as promptly as practicable, including by using commercially reasonable efforts to take all action necessary to satisfy all of the conditions to the obligations of the other party or parties hereto to effect the Transactions, to obtain all necessary waivers, consents, approvals and other documents required to be delivered hereunder and to effect all necessary registrations and filings and to remove any injunctions or other impediments or delays, legal or otherwise, in each case in order to consummate and make effective the Transactions and the other transactions contemplated by this Agreement for the purpose of securing to the parties hereto the benefits contemplated by this Agreement.

Section 5.5 Tax Matters. The following provisions shall govern the allocation of responsibility between the Purchaser and the Stockholders for certain tax matters following the Closing Date.

(a) Responsibility for Filing Tax Returns. The Stockholder Representative shall timely file all tax returns required to be filed by the Company in respect of any pre-closing tax period and shall pay or cause to be paid all taxes shown due thereon. All such tax returns shall be prepared in a manner consistent with the Company's prior practice. The Stockholder Representative shall provide Purchaser with copies of such completed tax returns at least twenty (20) days prior to the due date for filing thereof, along with supporting work papers, for Purchaser's review and approval which shall not be unreasonably withheld or delayed. The Stockholder Representative and Purchaser shall attempt in good faith to resolve any disagreements regarding such tax returns prior to the due date for filing. In no event shall the Stockholder Representative file any tax return relating to the Company without the prior approval of Purchaser, which shall not be unreasonably withheld or delayed.

(b) Cooperation on Tax Matters.

(i) The parties hereto shall cooperate fully, as and to the extent reasonably requested by the other party, in connection with the filing of tax returns pursuant to Section 5.06(a) (including signing any such tax returns) above and any audit or legal proceeding with respect to taxes. Such cooperation shall include the retention and (upon the other party's request) the provision of records and information which are reasonably relevant to any such audit or legal proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder.

(ii) Purchaser and the Stockholder Representative, on behalf of the Stockholders, further agree, upon request, to use their respective best efforts to obtain any certificate or other document from any taxing authority or any other Person as may be necessary to mitigate, reduce, or eliminate any tax that could be imposed (including, but not limited to, with respect to the transactions contemplated hereby).

(c) Certain Taxes. The Stockholder Representative shall, at the Purchaser's expense, file all necessary tax returns and other documentation with respect to all transfer, documentary, sales, use, stamp, registration and other such taxes, and all conveyance fees, recording charges and other fees and charges (including any penalties and interest) incurred in connection with the consummation of the transactions contemplated by this Agreement, and, if required by applicable Law, Purchaser will join in the execution of any such tax returns and other documentation.

(d) Survival of Obligations. Notwithstanding any other provision in this Agreement to the contrary, the obligations of the parties set forth in this Section 5.06 shall be unconditional and absolute and shall remain in effect without limitation as to time or amount.

(e) Reorganization. It is intended that the transactions contemplated by this Agreement qualify and be treated as a "reorganization" within the meaning of section 368(a) of the Code. Unless applicable law or a governmental authority requires otherwise, the parties agree for income tax purposes to report the transaction consistently with the preceding sentence.

Section 5.6 Publicity. No party to this Agreement shall directly or indirectly make any public announcement or statement regarding this Agreement, the Ancillary Agreements or the transactions contemplated hereby or thereby without the prior consent of Purchaser and the Company, such consent not to be unreasonably withheld, except as such release or announcement may be required by Law or the rules or regulations of any United States or foreign securities exchange or automated quotation system, in which case the party required to make the release or announcement shall allow the other party reasonable time to comment on such release or announcement in advance of such issuance.

Section 5.7 Confidentiality. Each of the Stockholders and Purchaser shall (and shall cause each of its respective representatives to) maintain in confidence and not directly or indirectly, use, disseminate, disclose or publish, or use for such Stockholder's or Purchaser's benefit or the benefit of any person, firm, corporation or other entity any Confidential Information, or deliver to any person, firm, corporation or other entity any document, record, notebook, computer program or similar repository of or containing any such Confidential Information. Each of the Stockholders and Purchaser hereby stipulate and agree that as between them, the Confidential Information is important, material and affects the successful conduct of the business of the Company as currently conducted and as contemplated to be conducted by the Company following the consummation of the transactions contemplated by this Agreement and the Ancillary Agreements.

Section 5.8 Intentionally Omitted.

Section 5.9 Employment Agreements and Non-Disclosure and Invention Assignment Agreements ("***NDIAs***"). On or prior to the Closing Date, the Purchaser shall enter into employment agreements and NDIAs with each of Mark Pomeranz and James Martin (each an "***Employment Agreement Recipient***").

Section 5.10 Voting Agreements. On or prior to the Closing Date, the Stockholders and the stockholders of Purchaser shall enter into the Voting Agreement in the form and substance of the agreement annexed hereto as **Exhibit B** hereto.

Section 5.11 Appointment of Directors and Officers of the Purchaser.

(a) On or prior to the Closing Date, the Purchaser shall cause the Board of Directors to constitute the individuals set forth on Schedule 5.11(a) effective as of the Closing (the "***Closing Purchaser Board***") and shall take such other action as is necessary to accomplish the foregoing.

(b) On or prior to the Closing Date, Purchaser shall cause the Closing Purchaser Board to appoint the individuals to the offices set forth opposite their respective names on Schedule 5.11(b) effective as of the Closing (the "***Closing Purchaser Officers***") and shall take such other action as is necessary to accomplish the foregoing.

Section 5.12 Further Assurances. From time to time, as and when requested by any party, each party shall execute and deliver, or cause to be executed and delivered, all such documents and instruments and shall take, or cause to be taken, all such further or other actions, as such other party may reasonably deem necessary or desirable to consummate the transactions contemplated by this Agreement.

ARTICLE VI
CONDITIONS TO CLOSING

Section 6.1 Conditions Precedent to Each Party's Obligation to Effect the Transactions. The respective obligations of each party hereto to effect the Transactions shall be subject to the fulfillment or satisfaction, prior to or on the Closing Date of the following conditions:

(a) Completion of the Private Placement. On or before the Closing Date, Purchaser shall have closed on at least $20.0 million, including in such $20.0 million the conversion of approximately $14.0 million of the Company's outstanding convertible notes into the securities issued in the Private Placement.

(b) No Legal Impediments. As of the Closing Date, there shall not be any Legal Proceeding by any Governmental Body before any court or Governmental Body seeking to restrain or prohibit the consummation of this Agreement or any of the other transactions contemplated by this Agreement.

(c) Other Consents. On or before the Closing Date, Purchaser and the Company have each obtained and delivered, as applicable, all necessary board, shareholder and third party consents required to adopt and approve this Agreement and to consummate the Transactions or the other transaction contemplated hereby.

(d) Completion of Due Diligence. Each of Purchaser and the Company, in its reasonable discretion, shall have completed all necessary technical and legal due diligence.

(e) Termination of Investor Rights Agreement. Each of the Purchaser, the Company and the Stockholder Representative shall have received evidence of the termination of the Investor Rights Agreement, dated September 15, 2011, as amended, by and among the parties thereto.

Section 6.2 Conditions Precedent to Obligations of the Purchaser. All obligations of the Purchaser under this Agreement are further subject to the fulfillment, satisfaction or (to the extent permitted by Law) waiver by the Purchaser, prior to or on the Closing Date, of each of the following conditions precedent:

(a) Representations and Warranties. Each of the Company's and the Stockholders' representations and warranties contained in ARTICLE II and ARTICLE III of this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same effect as though such representations and warranties were made on and as of the Closing Date, except to the extent that any representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall be evaluated as of such earlier date.

(b) Covenants. The Company and the Stockholders shall have performed and complied in all material respects with all covenants and obligations under this Agreement required to be performed and complied with by the Company and the Stockholders prior to the Closing.

(c) Officer's Certificate. Purchaser shall have received a certificate from the Company, validly executed by the Chief Executive Officer of the Company for and on the Company's behalf, to the effect that, as of the Closing the conditions with respect to the Company set forth in Sections 6.2(a) and 6.2(b) have been satisfied.

(d) No Material Indebtedness. Purchaser shall have received a certificate from the Company, validly executed by the Company's Chief Financial Officer certifying that as of the Closing Date, the Company's liabilities do not exceed One Million Dollars ($1,000,000) in the form of accounts payable, notes payable and accrued expenses, other than legal and accounting expenses in connection with the Transactions and the Private Placement. The Company shall not be a party to or bound by any instrument or agreement relating to any material indebtedness that would limit the issuance or cancellation of any securities pursuant to this Agreement.

(e) Employment Agreements and NDIAs. Purchaser shall have received executed copies of the employment agreements and NDIAs from each of the Employment Agreement Recipients.

(f) Voting Agreement. Purchaser shall have received executed counterparts of the Voting Agreement from the Stockholders set forth on Schedule 6.2(f).

(g) No Material Adverse Effect on the Company. As of the Closing Date, there shall not have occurred any event and no circumstance shall exist which, alone or together with any one or more other events or circumstances has had, is having or would reasonably be expected to have a Material Adverse Effect on the Company.

(h) Accredited Investor Questionnaire. The Purchaser shall have received an accredited investor questionnaire, in form reasonably satisfactory to the Purchaser, executed by each Stockholder that is an "accredited investor" as defined in Rule 501(a) of Regulation D promulgated under the Securities Act.

(i) "Bad Actor" Questionnaire. The Purchaser shall have received a "bad actor" questionnaire relating to Rule 506(d) of the Securities Act, in form reasonably satisfactory to the Purchaser, executed by each Stockholder that is an officer, director or promoter of the Company or a beneficial owner of 20% or more of the Shares.

(j) Regulation S Certification. The Purchaser shall have received a Regulation S Certification, in the form and substance of the certificate annexed hereto as **Exhibit C**, executed by each Stockholder that is not a U.S. Person and is not an "accredited investor" as defined in Rule 501(a) of Regulation D promulgated under the Securities Act.

Section 6.3 Conditions Precedent to the Company's and the Stockholder's Obligations. All obligations of the Company and the Stockholders under this Agreement are further subject to the fulfillment, satisfaction, or (to the extent permitted by Law) waiver by the Company and the Stockholders prior to or on the Closing Date, of each of the following conditions precedent:

(a) Representations and Warranties. The Purchaser's representations and warranties contained in ARTICLE IV of this Agreement shall be true and correct in all respects on and as of the Closing with the same effect as though such representations and warranties were made on and as of the Closing, except to the extent that any representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall be evaluated as of such earlier date.

(b) Covenants. The Purchaser shall have performed and complied in all material respects with all covenants and obligations under this Agreement required to be performed and complied with by the Company prior to the Closing.

(c) Officer's Certificate. The Company shall have received a certificate from the Purchaser, validly executed by the Chief Executive Officer of Purchaser for and on the Purchaser's behalf, to the effect that, as of the Closing the conditions set forth in Sections 6.3(a) and 6.3(b), have been satisfied.

(d) No Indebtedness; Cash. The Company shall have received a certificate from the Purchaser, validly executed by the Purchaser's Chief Financial Officer, certifying that as of the Closing Date, (i) the Purchaser has no liabilities and is not a party to or bound by an instrument or agreement relating to indebtedness of the Purchaser and (ii) the Purchaser has a positive cash balance after deduction for all legal and other expenses payable by the Purchaser in connection with the Transactions and the Private Placement.

(e) Voting Agreement. The Company and Stockholder's Representative shall have received executed counterparts of the Voting Agreement from Purchaser and the stockholders of Purchaser set forth on Schedule 6.3(e).

(f) Equity Plan. The Company shall have received evidence that the Purchaser has adopted an equity incentive plan providing for the grant of awards to qualified participants of up to fifteen percent (15%) of Purchaser's fully-diluted capitalization, assuming the maximum offering contemplated by the Private Placement, is sold.

(g) Employment Agreements and NDIAs. As of the Closing Date, each Employment Agreement Recipient shall have received an executed copy of his employment agreement and NDIA, validly executed by the Purchaser.

(h) Closing Purchaser Board. As of the Closing Date, the Company and Stockholder Representative shall have received evidence that the Closing Purchaser Board constitutes the Board of Directors of the Purchaser, which shall not be changed, modified or amended by the Purchaser as of the Closing.

(i) Closing Purchaser Officers. As of the Closing Date, the Company and Stockholder Representative shall have received evidence that the Closing Purchaser Officers have been duly appointed by the Closing Purchaser Board, which shall not be changed, modified or amended by the Purchaser as of the Closing.

(j) OCS Undertaking. The Company shall have received a fully executed letter of undertaking from the Purchaser addressed to the OCS within the Israeli Ministry of Economy and Industry, substantially in the form attached hereto as **Exhibit D**.

(k) Israeli Companies Registrar Filing Documents. The Company shall have received a copy of (i) the Purchaser's certificate of incorporation; and (ii) a certificate of good standing by the jurisdiction of organization of the Purchaser, all of which documents shall be certified in accordance with the Israeli Companies Regulations (Reports, Registration Details and Forms), 1999.

(l) NGT OCS Pledge. NGT shall have received a written confirmation or agreement from the OCS releasing the lien over the Pledged NGT Shares and approving the sale and transfer of Pledged NGT Shares pursuant to this Agreement, which such release and approval shall be subject to NGT pledging equivalent shares of Purchaser Common Stock that are attributable to the Pledged NGT Shares that NGT exchanges in the Transactions.

Section 6.4 Frustration of Closing Conditions. None of the Company, Purchaser or the Stockholder Representative may rely on the failure of any condition set forth in Sections 6.1, 6.2 or 6.3, as the case may be, to be satisfied if such failure was caused by such party's failure to use reasonable best efforts to consummate the Transactions and the other transactions contemplated by this Agreement, as required by and subject to Section 5.4.

ARTICLE VII
CLOSING

Section 7.1 Closing. Unless otherwise mutually agreed between the Purchaser, the Company and the Stockholders' Representative, the Closing shall take place at the offices of Lowenstein Sandler, LLP, 1251 Avenue of the Americas, New York, New York 10020, at 9:00 A.M. (Eastern Time) on the 2nd Business Day following the day on which the last to be satisfied or waived of the conditions set forth in ARTICLE VI and ARTICLE VII shall be satisfied or waived in accordance with this Agreement (other than those conditions that by their terms are to be satisfied at the Closing, it being understood that the occurrence of the Closing shall remain subject to the satisfaction or waiver of such conditions at the Closing). The date on which the Closing actually takes place is referred to in this Agreement as the "***Closing Date***".

Section 7.2 Stockholder and Company Closing Deliveries. At the Closing, the Stockholders and the Company, as applicable, shall deliver, or cause to be delivered, to the Purchaser, the deliverables, agreements and documents required pursuant to Section 6.2, each of which shall be in full force and effect.

Section 7.3 Purchaser Closing Deliveries. At the Closing, the Purchaser shall deliver, or cause to be delivered, to the Company or the Stockholders' Representative, as applicable, the deliverables, agreements and documents required by Section 6.3, each of which shall be in full force and effect.

ARTICLE VIII
TERMINATION

Section 8.1 Termination Events.

(a) This Agreement may be terminated prior to the Closing:

(i) by mutual written consent of the Purchaser, the Company and the Stockholders' Representative;

(ii) by written notice from the Purchaser to the Company and the Stockholders' Representative, if there has been a breach of any representation, warranty, covenant or agreement by the Company or the Stockholders, or any such representation or warranty shall become untrue after the date of this Agreement, such that the conditions in Section 6.1 or Section 6.2 would not be satisfied and such breach is not curable or, if curable, is not cured within the earlier of (A) ten (10) days after written notice thereof is given by the Purchaser to the Company and the Stockholders' Representative, and (B) the Expiration Date;

(iii) by written notice from the Stockholders' Representative to the Purchaser, if there has been a breach of any representation, warranty, covenant or agreement by the Purchaser, or any such representation or warranty shall become untrue after the date of this Agreement, such that the conditions in Section 6.1 or Section 6.3 would not be satisfied and such breach is not curable or, if curable, is not cured within the earlier of (A) ten (10) days after written notice thereof is given by the Stockholders' Representative to the Purchaser, and (B) the Expiration Date; or

(iv) by five (5) days' prior written notice by the Stockholders' Representative to the Purchaser or the Purchaser to the Company and the Stockholders' Representative, as the case may be, in the event the Closing has not occurred on or prior to March 1, 2017 (the "***Expiration Date***") for any reason other than delay or nonperformance of or breach by the party seeking such termination; *provided* that the parties may mutually agree, in writing, to extend the Expiration Date.

(b) In the event of termination of this Agreement pursuant to this ARTICLE VIII, this Agreement shall forthwith become void and there shall be no liability on the part of any party to this Agreement or its partners, officers, directors, stockholders, members or other equity holders, except for obligations under Section 5.7 (Confidentiality), Section 11.3 (Fees and Expenses), Section 11.4 (Waiver; Amendment), Section 11.5 (Entire Agreement), Section 11.6 (Execution of Agreement; Counterparts; Electronic Signatures), Section 11.7 (Governing Law; Venue), Section 11.8 (WAIVER OF JURY TRIAL), Section 11.9 (Attorneys' Fees), Section 11.10 (Assignment and Successors), Section 11.12 (Notices), Section 11.13 (Construction; Usage), Section 11.14 (Severability), Section 11.15 (Schedules and Exhibits) and this Section 8.1, and the definitions used in each of the foregoing sections, including those set forth in **Exhibit A** hereto, all of which shall survive such termination and the Termination Date. Notwithstanding the foregoing, nothing contained in this Agreement shall relieve any party from liability for any breach of this Agreement.

ARTICLE IX
INDEMNIFICATION

Section 9.1 Survival of Representations and Warranties. The representations and warranties provided for in this Agreement shall survive the Closing.

Section 9.2 Indemnification.

(a) Each Stockholder, severally and not jointly, shall indemnify and hold harmless the Purchaser, its Affiliates, officers, directors, employees, agents and representatives, and any Person claiming by or through any of them, against and in respect of any and all claims, costs, expenses, damages, liabilities, losses or deficiencies (including, without limitation, reasonable attorney fees and other costs and expenses incident to any suit, action or proceeding) (the "***Damages***") arising out of, resulting from or incurred in connection with (i) any inaccuracy in any representation or the breach of any warranty made by such Stockholder in this Agreement and (ii) the breach by such Stockholder of any covenant or agreement to be performed by the such Stockholder hereunder.

(b) The Purchaser shall indemnify and hold harmless the Company and each Stockholder and their respective Affiliates, officers, directors, employees, agents and representatives, and any Person claiming by or through any of them, against and in respect of any and all Damages arising out of, resulting from or incurred in connection with (i) any inaccuracy in any representation or the breach of any warranty made by the Purchaser in this Agreement or (ii) the breach by the Purchaser of any covenant or agreement to be performed by it hereunder.

(c) Any Person providing indemnification pursuant to the provisions of this Section 9.2 is hereinafter referred to as an "Indemnifying Party" and any Person entitled to be indemnified pursuant to the provisions of this Section 9.2 is hereinafter referred to as an "Indemnified Party".

Section 9.3 Procedures for Third Party Claims. In the case of any claim for indemnification arising from a claim of a third party (a "*Third Party Claim*"), an Indemnified Party shall give prompt written notice to the Indemnifying Party of any claim or demand which such Indemnified Party has knowledge and as to which it may request indemnification hereunder. The Indemnifying Party shall have the right to defend and to direct the defense against any such Third Party Claim, in its name or in the name of the Indemnified Party, as the case may be, at the expense of the Indemnifying Party, and with counsel selected by the Indemnifying Party unless (a) such Third Party Claim seeks an order, injunction or other equitable relief against the Indemnified Party, or (b) the Indemnified Party shall have reasonably concluded that (i) there is a conflict of interest between the Indemnified Party and the Indemnifying Party in the conduct of the defense of such Third Party Claim or (ii) the Indemnified Party has one or more defenses not available to the Indemnifying Party. Notwithstanding anything in this Agreement to the contrary, the Indemnified Party shall, at the expense of the Indemnifying Party, cooperate with the Indemnifying Party, and keep the Indemnifying Party fully informed, in the defense of such Third Party Claim. The Indemnified Party shall have the right to participate in the defense of any Third Party Claim with counsel employed at its own expense; provided, however, that, in the case of any Third Party Claim described in clause (a) or (b) of the second preceding sentence or as to which the Indemnifying Party shall not in fact have employed counsel to assume the defense of such Third Party Claim, the reasonable fees and disbursements of such counsel shall be at the expense of the Indemnifying Party. The Indemnifying Party shall have no indemnification obligations with respect to any Third Party Claim which shall be settled by the Indemnified Party without the prior written consent of the Indemnifying Party, which consent shall not be unreasonably withheld or delayed.

Section 9.4 Procedures for Inter-Party Claims. In the event that an Indemnified Party determines that it has a claim for Damages against an Indemnifying Party hereunder (other than as a result of a Third Party Claim), the Indemnified Party shall give prompt written notice thereof to the Indemnifying Party, specifying the amount of such claim and any relevant facts and circumstances relating thereto. The Indemnified Party shall provide the Indemnifying Party with reasonable access to its books and records for the purpose of allowing the Indemnifying Party a reasonable opportunity to verify any such claim for Damages. The Indemnified Party and the Indemnifying Party shall negotiate in good faith regarding the resolution of any disputed claims for Damages. Promptly following the final determination of the amount of any Damages claimed by the Indemnified Party, the Indemnifying Party shall pay such Damages to the Indemnified Party by wire transfer or check made payable to the order of the Indemnified Party, without interest. In the event that the Indemnified Party is required to institute legal proceedings in order to recover Damages hereunder, the cost of such proceedings (including costs of investigation and reasonable attorney fees and disbursements) shall be awarded to the prevailing party.

ARTICLE X
STOCKHOLDERS' REPRESENTATIVE

Section 10.1 Stockholders' Representative.

(a) Orchestra Medical Ventures II, L.P., the Stockholder Representative, is hereby appointed as representative, attorney-in-fact and agent, with full power of substitution to act in the name, place and stead of each Stockholder to take all actions necessary or appropriate in the judgment of the Stockholder Representative for the accomplishment of the terms of this Agreement, and to act on behalf of each Stockholder in any amendment of or litigation or arbitration involving this Agreement or any Ancillary Agreement and to do or refrain from doing all such further acts and things, and to execute all such documents, as such Stockholder Representative shall deem necessary or appropriate in conjunction with any of the transactions contemplated by this Agreement, including the power:

(i) to take all action necessary or desirable in connection with the waiver of any condition to the obligations of the Stockholders to consummate the transactions contemplated by this Agreement and the Ancillary Agreements;

(ii) to negotiate, execute and deliver all statements, certificates, statements, notices, approvals, extensions, waivers, undertakings, amendments and other documents required or permitted to be given in connection with the consummation of the transactions contemplated by this Agreement (it being understood that a Stockholder shall execute and deliver any such documents which the Stockholder Representative agrees to execute);

(iii) to give and receive all notices and communications to be given or received under this Agreement and to receive service of process in connection with the any claims under this Agreement, including service of process in connection with arbitration; and

(iv) to take all actions or refrain from doing any further act or deed on behalf of the Stockholders which the Stockholder Representative deems necessary or appropriate in his sole discretion relating to the subject matter of this Agreement as fully and completely as a Company Stockholder could do if personally present.

(b) Notwithstanding the enumerated powers granted to the Stockholder Representative in Section 10.1(a) above, the Stockholder Representative shall not have the power to:

(i) waive the condition to the obligations of the Stockholders to consummate the transactions set forth in either Section 6.3(j) or Section 6.3(l);

(ii) take any action that adversely affect the rights of the other Stockholder, including, without limitation, their legal and economic interests.

(c) If the Stockholder Representative becomes unable to serve as Stockholder Representative, such other Person or Persons as may be designated by a majority-in-interest of the Stockholders, shall succeed as the Stockholder Representative.

(d) The Stockholder Representative shall not be held liable by any of the Stockholders for actions or omissions in exercising or failing to exercise all or any of the power and authority of the Stockholder Representative pursuant to this Agreement, except in the case of the Stockholder Representative's gross negligence, bad faith or willful misconduct. The Stockholder Representative shall be entitled to rely on the advice of counsel, public accountants or other independent experts that it reasonably determines to be experienced in the matter at issue, and will not be liable to any Stockholder for any action taken or omitted to be taken in good faith based on such advice. The Stockholders will, severally and not jointly, indemnify (in accordance with their pro rata percentages) the Stockholder Representative from any losses arising out of its serving as the Stockholder Representative hereunder, except for losses arising out of or caused by the Stockholder Representative's gross negligence, bad faith or willful misconduct. The Stockholder Representative is serving in his capacity as such solely for purposes of administrative convenience, and is not personally liable in such capacity for any of the obligations of the Stockholders hereunder, and the Purchaser and the Company agree that they will not look to the personal assets of the Stockholder Representative, acting in such capacity, for the satisfaction of any obligations to be performed by the Stockholders hereunder except to the extent of the Stockholder Representative's gross negligence, bad faith or willful misconduct.

ARTICLE XI
MISCELLANEOUS PROVISIONS

Section 11.1 Further Assurances. Each party to this Agreement shall execute and cause to be delivered to each other party to this Agreement such instruments and other documents, and shall take such other actions, as such other parties may reasonably request (prior to, at or after the Closing) for the purpose of carrying out or evidencing any of the transactions contemplated by this Agreement.

Section 11.2 Regulation S Disclosures. The Purchaser Common Stock issued to Stockholders who are not U.S. Persons have not been registered under the Securities Act and may not be offered or sold in the United States or to U.S. persons (other than Distributors, as such term is defined in Regulation S) unless the Purchaser Common Stock is registered under the Securities Act, or an exemption from the registration requirements of the Securities Act is available. Hedging transactions involving the Purchaser Common Stock issued to Stockholders who are not U.S. Persons may not be conducted unless in compliance with the Securities Act.

Section 11.3 Fees and Expenses. Each party to this Agreement shall bear and pay all fees, costs and expenses (including legal fees and accounting fees) that have been incurred or that are incurred by such party in connection with the transactions contemplated by this Agreement.

Section 11.4 Waiver; Amendment . Any agreement on the part of a party to this Agreement to any extension or waiver of any provision of this Agreement shall be valid only if set forth in an instrument in writing signed on behalf of such party. A waiver by a party to this Agreement of the performance of any covenant, agreement, obligation, condition, representation or warranty shall not be construed as a waiver of any other covenant, agreement, obligation, condition, representation or warranty. A waiver by any party to this Agreement of the performance of any act shall not constitute a waiver of the performance of any other act or an identical act required to be performed at a later time. Prior to the Closing, this Agreement may not be amended, modified or supplemented except by written agreement among the Purchaser, the Company and the Stockholders' Representative. Following the Closing, this Agreement may not be amended, modified, altered or supplemented except by written agreement between the Purchaser and the Stockholders' Representative.

Section 11.5 Entire Agreement. This Agreement and the other agreements referred to in this Agreement constitute the entire agreement among the parties to this Agreement and supersede all other prior agreements and understandings, both written and oral, among or between any of the parties with respect to the subject matter of this Agreement and thereof.

Section 11.6 Execution of Agreement; Counterparts; Electronic Signatures.

(a) This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same instrument, and shall become effective when counterparts have been signed by each of the parties to this Agreement and delivered to the other parties to this Agreement; it being understood that all parties to this Agreement need not sign the same counterparts.

(b) This Agreement and any amendments to this Agreement may be executed in one or more counterparts, each of which shall be enforceable against the parties to this Agreement that execute such counterparts, and all of which together shall constitute one and the same instrument. Facsimile and ".pdf" copies of signed signature pages shall be deemed binding originals and no party to this Agreement shall raise the use of facsimile machine or electronic transmission in ".pdf" as a defense to the formation of a contract.

Section 11.7 Governing Law; Venue.

(a) This Agreement and the relationship of the parties hereto shall be governed by and construed in accordance with the internal laws (and not the law of conflicts) of the State of New York.

(b) Each of the parties hereto irrevocably submits to the exclusive jurisdiction of the United States District Court for the Southern District of New York located in the borough of Manhattan in the City of New York, or if such court does not have jurisdiction, the Supreme Court of the State of New York, New York County, for the purposes of any suit, action or other proceeding arising out of this Agreement or any transaction contemplated hereby. Each of the parties hereto further agrees that service of any process, summons, notice or document by registered mail to such party's respective address set forth in Section 11.12 (or to such other address for notices as provided by such party pursuant to Section 11.12) or in any other manner permitted by Law shall be effective service of process for any action, suit or proceeding in New York with respect to any matters to which it has submitted to jurisdiction as set forth above in the immediately preceding sentence. Each of the parties hereto irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the transactions contemplated hereby in (i) the United States District Court for the Southern District of New York or (ii) the Supreme Court of the State of New York, New York Count, and hereby further irrevocably and unconditionally waives and agrees not to please or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

Section 11.8 WAIVER OF JURY TRIAL. EACH OF THE PARTIES OF THIS AGREEMENT HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION, PROCEEDINGS OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 11.9 Attorneys' Fees. If any Legal Proceeding relating to the enforcement of any provision of this Agreement is brought against any party to this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees, costs and disbursements (in addition to any other relief to which the prevailing party may be entitled).

Section 11.10 Assignment and Successors. No party to this Agreement may assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the other parties to this Agreement. Subject to the preceding sentence, this Agreement shall apply to, be binding in all respects upon and inure to the benefit of the successors and permitted assigns of the parties to this Agreement.

Section 11.11 Parties in Interest. Except for the provisions of ARTICLE IX, none of the provisions of this Agreement is intended to provide any rights or remedies to any Person other than the parties to this Agreement and their respective successors and assigns (if any). Each of the Indemnified Parties is an express third party beneficiary of ARTICLE IX.

Section 11.12 Notices. All notices, requests, claims, demands, consents, waivers and other communications required or permitted by this Agreement shall be in writing and shall be deemed given to a party to this Agreement when (a) delivered to the appropriate address by hand or by nationally recognized overnight courier service (costs prepaid), or (b) sent e-mail with confirmation of transmission by the transmitting equipment confirmed with a copy delivered as provided in clause (a), in each case to the following addresses, facsimile numbers or e-mail addresses and marked to the attention of the Person (by name or title) designated below (or to such other address, facsimile number, e-mail address or Person as a party may designate by notice to the other parties to this Agreement):

If to the Company:

Motus GI Medical Technologies Ltd.
Keren Hayesod 22
Tirat Carmel, Israel
Attention: Mark Pomeranz
Email: mark@motusgi.com

with a mandatory copy to (which copy shall not constitute notice):

Lowenstein Sandler LLP
1251 Avenue of the Americas
New York, New York 10020
Attention: Steven M. Skolnick, Esq.
Email: sskolnick@lowenstein.com

If to the Stockholders' Representative (on its own behalf and for the benefit of the Stockholders):

Orchestra Medical Ventures II, L.P.
150 Union Square Drive,
New Hope, PA 18938
Attention: David Hochman
Email: dhochman@orchestramv.com

with a mandatory copy to (which copy shall not constitute notice):

Lowenstein Sandler LLP
1251 Avenue of the Americas
New York, New York 10020
Attention: Steven M. Skolnick, Esq.
Email: sskolnick@lowenstein.com

If to the Purchaser:

Motus GI Holdings, Inc.
c/o Caliber Therapeutics
150 Union Square Drive
New Hope, PA 18938
Attention: Todd Van Emburgh, President
Email: vanemburghtodd@yahoo.com

with a mandatory copy to (which copy shall not constitute notice):

Littman Krooks LLP
655 Third Avenue, 20th Floor
New York, NY 10017
Attention: Steven D. Uslaner, Esq.
Email: suslaner@littmankrooks.com

Section 11.13 Construction; Usage.

(a) Interpretation. In this Agreement, unless a clear contrary intention appears:

(i) the singular number includes the plural number and vice versa;

(ii) reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are not prohibited by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually;

(iii) reference to any gender includes each other gender;

(iv) reference to any agreement, document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof;

(v) reference to any Law means such Law as amended, modified, codified, replaced or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder, and reference to any section or other provision of any Law means that provision of such Law from time to time in effect and constituting the substantive amendment, modification, codification, replacement or reenactment of such section or other provision;

(vi) "hereunder," "hereof," "hereto" and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article, Section or other provision of this Agreement;

(vii) "including" means including without limiting the generality of any description preceding such term;

(viii) references to documents, instruments or agreements shall be deemed to refer as well to all addenda, exhibits, schedules or amendments thereto; and

(ix) reference to a "Section" or "Article" in this Agreement shall mean a Section or Article, respectively, of this Agreement unless otherwise provided.

(a) Legal Representation of the Parties. This Agreement was negotiated by the parties to this Agreement with the benefit of legal representation and any rule of construction or interpretation otherwise requiring this Agreement to be construed or interpreted against any party to this Agreement shall not apply to any construction or interpretation of this Agreement.

(b) Headings. The headings contained in this Agreement are for the convenience of reference only, shall not be deemed to be a part of this Agreement and shall not be referred to in connection with the construction or interpretation of this Agreement.

(c) Dollar Amounts. All references to "$" contained in this Agreement shall refer to United States Dollars unless otherwise stated.

Section 11.14 Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement shall remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree shall remain in full force and effect to the extent not held invalid or unenforceable.

Section 11.15 Schedules and Exhibits. The Schedules and Exhibits attached to this Agreement (including the Disclosure Schedule) are hereby incorporated into this Agreement and are hereby made a part of this Agreement as if set out in full in this Agreement.

* * *

IN WITNESS WHEREOF, the parties hereto have caused this Share Exchange Agreement to be duly executed, as of the date first above written.

THE PURCHASER:

Motus GI Holdings, Inc.

By: */s/ Todd Van Emburgh*
Name: Todd Van Emburgh
Title: President

THE COMPANY:

Motus GI Medical Technologies Ltd.

By: */s/ Mark Pomeranz*
Name: Mark Pomeranz
Title: CEO

STOCKHOLDERS' REPRESENTATIVE:

Orchestra Medical Ventures II, L.P.

By: */s/ David Hochman*
Name: David Hochman
Title: Managing Partner

ESOP Trustee:

Altshuler Shaham Trusts Ltd

By: */s/ Leeyah Barak-Abadi*
Name: Leeyah Barak-Abadi
Title: VP Professional Affairs

[Signature Page to the Share Exchange Agreement]

IN WITNESS WHEREOF, the parties hereto have caused this Share Exchange Agreement to be duly executed, as of the date first above written.

Stockholder:

For individuals:

By: _____
Name: _____

For entities:

Stockholder Name: Accelerateed Technologies, Inc.

By: */s/ John P.Branaccio*
Name: John P. Branaccio
Title: CFO

Address for notices: _____

Tax ID Number: _____

[Signature Page to the Share Exchange Agreement]

IN WITNESS WHEREOF, the parties hereto have caused this Share Exchange Agreement to be duly executed, as of the date first above written.

Stockholder:

For individuals:

By: _____
Name: _____

For entities:

Stockholder Name: Orchestra MOTUS Co-Investment Partners, LLC

By: */s/ David Hochman*
Name: David Hochman
Title: Managing Member

Address for notices: _____

Tax ID Number: _____

IN WITNESS WHEREOF, the parties hereto have caused this Share Exchange Agreement to be duly executed, as of the date first above written.

Stockholder:

For individuals:

By: _____
Name: _____

For entities:

Stockholder Name: Orchestra Medical Ventures II Reserve, L.P.
By: */s/ David Hochman*
Name: David Hochman
Title: Managing Member

Address for notices: _____

Tax ID Number: _____

IN WITNESS WHEREOF, the parties hereto have caused this Share Exchange Agreement to be duly executed, as of the date first above written.

Stockholder:

For individuals:

By: _____
Name: _____

For entities:

Stockholder Name: Orchestra Medical Ventures II, L.P.

By: */s/ David Hochman*
Name: David Hochman
Title: Managing Member

Address for notices: _____

Tax ID Number: _____

IN WITNESS WHEREOF, the parties hereto have caused this Share Exchange Agreement to be duly executed, as of the date first above written.

Stockholder:

For individuals:

By: _____
Name: _____

For entities:

Stockholder Name: Jacobs Investment Company LLC

By: */s/ Gary E. Jacobs*
Name: Gary E. Jacobs
Title: Manager

Address for notices: _____

Tax ID Number: _____

IN WITNESS WHEREOF, the parties hereto have caused this Share Exchange Agreement to be duly executed, as of the date first above written.

Stockholder:

For individuals:

By: _____
Name: _____

For entities:

Stockholder Name: Ascent Biomedical Ventures II, L.P.

By: */s/ Steven Hochberg*
Name: Steven Hochberg
Title: Managing Member

Address for notices: _____

_____

_____

Tax ID Number: _____

IN WITNESS WHEREOF, the parties hereto have caused this Share Exchange Agreement to be duly executed, as of the date first above written.

Stockholder:

For individuals:

By: _____
Name: _____

For entities:

Stockholder Name: Ascent Biomedical Ventures Synecor, L.P.

By: */s/ Steven Hochberg*
Name: Steven Hochberg
Title: Managing Member

Address for notices: _____

Tax ID Number: _____

IN WITNESS WHEREOF, the parties hereto have caused this Share Exchange Agreement to be duly executed, as of the date first above written.

Stockholder:

For individuals:

By: _____
Name: _____

For entities:

Stockholder Name: N.G.T. New Generation Technologies Ltd.

By: */s/ Nizar Mishael*
Name: Nizar Mishael
Title: CFO

Address for notices: _____

Tax ID Number: _____

IN WITNESS WHEREOF, the parties hereto have caused this Share Exchange Agreement to be duly executed, as of the date first above written.

Stockholder:

For individuals:

By: */s/ Boris Shtul*
Name: Boris Shtul

For entities:

Stockholder Name: _____

By: _____
Name: _____
Title: _____

Address for notices: _____

_____

_____

_____

Tax ID Number: _____

IN WITNESS WHEREOF, the parties hereto have caused this Share Exchange Agreement to be duly executed, as of the date first above written.

Stockholder:

For individuals:

By: */s/ Aleksey Morochovsky*
Name: Aleksey Morochovsky

For entities:

Stockholder Name: _____

By: _____
Name: _____
Title: _____

Address for notices: _____

_____

_____

_____

Tax ID Number: _____

IN WITNESS WHEREOF, the parties hereto have caused this Share Exchange Agreement to be duly executed, as of the date first above written.

Stockholder:

For individuals:

By: */s/ Libes Michael*
Name: Libes Michael

For entities:

Stockholder Name: _____

By: _____
Name: _____
Title: _____

Address for notices: _____

_____

_____

_____

Tax ID Number: _____

IN WITNESS WHEREOF, the parties hereto have caused this Share Exchange Agreement to be duly executed, as of the date first above written.

Stockholder:

For individuals:

By: */s/ Ian Gralnek*
Name: Ian Gralnek

For entities:

Stockholder Name: _____

By: _____
Name: _____
Title: _____

Address for notices: _____

_____

_____

_____

Tax ID Number: _____

IN WITNESS WHEREOF, the parties hereto have caused this Share Exchange Agreement to be duly executed, as of the date first above written.

Stockholder:

For individuals:

By: */s/ Ofer Fridman*
Name: Ofer Fridman

For entities:

Stockholder Name: _____

By: _____
Name: _____
Title: _____

Address for notices: _____

_____

_____

_____

Tax ID Number: _____

IN WITNESS WHEREOF, the parties hereto have caused this Share Exchange Agreement to be duly executed, as of the date first above written.

Stockholder:

For individuals:

By: */s/ Noam Hassidov*
Name: Noam Hassidov

For entities:

Stockholder Name: _____

By: _____
Name: _____
Title: _____

Address for notices: _____

_____

_____

_____

Tax ID Number: _____

IN WITNESS WHEREOF, the parties hereto have caused this Share Exchange Agreement to be duly executed, as of the date first above written.

Stockholder:

For individuals:

By: */s/ Alex Banzger*
Name: Alex Banzger

For entities:

Stockholder Name: _____

By: _____
Name: _____
Title: _____

Address for notices: _____

_____

_____

_____

Tax ID Number: _____

IN WITNESS WHEREOF, the parties hereto have caused this Share Exchange Agreement to be duly executed, as of the date first above written.

Stockholder:

For individuals:

By: */s/ Ori Segol*
Name: Ori Segol

For entities:

Stockholder Name: _____

By: _____
Name: _____
Title: _____

Address for notices: _____

_____

_____

_____

Tax ID Number: _____

IN WITNESS WHEREOF, the parties hereto have caused this Share Exchange Agreement to be duly executed, as of the date first above written.

Stockholder:

For individuals:

By: */s/ Armin Schneir*
Name: Armin Schneir

For entities:

Stockholder Name: _____

By: _____
Name: _____
Title: _____

Address for notices: _____

_____

_____

_____

Tax ID Number: _____

Exhibit A

Definitions

For purposes of the Agreement (including this **Exhibit A**):

"***Affiliate***" means, with respect to any specified Person, any other Person who or which, directly or indirectly, controls, is controlled by, or is under common control with such specified Person, including, without limitation, any general partner, limited partner, member, officer, director or manager of such Person and any venture capital or private equity fund now or hereafter existing that is controlled by one or more general partners or managing members of, or shares the same management company with, such Person. For purposes of this definition, the terms "***controls***," "***controlled by***," or "***under common control with***" means the possession, direct or indirect, of power to direct or cause the direction of management or policies (whether through ownership of voting securities, by contract or otherwise).

"***Agreement***" means the Share Exchange Agreement of which this Exhibit A is a part, as amended or restated from time to time.

"***Ancillary Agreements*****"** means the Voting Agreement and the transaction documents entered into among the Purchaser, the Company and the other parties thereto in connection with the Private Placement.

"***Business Day***" means any day of the year on which national banking institutions in New York are open to the public for conducting business and are not required or authorized to close.

"***Closing***" means the consummation of the purchase and sale of the Shares as set forth in ARTICLE VII of the Agreement.

"***Code***" means the United States Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

"***Confidential Information***" means any data or information concerning the Company (including trade secrets), without regard to form, regarding (for example and including) (a) business process models, (b) proprietary software, (c) research, development, products, services, marketing, selling, business plans, budgets, unpublished financial statements, licenses, prices, costs, contracts, suppliers, customers, and customer lists, (d) the identity, skills and compensation of employees, contractors, and consultants, (e) specialized training, or (f) discoveries, developments, trade secrets, processes, formulas, data, lists, and all other works of authorship, mask works, ideas, concepts, know-how, designs, and techniques, whether or not any of the foregoing is or are patentable, copyrightable, or registrable under any intellectual property Laws or industrial property Laws in the United States or elsewhere. Notwithstanding the foregoing, no data or information constitutes "Confidential Information" if such data or information is publicly known and in the public domain through means that do not involve a breach by the Company or a Stockholder of any covenant or obligation set forth in the Agreement.

"***Contingent Obligation***" means, as to any Person, any direct or indirect liability, contingent or otherwise, of that Person with respect to any indebtedness, lease, dividend or other obligation of another Person if the primary purpose or intent of the Person incurring such liability, or the primary effect thereof, is to provide assurance to the obligee of such liability that such liability will be paid or discharged, or that any agreements relating thereto will be complied with, or that the holders of such liability will be protected (in whole or in part) against loss with respect thereto.

"***Contract***" means any written, oral or other agreement, contract, subcontract, lease, understanding, instrument, note, warranty, license, sublicense, insurance policy, benefit plan or legally binding commitment or undertaking of any nature, whether express or implied.

"***Entity***" means any corporation (including any non-profit corporation), general partnership, limited partnership, limited liability partnership, joint venture, estate, trust, company (including any limited liability company or joint stock company), firm or other enterprise, association, organization or entity.

"***GAAP***" means United States generally accepted accounting principles as in effect from time to time.

"***Governmental Authorization***" means any (a) approval, permit, license, certificate, certificate of approval, franchise, permission, clearance, registration, qualification or other authorization issued, granted, given or otherwise made available by or under the authority of any Governmental Body or pursuant to any Law, or (b) right under any Contract with any Governmental Body.

"***Governmental Body***" means any domestic or foreign multinational, federal, state, provincial, municipal or local government (or any political subdivision thereof) or any domestic or foreign governmental, regulatory or administrative authority or any department, commission, board, agency, court, tribunal, judicial body or instrumentality thereof, or any other body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power of any nature (including any arbitral body).

"***Indebtedness***" means with respect to any Person without duplication, (A) all indebtedness for borrowed money, (B) all obligations issued, undertaken or assumed as the deferred purchase price of property or services including (without limitation) "Capital Leases" (as defined under GAAP) (other than trade payables entered into in the ordinary course of business), (C) all reimbursement or payment obligations with respect to letters of credit, surety bonds and other similar instruments, (D) all obligations evidenced by notes, bonds, debentures or similar instruments, including obligations so evidenced incurred in connection with the acquisition of property, assets or businesses, (E) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to any property or assets acquired with the proceeds of such indebtedness (even though the rights and remedies of the seller or bank under such agreement in the event of default are limited to repossession or sale of such property), (F) all monetary obligations under any leasing or similar arrangement which, in connection with GAAP, consistently applied for the periods covered thereby, is classified as a capital lease, (G) all indebtedness referred to in clauses (A) through (F) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any mortgage, lien, pledge, charge, security interest or other encumbrance upon or in any property or assets (including accounts and contract rights) owned by any Person, even though the Person which owns such assets or property has not assumed or become liable for the payment of such indebtedness, and (H) except for obligations owed to service providers of the Company in connection with this Agreement and the transactions contemplated herein, all Contingent Obligations in respect of indebtedness or obligations of others of the kinds referred to in clauses (A) through (G) above of at least $75,000.

"***Law***" means any federal, national, state, provincial, territorial, local, municipal, foreign or international, multinational other law, statute, constitution, principle of common law, resolution, ordinance, code, edict, decree, rule, regulation, ruling or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Body.

"***Legal Proceeding***" means any ongoing or threatened action, suit, litigation, arbitration, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding), hearing, order, inquiry, audit, examination or investigation commenced, brought, conducted or heard by or before, or otherwise involving, any court or other Governmental Body or any arbitrator or arbitration panel.

"***Lien***" means any lien, pledge, hypothecation, charge, mortgage, security interest, encumbrance, claim, infringement, interference, option, right of first refusal, preemptive right, community property interest or restriction of any nature affecting property, real or personal, tangible or intangible, including any restriction on the voting of any security, any restriction on the transfer of any security or other asset, any restriction on the receipt of any income derived from any asset, any restriction on the use of any asset, any restriction on the possession, exercise or transfer of any other attribute of ownership of any asset, any lease in the nature thereof and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statute of any jurisdiction).

"***Material Adverse Effect***" means, with respect to each party, a material adverse effect on (i) the financial condition, business, assets, prospects or results of operations of the party, taken as a whole, (ii) the ability of the party to perform its obligations under this Agreement or (iii) the ability of the party to consummate the Transactions and the other transactions contemplated hereby; provided, however, that in no event shall any change resulting from conditions affecting the industry in which such party operates or from changes in general business or economic conditions be taken into account in determining whether there has been a Material Adverse Effect except to the extent such change has a disproportionate impact on the applicable party relative to other businesses operating in the same industry.

"***Ordinary Course of Business***" means the ordinary and usual course of day-to-day operations of the business of the Company through the date hereof consistent with past practice.

"***Person***" means any individual, Entity, trust, Governmental Body or other organization.

"***Regulation S***" means Regulation S under the Securities Act, as the same may be amended from time to time, or any similar rule or regulation hereafter adopted by the United States Securities and Exchange Commission.

"***Securities Act***" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"***Taxes***" means (a) any and all taxes, charges, fees, levies or other similar assessments or liabilities in the nature of a tax, including income, gross receipts, ad valorem, premium, value-added, net worth, capital stock, capital gains, documentary, recapture, alternative or add-on minimum, disability, estimated, registration, recording, excise, escheat, real property, personal property, sales, use, license, lease, service, service use, transfer, withholding, employment, unemployment, insurance, employment insurance, social security, business license, business organization, environmental, worker's compensation, pension, payroll, profits, severance, stamp, occupation, windfall profits, customs, franchise and other taxes of any kind whatsoever imposed by the United States, or any state, provincial, local or foreign government, or any agency or political subdivision thereof, (b) any interest, penalties or additions to tax imposed with respect to such items or any contest or dispute thereof or in connection with the failure to timely or properly file any Tax Return; (c) any liability for payment of amounts described in clause (a) or (b) whether as a result of transferee liability, of being a member of an affiliated, consolidated, combined or unitary group for any period or otherwise through operation of law; and (d) any liability for the payment of amounts described in clauses (a), (b) or (c) as a result of any tax sharing, tax indemnity or tax allocation agreement or any other express or implied agreement to indemnify any other Person.

"***Tax Returns***" means any and all reports, returns, or declarations relating to Taxes filed or required to be filed with any Governmental Body, including any schedule or attachment thereto, including any amendment thereof.

"***Termination Date***" means the date prior to the Closing on which the Agreement is terminated in accordance with ARTICLE VIII of the Agreement.

"***U.S. Person***" has the meaning set forth in Regulation S.

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION OF "EIGHT-TEN MERGER CORP.", FILED IN THIS OFFICE ON THE TWENTIETH DAY OF SEPTEMBER, A.D. 2016, AT 5:16 O`CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE

KENT COUNTY RECORDER OF DEEDS.

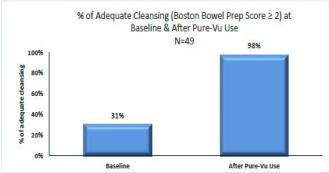
Workstation Controller | Foot Pedal | Over-sleeve | Pure-Vu Distal Head

6157840 8100
SR# 20165866719

Authentication: 203027400
Date: 09-20-16

You may verify this certificate online at corp.delaware.gov/authver.shtml

CERTIFICATE OF INCORPORATION
OF
EIGHT-TEN MERGER CORP.



ARTICLE I

The name of the Corporation is Eight-Ten Merger Corp.

ARTICLE II

The address of the Corporation's registered office in the State of Delaware is 850 New Burton Road, Suite 201, Dover, DE 19904, Kent County; and the name of the registered agent of the Corporation in the State of Delaware at such address is National Corporate Research, Ltd. The Corporation shall have the authority to designate other registered offices and registered agents both in the State of Delaware and in other jurisdictions.

ARTICLE III

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the Delaware General Corporation Law (the "DGCL").

ARTICLE IV

The name and mailing address of the Incorporator of the Corporation is Mark F. Coldwell, Esq., Littman Krooks LLP,s 655 Third Avenue, 20th Floor, New York, NY 10017.

ARTICLE V

A. CAPITAL STOCK

The total number of shares of capital stock which the Corporation shall have authority to issue is Sixty Million (60,000,000), of which (i) Fifty Hundred Million (50,000,000) shares shall be a class designated as common stock, par value $0.0001 per share (the "Common Stock"), and (ii) Ten Million Shares (10,000,000) shares shall be a class designated as preferred stock, par value $0.0001 per share (the "Preferred Stock").

The number of authorized shares of Common Stock or Preferred Stock may from time to time be increased or decreased (but not below the number of shares then outstanding) by the affirmative vote of the holders of a majority in voting power of the outstanding shares of stock of the Corporation entitled to vote thereon irrespective of the provisions of Section 242(b)(2) of the DGCL (or any successor provision thereto), and no vote of the holders of any of the Common Stock or the Preferred Stock voting separately as a class shall be required therefor, unless a vote of any such holder is required pursuant to this Certificate (including pursuant to any certificate of designation of any series of Preferred Stock).

The powers, preferences and rights of, and the qualifications, limitations and restrictions upon, each class or series of stock shall be determined in accordance with, or as set forth below in, this Article V.

B. COMMON STOCK

1 . Voting. Each holder of record of Common Stock, as such, shall have one vote for each share of Common Stock which is outstanding in his, her or its name on the books of the Corporation on all matters on which stockholders are entitled to vote generally. Except as otherwise required by law, holders of Common Stock shall not be entitled to vote on any amendment to this Certificate (including any certificate of designation relating to any series of Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to this Certificate (including any certificate of designation relating to any series of Preferred Stock) or pursuant to the DGCL.

2. Dividends. Subject to applicable law and the rights, if any, of the holders of any outstanding series of Preferred Stock or any class or series of stock having a preference over or the right to participate with the Common Stock with respect to the payment of dividends, dividends may be declared and paid or set apart for payment upon the Common Stock out of any assets or funds of the Corporation legally available for the payment of dividends, but only when and as declared by the Board of Directors or any authorized committee thereof.

3. Liquidation. Upon the dissolution, liquidation or winding up of the Corporation, after payment or provision for payment of the debts and other liabilities of the Corporation and subject to the rights, if any, of the holders of any outstanding series of Preferred Stock or any class or series of stock having a preference over or the right to participate with the Common Stock with respect to the distribution of assets of the Corporation upon such dissolution, liquidation or winding up of the Corporation, the holders of Common Stock shall be entitled to receive the remaining assets of the Corporation available for distribution to its stockholders ratably in proportion to the number of shares held by them.

C. PREFERRED STOCK

The Board of Directors is hereby expressly authorized, by resolution or resolutions, to provide, out of the authorized, unissued shares of Preferred Stock, for one or more series of Preferred Stock and, with respect to each such series, to fix the number of shares constituting such series and the designation of such series, and the powers (including voting powers, if any), preferences and relative, participating, optional and other special rights, if any, and any qualifications, limitations or restrictions thereof, of the shares of such series of Preferred Stock. The powers, preferences and relative, participating, optional and other special rights of, and the qualifications, limitations or restrictions thereof, of each series of Preferred Stock, if any, may differ from those of any and all other series at any time outstanding. Except as otherwise required by law, holders of any series of Preferred Stock shall be entitled to only such voting rights, if any, as shall expressly be granted thereto by this Certificate (including any certificate of designation relating to such series of Preferred Stock).

ARTICLE VI

STOCKHOLDER ACTION

1. Written Consent of Stockholders in Lieu of Meeting. Except as otherwise provided herein, any action required by law to be taken at any annual or special meeting of stockholders of the Corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation by delivery to (a) its registered office in the State of Delaware by hand or by certified mail or registered mail, return receipt requested, (b) its principal place of business, or (c) an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Every written consent shall bear the date of signature of each stockholder who signs the consent and no written consent shall be effective to take the corporate action referred to therein unless, within sixty (60) days of the earliest dated consent delivered in the manner required by this by-law to the Corporation, written consents signed by a sufficient number of holders to take action are delivered to the Corporation by delivery to (i) its registered office in the State of Delaware by hand or by certified or registered mail, return receipt requested, (ii) its principal place of business, or (iii) an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing as may be required by applicable law.

2. Special Meetings. Except as otherwise required by statute and subject to the rights, if any, of the holders of any series of Preferred Stock, special meetings of the stockholders of the Corporation may be called by the Board of Directors acting pursuant to a resolution approved by the affirmative vote of a majority of the Board of Directors to be held at such date, time and place either within or without the State of Delaware as may be stated in the notice of the meeting. A special meeting of stockholders shall be called by the Secretary upon the written request, stating the purpose of the meeting, of stockholders who together own of record at least twenty percent (20%) in voting power of the outstanding shares of stock entitled to vote at such meeting.

ARTICLE VII

DIRECTORS

1. General. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors except as otherwise provided herein or required by law.

2. Election of Directors. Election of Directors need not be by written ballot unless the Bylaws of the Corporation (the "Bylaws") shall so provide.

3. Number of Directors; Term of Office. Except as otherwise provided for or fixed pursuant to the provisions of Article V of this Certificate (including any certificate of designation of any series of Preferred Stock) and this Article VII relating to the rights of the holders of any series of Preferred Stock to elect additional directors, the number of Directors of the Corporation shall be fixed solely and exclusively by resolution duly adopted from time to time by the Board of Directors. The Directors, other than those who may be elected by the holders of any series of Preferred Stock, shall be elected at each annual meeting of stockholders for a term of one year. Each Director shall serve until his successor is duly elected and qualified or until his death, resignation or removal. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent Director.

During any period when the holders of any series of Preferred Stock have the right to elect additional Directors, then upon commencement and for the duration of the period during which such right continues: (i) the then otherwise total authorized number of Directors shall automatically be increased by such specified number of Directors, and the holders of such Preferred Stock shall be entitled to elect the additional Directors so provided for or fixed pursuant to said provisions, and (ii) each such additional Director shall serve until such Director's successor shall have been duly elected and qualified, or until such Director's right to hold such office terminates pursuant to said provisions, whichever occurs earlier, subject to his or her earlier death, resignation, retirement, disqualification or removal. Except as otherwise provided by the Board of Directors in the resolution or resolutions establishing such series, whenever the holders of any series of Preferred Stock having such right to elect additional Directors are divested of such right pursuant to the provisions of such stock, the terms of office of all such additional Directors elected by the holders of such stock, or elected to fill any vacancies resulting from the death, resignation, disqualification or removal of such additional Directors, shall forthwith terminate and the total authorized number of directors of the Corporation shall be reduced accordingly.

4. Vacancies. Subject to the rights, if any, of the holders of any series of Preferred Stock to elect Directors and to fill vacancies in the Board of Directors relating thereto, any and all vacancies in the Board of Directors, however occurring, including, without limitation, by reason of an increase in size of the Board of Directors, or the death, resignation, disqualification or removal of a Director, shall be filled solely and exclusively by the affirmative vote of a majority of the remaining Directors then in office, even if less than a quorum of the Board of Directors, and not by the stockholders. Any Director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the Director for which the vacancy was created or occurred and until such Director's successor shall have been duly elected and qualified or until his or her earlier resignation, death or removal.

5. Removal. Subject to the rights, if any, of any series of Preferred Stock to elect Directors and to remove any Director whom the holders of any such stock have the right to elect, any Director (including persons elected by Directors to fill vacancies in the Board of Directors) may be removed from office (i) with cause or without cause and (ii) only by the affirmative vote of the holders of at least a majority in voting power of the shares then entitled to vote at an election of Directors.

ARTICLE VIII

LIMITATION OF LIABILITY

A Director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a Director, except for liability (i) for any breach of the Director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL or (iv) for any transaction from which the Director derived an improper personal benefit. If the DGCL is amended after the effective date of this Certificate to authorize corporate action further eliminating or limiting the personal liability of Directors, then the liability of a Director of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended.

The Corporation, to the full extent permitted by Section 145 of the GCL, as amended from time to time, shall indemnify all persons whom it may indemnify pursuant thereto. Expenses (including attorneys' fees) incurred by an officer or director in defending any civil, criminal, administrative, or investigative action, suit or proceeding for which such officer or director may be entitled to indemnification hereunder shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Corporation as authorized hereby.

Any repeal or modification of this Article VIII, shall not adversely affect any right or protection existing at the time of such repeal or modification with respect to any acts or omissions occurring before such repeal or modification of a person serving as a Director at the time of such repeal or modification.

ARTICLE IX

AM ENDMENT OF BYLAWS

1. Amendment by Directors. Except as otherwise provided by law, the Bylaws of the Corporation may be amended or repealed by the Board of Directors by the affirmative vote of a majority of the Board.

2. Amendment by Stockholders. The Bylaws of the Corporation may be amended or repealed by the stockholders at any annual meeting of stockholders, or special meeting of stockholders called for such purpose as provided in the Bylaws, by the affirmative vote of the holders of at least a majority in voting power of the outstanding shares entitled to vote on such amendment or repeal, voting together as a single class.

ARTICLE X

AMENDMENT OF CERTIFICATE OF INCORPORATION

The Corporation reserves the right to amend or repeal this Certificate in the manner now or hereafter prescribed by statute and this Certificate, and all rights conferred upon stockholders herein are granted subject to this reservation. In addition to any other vote required by law or this Certificate, the affirmative vote of the holders of at least a majority in voting power of the outstanding shares entitled to vote on such amendment or repeal, shall be required to amend or repeal any provision of Article VI, Article VII, Article VIII, Article IX or Article X of this Certificate.

ARTICLE XI

EXCLUSIVE JURISDICTION

Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation; (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or the Corporation's stockholders, creditors or other constituents; (iii) any action asserting a claim against the Corporation or any Director or officer of the Corporation arising pursuant to, or a claim against the Corporation or any Director or officer of the Corporation with respect to the interpretation or application of any provision of, the DGCL, this Certificate or the Bylaws of the Corporation; or (iv) any action asserting a claim governed by the internal affairs doctrine in each such case subject to said court having personal jurisdiction over the indispensable parties named as defendants therein; provided, that, if and only if the Court of Chancery of the State of Delaware dismisses any such action for lack of subject matter jurisdiction, such action may be brought in another state court sitting in the State of Delaware. To the fullest extent permitted by law, any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Article XL

THE UNDERSIGNED, being the Incorporator hereinabove named, for the purpose of forming a corporation pursuant to the Delaware General Corporation Law, do make this certificate, hereby declaring and certifying that this is my act and deed and the facts herein stated are true, and accordingly have hereunto set my hand this 20th day of September, 2016.

/S/ MARK F. COLDWELL

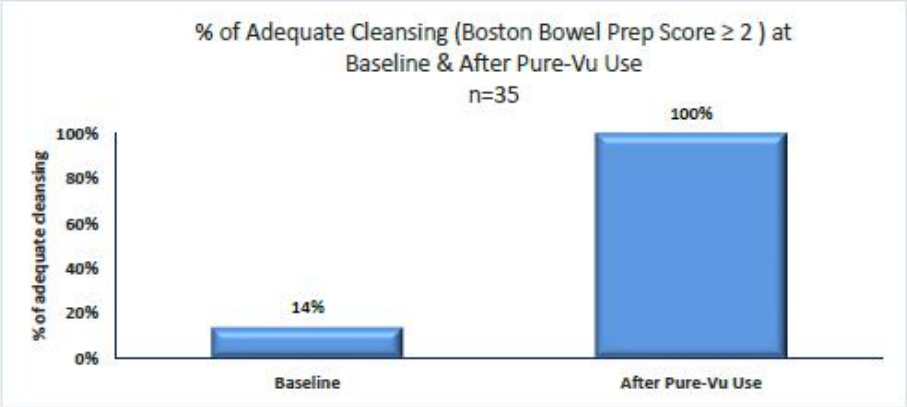
Mark F. Coldwell, Incorporator

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "EIGHT-TEN MERGER CORP.", CHANGING ITS NAME FROM "EIGHT-TEN MERGER CORP." TO "MOTUS GI HOLDINGS, INC.", FILED IN THIS OFFICE ON THE TWENTY- EIGHTH DAY OF NOVEMBER, A.D. 2016, AT 3:44 O`CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE KENT COUNTY RECORDER OF DEEDS.



6157840 8100

Authentication: 203406051

SR# 20166800863

Date: 11-28-16

You may verify this certificate online at corp.delaware.gov/authver.shtml

CERTIFICATE OF AMENDMENT OF THE

CERTIFICATE OF INCORPORATION OF

EIGHT-TEN MERGER CORP.

A Delaware Corporation

Eight-Ten Merger Corp., a corporation organized and existing under the laws of the State of Delaware (the **"Corporation"),** hereby certifies that:

A. The name of this Corporation is Eight-Ten Merger Corp.

B. The date of filing of the original Certificate of Incorporation of the Corporation with the Secretary of State of the State of Delaware was September 20, 2016.

C. The Board of Directors of the Corporation, by unanimous written consent pursuant to Section 141(f) of the General Corporation Law of the State of Delaware, duly adopted the following amendments to the Certificate of Incorporation:

D. Article I of the Certificate of Incorporation is hereby amended to read, in its entirety, as follows:

The name of the Corporation is Motus GI Holdings, Inc.

E. Article VI of the Certificate of Incorporation is hereby deleted in its entirety.

F. By written consent executed in accordance with Section 228 of the General Corporation Law of the State of Delaware, the holders of a majority of the outstanding stock of the Corporation entitled to vote thereon was given written notice of the proposed amendment to the Certificate of Incorporation and voted in favor of the adoption of the amendment to the Certificate of Incorporation. The necessary numbers of shares, as required by statute, were voted in favor of the amendments.

G. This Certificate of Amendment of the Certificate of Incorporation has been duly adopted by the Board of Directors and stockholders of the Corporation in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, Eight-Ten Merger Corp. has caused this Certificate of Amendment of the Certificate of Incorporation to be signed by Todd Van Emburgh, its President, this 28th day of November, 2016.

EIGHT-TEN MERGER CORP.

/s/ Todd Van Emburgh

Todd Van Emburgh
President

BYLAWS

OF

MOTUS GI HOLDINGS, INC.

(the "Corporation")

ARTICLE I
Stockholders

SECTION 1.

(a) Annual Meeting. The annual meeting of stockholders (any such meeting being referred to in these Bylaws as an "Annual Meeting") shall be held at the hour, date and place, if any, within or without the United States which is fixed by the Board of Directors of the Corporation (the "Board of Directors") which time, date and place may subsequently be changed at any time by vote of the Board of Directors.

(b) Registered Office. The address of the registered office of the Corporation in the State of Delaware shall be as stated in the Corporation's Certificate of Incorporation, as may be changed from time to time as provided by law. The Corporation may have other offices, both within and without the State of Delaware, as the board of directors of the Corporation (the "Board of Directors") from time to time shall determine or the business of the Corporation may require.

(c) Books and Records. Any records maintained by the Corporation in the regular course of its business, including its stock ledger, books of account and minute books, may be maintained on any information storage device or method; provided that the records so kept can be converted into clearly legible paper form within a reasonable time. The Corporation shall so convert any records so kept upon the request of any person entitled to inspect such records pursuant to applicable law.

SECTION 2. Notice of Stockholder Business and Nominations.

(a) Annual Meetings of Stockholders.

(1) Nominations of persons for election to the Board of Directors and the proposal of other business to be considered by the stockholders may be brought before an Annual Meeting only (i) pursuant to the Corporation's notice of meeting (or any supplement thereto), (ii) by or at the direction of the Board of Directors or (iii) by any stockholder of the Corporation who was a stockholder of record at the time of giving of notice provided for in this Bylaw, who is entitled to vote at the meeting, and who complies with the notice procedures set forth in this Bylaw as to such nomination or business. For the avoidance of doubt, the foregoing clause (iii) shall be the exclusive means for a stockholder to bring nominations or business properly before an Annual Meeting (other than matters properly brought under Rule 14a-8 (or any successor rule) under the Securities Exchange Act of 1934, as amended (with the rules and regulations promulgated thereunder, the "Exchange Act")), and such stockholder must comply with the notice and other procedures set forth in Article I, Section 2 of this Bylaw to bring such nominations or business properly before an Annual Meeting. In addition to the other requirements set forth in this Bylaw, for any proposal of business (other than the nomination of persons for election to the Board of Directors) to be considered at an Annual Meeting, it must be a proper subject for action by stockholders of the Corporation under Delaware law.

(2) For nominations or other business to be properly brought before an Annual Meeting by a stockholder pursuant to clause (iii) of Article I, Section 2(a)(1) of this Bylaw, the stockholder must (i) have given Timely Notice (as defined below) thereof in writing to the Secretary of the Corporation, (ii) have provided any updates or supplements to such notice at the times and in the forms required by this Bylaw and (iii) together with the beneficial owner(s), if any, on whose behalf the nomination or business proposal is made, have acted in accordance with the representations set forth in the Solicitation Statement (as defined below) required by this Bylaw. To be timely, a stockholder's written notice shall be received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the ninetieth (90th) day nor earlier than the close of business on the one hundred twentieth (120th) day prior to the one-year anniversary of the preceding year's Annual Meeting; provided, however, that in the event the Annual Meeting is first convened more than thirty (30) days before or more than sixty (60) days after such anniversary date, or if no Annual Meeting were held in the preceding year, notice by the stockholder to be timely must be received by the Secretary of the Corporation not later than the close of business on the later of the ninetieth (90th) day prior to the scheduled date of such Annual Meeting or the tenth (10th) day following the day on which public announcement of the date of such meeting is first made (such notice within such time periods shall be referred to as "Timely Notice"). Notwithstanding anything to the contrary provided herein, for the first Annual Meeting following the effective date of the Corporation's registration statement submitted with the U.S. Securities and Exchange Commission, a stockholder's notice shall be timely if received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the later of the ninetieth (90th) day prior to the scheduled date of such Annual Meeting or the tenth (10th) day following the day on which public announcement of the date of such Annual Meeting is first made or sent by the Corporation. In no event shall the public announcement of an adjournment or postponement of an annual meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. Such stockholder's Timely Notice shall set forth:

(A) as to each person whom the stockholder proposes to nominate for election or reelection as a director, all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected) provided, further, that the Corporation may require any proposed nominee to furnish such other information as the Corporation may reasonably require to determine the eligibility of such proposed nominee to serve as a director of the Corporation.;

(B) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend the Bylaws, the language of the proposed amendment), the reasons for conducting such business at the meeting, and any material interest in such business of each Proposing Person (as defined below);

(C) (i) the name and address of the stockholder giving the notice, as they appear on the Corporation's books, and the names and addresses of the other Proposing Persons (if any) and (ii) as to each Proposing Person, the following information: (a) the class or series and number of all shares of capital stock of the Corporation which are, directly or indirectly, owned beneficially or of record by such Proposing Person or any of its affiliates or associates (as such terms are defined in Rule 12b-2 promulgated under the Exchange Act), including any shares of any class or series of capital stock of the Corporation as to which such Proposing Person or any of its affiliates or associates has a right to acquire beneficial ownership at any time in the future, (b) all Synthetic Equity Interests (as defined below) in which such Proposing Person or any of its affiliates or associates, directly or indirectly, holds an interest including a description of the material terms of each such Synthetic Equity Interest, including without limitation, identification of the counterparty to each such Synthetic Equity Interest and disclosure, for each such Synthetic Equity Interest, as to (x) whether or not such Synthetic Equity Interest conveys any voting rights, directly or indirectly, in such shares to such Proposing Person, (y) whether or not such Synthetic Equity Interest is required to be, or is capable of being, settled through delivery of such shares and (z) whether or not such Proposing Person and/or, to the extent known, the counterparty to such Synthetic Equity Interest has entered into other transactions that hedge or mitigate the economic effect of such Synthetic Equity Interest, (c) any proxy (other than a revocable proxy given in response to a public proxy solicitation made pursuant to, and in accordance with, the Exchange Act), agreement, arrangement, understanding or relationship pursuant to which such Proposing Person has or shares a right to, directly or indirectly, vote any shares of any class or series of capital stock of the Corporation, (d) any rights to dividends or other distributions on the shares of any class or series of capital stock of the Corporation, directly or indirectly, owned beneficially by such Proposing Person that are separated or separable from the underlying shares of the Corporation, and (e) any performance-related fees (other than an asset based fee) that such Proposing Person, directly or indirectly, is entitled to based on any increase or decrease in the value of shares of any class or series of capital stock of the Corporation or any Synthetic Equity Interests (the disclosures to be made pursuant to the foregoing clauses (a) through (e) are referred to, collectively, as "Material Ownership Interests"), (iii) a description of the material terms of all agreements, arrangements or understandings (whether or not in writing) entered into by any Proposing Person or any of its affiliates or associates with any other person for the purpose of acquiring, holding, disposing or voting of any shares of any class or series of capital stock of the Corporation and (iv) any other information relating to such stockholder and beneficial owner, if any, required to be disclosed in a proxy statement or other filings required to be made in connection with the solicitation of proxies for, as applicable, the proposal and/or for the election of directors in an election contest pursuant to and in accordance with Section 14(a) of the Exchange Act and the rules and regulations promulgated thereunder;

(D) (i) a description of all agreements, arrangements or understandings by and among any of the Proposing Persons, or by and among any Proposing Persons and any other person (including with any proposed nominee(s)), pertaining to the nomination(s) or other business proposed to be brought before the meeting of stockholders (which description shall identify the name of each other person who is party to such an agreement, arrangement or understanding), and (ii) identification of the names and addresses of other stockholders (including beneficial owners) known by any of the Proposing Persons to support such nominations or other business proposal(s), and to the extent known the class and number of all shares of the Corporation's capital stock owned beneficially or of record by such other stockholder(s) or other beneficial owner(s); and

(E) a statement whether or not the stockholder giving the notice and/or the other Proposing Person(s), if any, will (i) deliver a proxy statement and form of proxy to holders of, in the case of a business proposal, at least the percentage of voting power of all of the shares of capital stock of the Corporation required under applicable law to approve the proposal or, in the case of a nomination or nominations, at least the percentage of voting power of all of the shares of capital stock of the Corporation reasonably believed by such Proposing Person to be sufficient to elect the nominee or nominees proposed to be nominated by such stockholder and/or (ii) otherwise solicit proxies or votes from stockholders in support of such proposal or nomination (such statement, the "Solicitation Statement").

For purposes of this Article I of these Bylaws, the term "Proposing Person" shall mean the following persons: (i) the stockholder of record providing the notice of nominations or business proposed to be brought before a stockholders' meeting, and (ii) the beneficial owner(s), if different, on whose behalf the nominations or business proposed to be brought before a stockholders' meeting is made. For purposes of this Section 2 of Article I of these Bylaws, the term "Synthetic Equity Interest" shall mean any transaction, agreement or arrangement (or series of transactions, agreements or arrangements), including, without limitation, any derivative, swap, hedge, repurchase or so-called "stock borrowing" agreement or arrangement, the purpose or effect of which is to, directly or indirectly: (a) give a person or entity economic benefit and/or risk similar to ownership of shares of any class or series of capital stock of the Corporation, in whole or in part, including due to the fact that such transaction, agreement or arrangement provides, directly or indirectly, the opportunity to profit or avoid a loss from any increase or decrease in the value of any shares of any class or series of capital stock of the Corporation, (b) mitigate loss to, reduce the economic risk of or manage the risk of share price changes for, any person or entity with respect to any shares of any class or series of capital stock of the Corporation, (c) otherwise provide in any manner the opportunity to profit or avoid a loss from any decrease in the value of any shares of any class or series of capital stock of the Corporation, or (d) increase or decrease the voting power of any person or entity with respect to any shares of any class or series of capital stock of the Corporation.

(3) A stockholder providing Timely Notice of nominations or business proposed to be brought before an Annual Meeting shall further update and supplement such notice, if necessary, so that the information (including, without limitation, the Material Ownership Interests information) provided or required to be provided in such notice pursuant to this Bylaw shall be true and correct as of the record date for the meeting and as of the date that is ten (10) business days prior to such Annual Meeting, and such update and supplement shall be received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the fifth (5th) business day after the record date for the Annual Meeting (in the case of the update and supplement required to be made as of the record date), and not later than the close of business on the eighth (8th) business day prior to the date of the Annual Meeting (in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting).

(4) Notwithstanding anything in the second sentence of Article I, Section 2(a)(2) of this Bylaw to the contrary, in the event that the number of directors to be elected to the Board of Directors of the Corporation is increased and there is no public announcement naming all of the nominees for director or specifying the size of the increased Board of Directors made by the Corporation at least ten (10) days before the last day a stockholder may deliver a notice of nomination in accordance with the second sentence of Article I, Section 2(a)(2), a stockholder's notice required by this Bylaw shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be received by the Secretary of the Corporation not later than the close of business on the tenth (10th) day following the day on which such public announcement is first made by the Corporation.

(5) Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Nominations for persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (i) by or at the direction of the Board of Directors or any committee thereof or (ii) provided that the Board of Directors has determined that directors shall be elected at such meeting, by any stockholder of the Corporation who is a stockholder of record at the time the notice provided for in this Section 2 is delivered to the Secretary of the Corporation, who is entitled to vote at the meeting and upon such election and who complies with the notice procedures set forth in this Section 2. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board of Directors, any such stockholder entitled to vote in such election of directors may nominate a person or persons (as the case may be) for election to such position(s) as specified in the Corporation's notice of meeting, if the stockholder's notice required by paragraph (a)(2) of this Section 2 shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the one hundred twentieth (120th) day prior to such special meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such special meeting or the tenth (10th) day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(b) General.

(1) Except as otherwise expressly provided in any applicable rule or regulation promulgated under the Exchange Act, only such persons who are nominated in accordance with the provisions of this Bylaw shall be eligible for election and to serve as directors and only such business shall be conducted at a meeting as shall have been brought before the meeting in accordance with the provisions of this Bylaw. The Board of Directors or a designated committee thereof shall have the power to determine whether a nomination or any business proposed to be brought before the meeting was made in accordance with the provisions of this Bylaw. If prior to the meeting neither the Board of Directors nor such designated committee makes a determination as to whether any stockholder proposal or nomination was made in accordance with the provisions of this Bylaw, the presiding officer of the meeting shall have the power and duty to determine whether the stockholder proposal or nomination was made in accordance with the provisions of this Bylaw. If the Board of Directors or a designated committee thereof or the presiding officer, as applicable, determines that any stockholder proposal or nomination was not made in accordance with the provisions of this Bylaw, such proposal or nomination shall be disregarded and shall not be presented for action at the meeting.

(2) Except as otherwise required by any applicable law or rule or regulation promulgated under the Exchange Act, nothing in this Article I, Section 2 shall obligate the Corporation or the Board of Directors to include in any proxy statement or other stockholder communication distributed on behalf of the Corporation or the Board of Directors information with respect to any nominee for director or any other matter of business submitted by a stockholder.

(3) Notwithstanding the foregoing provisions of this Article I, Section 2, if the proposing stockholder (or a qualified representative of the stockholder) does not appear at the meeting to present a nomination or any business, such nomination or business shall be disregarded, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Article I, Section 2, to be considered a qualified representative of the proposing stockholder, a person must be authorized by a written instrument executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such written instrument or electronic transmission, or a reliable reproduction of the written instrument or electronic transmission, to the presiding officer at the meeting of stockholders.

(4) For purposes of this Bylaw, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(5) Notwithstanding the foregoing provisions of this Bylaw, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Bylaw. Nothing in this Bylaw shall be deemed to affect any rights of (i) stockholders to have proposals included in the Corporation's proxy statement pursuant to Rule 14a-8 (or any successor rule) under the Exchange Act and, to the extent required by such rule, have such proposals considered and voted on at an Annual Meeting or (ii) the holders of any series of Preferred Stock as specified in the Certificate of Incorporation of the Corporation (as the same may hereafter be amended and/or restated, the "Certificate") (including any certificate of designation relating to any series of Preferred Stock).

(6) In addition to the requirements set forth elsewhere in these Bylaws, to be eligible to be a nominee for election or re-election as a director of the Corporation pursuant to a nomination under clause (iii) of Article I, Section 2(a)(1) and under clause (ii) of Article I, Section 2(a)(5) of this Bylaw, such proposed nominee or a person on such proposed nominee's behalf must deliver, in accordance with the time periods for delivery of Timely Notice under Section 2(a)(2) of Article 1 and under clause (ii) of Article I, Section 2(a)(5) of this Bylaw, to the Secretary of the Corporation at the principal executive offices of the Corporation a completed and signed questionnaire with respect to the background and qualification of such proposed nominee and the background of any other person or entity on whose behalf the nomination is being made (which questionnaire shall be provided by the Secretary upon written request) and a written representation and agreement (in the form provided by the Secretary upon written request) that such proposed nominee (i) is not and will not become a party to (A) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such proposed nominee, if elected as a director of the Corporation, will act or vote on any issue or question (a "Voting Commitment") that has not been disclosed to the Corporation or (B) any Voting Commitment that could limit or interfere with such proposed nominee's fiduciary duties under applicable law, (ii) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed to the Corporation, and (iii) in such proposed nominee's individual capacity and on behalf of any person or entity on whose behalf the nomination is being made, would be in compliance, if elected as a director of the Corporation, and will comply with, all applicable publicly disclosed corporate governance, code of conduct and ethics, conflict of interest, confidentiality, corporate opportunities, trading and any other policies and guidelines of the Corporation applicable to directors.

SECTION 3. Special Meetings. Except as otherwise required by statute and subject to the rights, if any, of the holders of any series of Preferred Stock, special meetings of the stockholders of the Corporation may be called by the Board of Directors acting pursuant to a resolution approved by the affirmative vote of a majority of the Board of Directors to be held at such date, time and place either within or without the State of Delaware as may be stated in the notice of the meeting. A special meeting of stockholders shall be called by the Secretary upon the written request, stating the purpose of the meeting, of stockholders who together own of record at least twenty percent (20%) in voting power of the outstanding shares of stock entitled to vote at such meeting. The Board of Directors may postpone or reschedule any previously scheduled special meeting of stockholders. Only those matters set forth in the notice of the special meeting may be considered or acted upon at a special meeting of stockholders of the Corporation.

SECTION 4. Notice of Meetings; Adjournments.

(a) A notice of each Annual Meeting stating the hour, date and place, if any, of such Annual Meeting, the means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, and the record date for determining the stockholders entitled to vote at the meeting (if such date is different from the record date for stockholders entitled to notice of the meeting) shall be given not less than ten (10) days nor more than sixty (60) days before the Annual Meeting, to each stockholder entitled to vote thereat as of the record date for determining the stockholders entitled to notice of the meeting by delivering such notice to such stockholder or by mailing it, postage prepaid, addressed to such stockholder at the address of such stockholder as it appears on the Corporation's stock transfer books. Without limiting the manner by which notice may otherwise be given to stockholders, any notice to stockholders may be given by electronic transmission in the manner provided in Section 232 of the Delaware General Corporation Law ("DGCL").

(b) Notice of all special meetings of stockholders shall be given in the same manner as provided for Annual Meetings, except that the notice of all special meetings shall state the purpose or purposes for which the meeting has been called.

(c) Notice of an Annual Meeting or special meeting of stockholders need not be given to a stockholder if a waiver of notice is executed, or waiver of notice by electronic transmission is provided, before or after such meeting by such stockholder or if such stockholder attends such meeting, unless such attendance is for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting was not lawfully called or convened.

(d) The Board of Directors may postpone and reschedule any previously scheduled Annual Meeting or special meeting of stockholders, regardless of whether any notice or public disclosure with respect to any such meeting has been sent or made pursuant to Section 2 of this Article I of these Bylaws or otherwise.

(e) When any meeting is convened, the presiding officer may adjourn the meeting. When any Annual Meeting or special meeting of stockholders is adjourned to another hour, date or place, notice need not be given of the adjourned meeting other than an announcement at the meeting at which the adjournment is taken of the hour, date and place, if any, to which the meeting is adjourned and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting; provided, however, that if the adjournment is for more than thirty (30) days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting, or, if after the adjournment a new record date is fixed for the adjourned meeting, the Board of Directors shall fix as the record date for determining stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote at the adjourned meeting, and shall give notice of the adjourned meeting to each stockholder of record as of the record date so fixed for notice of such adjourned meeting.

SECTION 5. Quorum. A majority in voting power of the shares entitled to vote at the meeting, present in person or represented by proxy, shall constitute a quorum at any meeting of stockholders. If less than a quorum is present at a meeting, the holders of voting stock representing a majority of the voting power present at the meeting or the presiding officer may adjourn the meeting from time to time, and the meeting may be held as adjourned without further notice, except as provided in Section 4 of this Article I. At such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally noticed. The stockholders present at a duly constituted meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

SECTION 6. Voting and Proxies. Stockholders shall have one vote for each share of stock entitled to vote owned by them of record according to the stock ledger of the Corporation as of the record date, unless otherwise provided by law or by the Certificate. Stockholders may vote either (i) in person, (ii) by written proxy or (iii) by a transmission permitted by Section 212(c) of the DGCL. Any copy, facsimile telecommunication or other reliable reproduction of the writing or transmission permitted by Section 212(c) of the DGCL may be substituted for or used in lieu of the original writing or transmission for any and all purposes for which the original writing or transmission could be used, provided that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing or transmission. Proxies shall be filed in accordance with the procedures established for the meeting of stockholders. Except as otherwise limited therein or as otherwise provided by law, proxies authorizing a person to vote at a specific meeting shall entitle the persons authorized thereby to vote at any adjournment or postponement of such meeting, but they shall not be valid after final adjournment of such meeting.

SECTION 7. Action at Meeting. When a quorum is present at any meeting of stockholders, any matter before any such meeting (other than an election of a director or directors) shall be decided by a majority of the votes properly cast on such matter, except where a different vote is required by law, by the Certificate, by these Bylaws, by the rules or regulations of any stock exchange applicable to the Corporation, or pursuant to any regulation applicable to the Corporation or its securities, in which case, such different vote shall apply. For purposes of this Section 7, a majority of votes cast shall mean that the number of votes cast “for” a matter exceeds the number of votes cast “against” the matter (with “abstentions” and “broker nonvotes” not counted as a vote cast either “for” or “against” the matter). Any election of directors by stockholders shall be determined by a plurality of the votes properly cast on the election of directors.

SECTION 8. Stockholder Lists. The officer who has charge of the stock ledger shall prepare and make, at least ten (10) days before every Annual Meeting or special meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting (provided, however, if the record date for determining the stockholders entitled to vote is less than ten (10) days before the date of the meeting, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date), arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting at least ten (10) days prior to the meeting (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of meeting or (ii) during ordinary business hours at the principal place of business of the Corporation. If the meeting is to be held at a place, then a list of stockholders entitled to vote at the meeting shall be produced and kept at the time and place of the meeting during the whole time thereof and may be examined by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting. Except as otherwise provided by law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the list of stockholders required by this Section 8 or to vote in person or by proxy at any meeting of stockholders.

SECTION 9. Conduct of Meeting. The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the person presiding over the meeting. The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the person presiding over any meeting of stockholders (referred to herein as the "presiding officer") shall have the right and authority to convene and (for any or no reason) to recess and/or adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of the presiding officer, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the presiding officer, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders entitled to vote at the meeting, their duly authorized and constituted proxies or such other persons as the presiding officer shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. The presiding officer at any meeting of stockholders, in addition to making any other determinations that may be appropriate to the conduct of the meeting, shall, if the facts warrant, determine and declare to the meeting that a matter or business was not properly brought before the meeting and if the presiding officer should so determine, the presiding officer shall so declare to the meeting and any such matter or business not properly brought before the meeting shall not be transacted or considered. Unless and to the extent determined by the Board of Directors or the presiding officer, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

SECTION 10. Inspectors of Elections. The Corporation shall, in advance of any meeting of stockholders, appoint one or more inspectors to act at the meeting and make a written report thereof. The Corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the presiding officer shall appoint one or more inspectors to act at the meeting. Any inspector may, but need not, be an officer, employee or agent of the Corporation. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall perform such duties as are required by the DGCL, including the counting of all votes and ballots. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of the duties of the inspectors. The presiding officer may review all determinations made by the inspectors, and in so doing the presiding officer shall be entitled to exercise his or her sole judgment and discretion and he or she shall not be bound by any determinations made by the inspectors. All determinations by the inspectors and, if applicable, the presiding officer, shall be subject to further review by any court of competent jurisdiction.

SECTION 11. Action Without Meeting. Except as otherwise provided in the Certificate, any action required or permitted to be taken by the stockholders of the Corporation must be effected only at a duly called Annual Meeting or special meeting of stockholders of the Corporation or may be effected by written consent.

ARTICLE II
Directors

SECTION 1. Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors except as otherwise provided by the Certificate or required by law.

SECTION 2. Number and Terms. The number of directors of the Corporation shall be fixed solely and exclusively by resolution duly adopted from time to time by the Board of Directors. The directors shall hold office in the manner provided in the Certificate.

SECTION 3. Qualification. No director need be a stockholder of the Corporation.

SECTION 4. Vacancies. Vacancies in the Board of Directors shall be filled in the manner provided in the Certificate.

SECTION 5. Removal. Directors may be removed from office only in the manner provided in the Certificate.

SECTION 6. Resignation. A director may resign at any time by giving written notice, or notice by electronic transmission, to the Chairman of the Board, if one is elected, the President or the Secretary. A resignation shall be effective upon receipt, unless the resignation otherwise provides.

SECTION 7. Regular Meetings. The regular annual meeting of the Board of Directors shall be held, without notice other than this Section 7, on the same date and at the same place as the Annual Meeting following the close of such meeting of stockholders. Other regular meetings of the Board of Directors may be held at such hour, date and place as the Board of Directors may by resolution from time to time determine and publicized among all directors.

SECTION 8. Special Meetings. Special meetings of the Board of Directors may be called, orally or in writing or by electronic transmission, by or at the request of a majority of the directors, the Chairman of the Board, if one is elected, or the President. The person calling any such special meeting of the Board of Directors may fix the hour, date and place thereof.

SECTION 9. Notice of Meetings. Notice of the hour, date and place of all special meetings of the Board of Directors shall be given to each director by the Secretary or an Assistant Secretary, or by the Chairman of the Board, if one is elected, or the President or such other officer designated by the Chairman of the Board, if one is elected, or the President. Notice of any special meeting of the Board of Directors shall be given to each director in person, by telephone, or by facsimile, electronic mail or other form of electronic communication, sent to his or her business or home address, at least twenty-four (24) hours in advance of the meeting, or by written notice mailed to his or her business or home address, at least three (3) business days in advance of the meeting. Such notice shall be deemed to be delivered when hand-delivered to such address, read to such director by telephone, deposited in the mail so addressed, with postage thereon prepaid if mailed, dispatched or transmitted if sent by facsimile transmission or by electronic mail or other form of electronic communications. A written waiver of notice signed, or an electronic waiver given, before or after a meeting by a director and filed with the records of the meeting shall be deemed to be equivalent to notice of the meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because such meeting is not lawfully called or convened. Except as otherwise required by law, by the Certificate or by these Bylaws, neither the business to be transacted at, nor the purpose of, any meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

SECTION 10. Quorum. At any meeting of the Board of Directors, a majority of the Board of Directors shall constitute a quorum for the transaction of business, but if less than a quorum is present at a meeting, a majority of the directors present may adjourn the meeting from time to time, and the meeting may be held as adjourned without further notice. Any business which might have been transacted at the meeting as originally noticed may be transacted at such adjourned meeting at which a quorum is present.

SECTION 11. Action at Meeting. At any meeting of the Board of Directors at which a quorum is present, the vote of a majority of the directors present shall constitute action by the Board of Directors, unless otherwise required by law, by the Certificate or by these Bylaws.

SECTION 12. Action by Consent. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if all members of the Board of Directors consent thereto in writing or by electronic transmission and the writing or writings or electronic transmission or transmissions are filed with the records of the meetings of the Board of Directors. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form. Such consent shall be treated as a resolution of the Board of Directors for all purposes.

SECTION 13. Manner of Participation. Directors may participate in meetings of the Board of Directors by means of conference telephone or other communications equipment by means of which all directors participating in the meeting can hear each other, and participation in a meeting in accordance herewith shall constitute presence in person at such meeting for purposes of these Bylaws.

SECTION 14. Presiding Director. The Board of Directors shall designate a representative to preside over all meetings of the Board of Directors, provided that if the Board of Directors does not so designate such a presiding director or such designated presiding director is unable to so preside or is absent, then the Chairman of the Board, if one is elected, shall preside over all meetings of the Board of Directors. If both the designated presiding director, if one is so designated, and the Chairman of the Board, if one is elected, are unable to preside or are absent, the Board of Directors shall designate an alternate representative to preside over a meeting of the Board of Directors.

SECTION 15. Committees. The Board of Directors may designate one or more committees, including, without limitation, a Compensation Committee, a Nominating & Corporate Governance Committee and an Audit Committee, and may delegate thereto some or all of its powers except those which by law, by the Certificate or by these Bylaws may not be delegated. Except as the Board of Directors may otherwise determine, any such committee may make rules for the conduct of its business, but unless otherwise provided by the Board of Directors or in such rules, its business shall be conducted so far as possible in the same manner as is provided by these Bylaws for the Board of Directors. All members of such committees shall hold such offices at the pleasure of the Board of Directors. The Board of Directors may abolish any such committee at any time. Any committee to which the Board of Directors delegates any of its powers or duties shall keep records of its meetings and shall report its action to the Board of Directors. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of the committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he, she or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member.

SECTION 16. Compensation of Directors. Directors shall receive such compensation for their services as shall be determined by the Board of Directors, or a designated committee thereof, provided that directors who are serving the Corporation as employees and who receive compensation for their services as such, shall not receive any salary or other compensation for their services as directors of the Corporation.

ARTICLE III
Officers

SECTION 1. Enumeration. The officers of the Corporation shall consist of a President, a Chief Executive Officer, a Secretary, a Treasurer and such other officers, including, without limitation, a Chairman of the Board of Directors, a Chief Financial Officer, and one or more Vice Presidents (including Executive Vice Presidents or Senior Vice Presidents), Assistant Vice Presidents and Assistant Secretaries, as the Board of Directors may determine.

SECTION 2. Election. At the regular annual meeting of the Board of Directors following the Annual Meeting, the Board of Directors shall elect the President, the Chief Executive Officer, the Secretary and the Treasurer. Other officers may be elected by the Board of Directors at such regular annual meeting of the Board of Directors or at any other regular or special meeting.

SECTION 3. Qualification. No officer need be a stockholder or a director. Any person may occupy more than one office of the Corporation at any time.

SECTION 4. Tenure. Except as otherwise provided by the Certificate or by these Bylaws, each of the officers of the Corporation shall hold office until the regular annual meeting of the Board of Directors following the next Annual Meeting and until his or her successor is elected and qualified or until his or her earlier resignation or removal.

SECTION 5. Resignation. Any officer may resign by delivering his or her written resignation to the Corporation addressed to the President or the Secretary, and such resignation shall be effective upon receipt, unless the resignation otherwise provides.

SECTION 6. Removal. Except as otherwise provided by law, the Board of Directors may remove any officer with or without cause by the affirmative vote of a majority of the directors then in office.

SECTION 7. Absence or Disability. In the event of the absence or disability of any officer, the Board of Directors may designate another officer to act temporarily in place of such absent or disabled officer.

SECTION 8. Vacancies. Any vacancy in any office may be filled for the unexpired portion of the term by the Board of Directors.

SECTION 9. Chairman of the Board. The Chairman of the Board, if one is elected, shall have such powers and shall perform such duties as the Board of Directors may from time to time designate.

SECTION 10. Chief Executive Officer. The Chief Executive Officer shall have such powers and shall perform such duties as the Board of Directors may from time to time designate.

SECTION 11. President. The President shall, subject to the direction of the Board of Directors, have such powers and shall perform such duties as the Board of Directors may from time to time designate.

SECTION 12. Vice Presidents and Assistant Vice Presidents. Any Vice President (including any Executive Vice President or Senior Vice President) and any Assistant Vice President shall have such powers and shall perform such duties as the Board of Directors or the Chief Executive Officer may from time to time designate.

SECTION 13. Chief Financial Officer. The Chief Financial Officer, if one is elected, shall, subject to the direction of the Board of Directors and except as the Board of Directors or the Chief Executive Officer may otherwise provide, have general charge of the financial affairs of the Corporation and shall cause to be kept accurate books of account. He or she shall have such other duties and powers as may be designated from time to time by the Board of Directors or the Chief Executive Officer.

SECTION 14. Secretary and Assistant Secretaries. The Secretary shall record all the proceedings of the meetings of the stockholders and the Board of Directors (including committees of the Board of Directors) in books kept for that purpose. In his or her absence from any such meeting, a temporary secretary chosen at the meeting shall record the proceedings thereof. The Secretary shall have charge of the stock ledger (which may, however, be kept by any transfer or other agent of the Corporation). The Secretary shall have custody of the seal of the Corporation, and the Secretary, or an Assistant Secretary, shall have authority to affix it to any instrument requiring it, and, when so affixed, the seal may be attested by his or her signature or that of an Assistant Secretary. The Secretary shall have such other duties and powers as may be designated from time to time by the Board of Directors or the Chief Executive Officer. In the absence of the Secretary, any Assistant Secretary may perform his or her duties and responsibilities. Any Assistant Secretary shall have such powers and perform such duties as the Board of Directors or the Chief Executive Officer may from time to time designate.

SECTION 15. Treasurer and Assistant Treasurers. The Treasurer shall have custody of all moneys and securities of the Corporation as are authorized and shall render from time to time an account of all such transactions. The Treasurer shall also perform such other duties and have such other powers as are commonly incident to the officer of Treasurer, or as may be designated from time to time by the Board of Directors or the Chief Executive Officer. In the absence of the Treasurer, any Assistant Treasurer may perform his or her duties and responsibilities. Any Assistant Treasurer shall have such powers and perform such duties as the Board of Directors or the Chief Executive Officer may from time to time designate.

SECTION 16. Other Powers and Duties. Subject to these Bylaws and to such limitations as the Board of Directors may from time to time prescribe, the officers of the Corporation shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as from time to time may be conferred by the Board of Directors or the Chief Executive Officer.

ARTICLE IV
Capital Stock

SECTION 1. Certificates of Stock. The shares of the Corporation shall be represented by certificates in such form as may from time to time be prescribed by the Board of Directors. Such certificate shall be signed by the Chief Executive Officer, the President or a Vice President and by the Chief Financial Officer, the Treasurer, an Assistant Treasurer, the Secretary or an Assistant Secretary. The Corporation seal and the signatures by the Corporation's officers, the transfer agent or the registrar may be facsimiles. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed on such certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he or she were such officer, transfer agent or registrar at the time of its issue. Every certificate for shares of stock which are subject to any restriction on transfer and every certificate issued when the Corporation is authorized to issue more than one class or series of stock shall contain such legend with respect thereto as is required by law. Notwithstanding anything to the contrary provided in these Bylaws, the Board of Directors of the Corporation may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares (except that the foregoing shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation), and by the approval and adoption of these Bylaws the Board of Directors has determined that all classes or series of the Corporation's stock may be uncertificated, whether upon original issuance, re-issuance, or subsequent transfer.

SECTION 2. Transfers. Subject to any restrictions on transfer pursuant to applicable federal or state securities law or as otherwise agreed to in writing and unless otherwise provided by the Board of Directors, shares of stock that are represented by a certificate may be transferred on the books of the Corporation by the surrender to the Corporation or its transfer agent of the certificate theretofore properly endorsed or accompanied by a written assignment or power of attorney properly executed, with transfer stamps (if necessary) affixed, and with such proof of the authenticity of signature as the Corporation or its transfer agent may reasonably require. Shares of stock that are not represented by a certificate may be transferred on the books of the Corporation by submitting to the Corporation or its transfer agent such evidence of transfer and following such other procedures as the Corporation or its transfer agent may require.

SECTION 3. Record Holders. Except as may otherwise be required by law, by the Certificate or by these Bylaws, the Corporation shall be entitled to treat the record holder of stock as shown on its books as the owner of such stock for all purposes, including the payment of dividends and the right to vote with respect thereto, regardless of any transfer, pledge or other disposition of such stock, until the shares have been transferred on the books of the Corporation in accordance with the requirements of these Bylaws.

SECTION 4. Record Date.

(a) In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall, unless otherwise required by law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If the Board of Directors so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board of Directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance herewith at the adjourned meeting.

(b) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall not be more than sixty (60) days prior to such action. If no such record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

SECTION 5. Replacement of Certificates. In case of the alleged loss, destruction or mutilation of a certificate of stock of the Corporation, a duplicate certificate may be issued in place thereof, upon such terms as the Corporation may prescribe.

ARTICLE V
Indemnification and Advancement

SECTION 1. Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is otherwise involved (including, without limitation, as a witness) in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a director or an officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, or trustee of another corporation, or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (hereinafter an "Indemnitee"), whether the basis of such proceeding is alleged action in an official capacity as a director, officer or trustee or in any other capacity while serving as a director, officer or trustee, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the DGCL, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than such law permitted the Corporation to provide prior to such amendment), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such Indemnitee in connection therewith; provided, however, that, except with respect to proceedings to enforce rights to indemnification or an advancement of expenses or as otherwise required by law, the Corporation shall not be required to indemnify or advance expenses to any such Indemnitee in connection with a proceeding (or part thereof) initiated by such Indemnitee unless such proceeding (or part thereof) was authorized by the Board of Directors.

SECTION 2. Right to Advancement of Expenses. In addition to the right to indemnification conferred in Article V, Section 1 of this Bylaw, an Indemnitee shall also have the right to be paid by the Corporation the expenses (including attorney's fees) incurred in defending any such proceeding in advance of its final disposition (an "advancement of expenses"); provided, however, that, if the DGCL requires, an advancement of expenses incurred by an Indemnitee in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such Indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the Corporation of an undertaking (hereinafter an "undertaking"), by or on behalf of such Indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter a "final adjudication") that such Indemnitee is not entitled to be indemnified for such expenses under this Section 2 or otherwise.

SECTION 3. Right of Indemnitees to Bring Suit. If a claim under Article V, Section 1 or 2 of this Bylaw is not paid in full by the Corporation within sixty (60) days after a written claim has been received by the Corporation, or if a claim for an advancement of expense is not paid in full within thirty (30) days after a statement or statements requesting such amounts to be advanced has been received by the Corporation, the Indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. To the fullest extent permitted by law, if successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Indemnitee shall also be entitled to be paid the expenses of prosecuting or defending such suit. In (i) any suit brought by the Indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the Indemnitee to enforce a right to an advancement of expenses) it shall be a defense that, and (ii) in any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that, the Indemnitee has not met any applicable standard for indemnification set forth in the DGCL. Neither the failure of the Corporation (including its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of the Indemnitee is proper in the circumstances because the Indemnitee has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its stockholders) that the Indemnitee has not met such applicable standard of conduct, shall create a presumption that the Indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the Indemnitee, be a defense to such suit. In any suit brought by the Indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the Indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Article V or otherwise shall be on the Corporation.

SECTION 4. Indemnification of Employees and Agents of the Corporation. The Corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Corporation to the fullest extent of the provisions of this Article V with respect to the indemnification and advancement of expenses of directors and officers of the Corporation.

SECTION 5. Non-Exclusivity of Rights. The rights to indemnification and to the advancement of expenses conferred in this Article V shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, the Certificate as amended from time to time, these Bylaws, any agreement, any vote of stockholders or disinterested directors or otherwise.

SECTION 6. Insurance. The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the DGCL.

SECTION 7. Indemnity Agreements. The Corporation may enter into indemnity agreements with any director or officer of the Corporation, with any employee or agent of the Corporation as the Board of Directors may designate and with any officer, director, employee or agent of subsidiaries as the Board of Directors may designate, such indemnity agreements to provide in substance that the Corporation will indemnify such persons as contemplated by this Article V, and to include any other substantive or procedural provisions regarding indemnification as are not inconsistent with the DGCL.

SECTION 8. Nature of Rights. The rights conferred upon Indemnitees in this Article V shall be contract rights and such rights shall continue as to an Indemnitee who has ceased to be a director, officer, employee, agent or trustee and shall inure to the benefit of the Indemnitee's heirs, executors and administrators. Any amendment, alteration or repeal of this Article V that adversely affects any right of an Indemnitee or its successors shall be prospective only and shall not limit, eliminate, or impair any such right with respect to any proceeding involving any occurrence or alleged occurrence of any action or omission to act that took place prior to such amendment, alteration or repeal. The Corporation's obligation, if any, to indemnify or to advance expenses to any Indemnitee who was or is serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise or nonprofit entity shall be reduced by any amount such Indemnitee may collect as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, enterprise or non-profit enterprise.

SECTION 9. Severability. If any word, clause, provision or provisions of this Article V shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (i) the validity, legality and enforceability of the remaining provisions of this Article V (including, without limitation, each portion of any section of this Article V containing any such provision held to be invalid, illegal or unenforceable, that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (ii) to the fullest extent possible, the provisions of this Article V (including, without limitation, each such portion of any section of this Article V containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

ARTICLE VI
Miscellaneous Provisions

SECTION 1. Fiscal Year. The fiscal year of the Corporation shall be determined by the Board of Directors.

SECTION 2. Seal. The Board of Directors shall have power to adopt and alter the seal of the Corporation.

SECTION 3. Execution of Instruments. All deeds, leases, transfers, contracts, bonds, notes and other obligations to be entered into by the Corporation in the ordinary course of its business without director action may be executed on behalf of the Corporation by the Chairman of the Board, if one is elected, the President, the Chief Executive Officer, the Chief Financial Officer, if one is elected, the Secretary, the Treasurer or any other officer, employee or agent of the Corporation as the Board of Directors or appropriate committee of the Board may authorize.

SECTION 4. Voting of Securities. Unless the Board of Directors otherwise provides, Chairman of the Board, if one is elected, the President, the Chief Executive Officer, the Chief Financial Officer, if one is elected, the Secretary or the Treasurer may waive notice of and act on behalf of the Corporation, or appoint another person or persons to act as proxy or attorney in fact for the Corporation with or without discretionary power and/or power of substitution, at any meeting of stockholders or shareholders of any other corporation or organization, any of whose securities are held by the Corporation. The power so conferred upon such officers or other persons shall include, without limitation, the voting of any securities of any other entity held by the Corporation, including executing and delivery written consents with respect to such securities.

SECTION 5. Corporate Records. The original or attested copies of the Certificate, Bylaws and records of all meetings of the incorporators, stockholders and the Board of Directors and the stock transfer books, which shall contain the names of all stockholders, their record addresses and the amount of stock held by each, may be kept outside the State of Delaware and shall be kept at the principal office of the Corporation, at an office of its counsel, at an office of its transfer agent or at such other place or places as may be designated from time to time by the Board of Directors.

SECTION 6. Amendment of Bylaws.

(a) Amendment by Directors. Except as provided otherwise by law, these Bylaws may be amended or repealed by the Board of Directors.

(b) Amendment by Stockholders. These Bylaws may be amended or repealed at any Annual Meeting, or special meeting of stockholders called for such purpose in accordance with these By-Laws, by the affirmative vote of holders of at least a majority in voting power of the outstanding shares entitled to vote on such amendment or repeal, voting together as a single class. Notwithstanding the foregoing, stockholder approval shall not be required unless mandated by the Certificate or other applicable law.

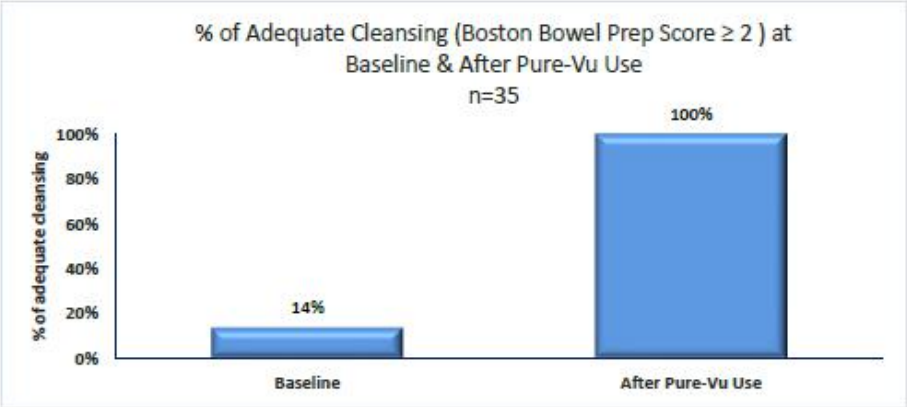
SECTION 7. Notices. If mailed, notice to stockholders shall be deemed given when deposited in the mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the Corporation.

Adopted and effective as of September 20, 2016.

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF DESIGNATION OF "MOTUS GI HOLDINGS, INC.", FILED IN THIS OFFICE ON THE TWENTIETH DAY OF DECEMBER, A.D. 2016, AT 10:11 O`CLOCK A.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE KENT COUNTY RECORDER OF DEEDS.



6157840 8100
SR# 20167167231

Authentication: 203548965
Date: 12-20-16

You may verify this certificate online at corp.delaware.gov/authver.shtml

CERTIFICATE OF DESIGNATION OF PREFERENCES,
RIGHTS AND LIMITATIONS
OF
SERIES A CONVERTIBLE PREFERRED STOCK

OF

MOTUS GI HOLDINGS, INC.

It is hereby certified that:

1. The name of the Company (hereinafter called the "**Company**") is Motus GI Holdings, Inc., a Delaware corporation.

2. The Certificate of Incorporation (the "**Certificate of Incorporation**") of the Company authorizes the issuance of ten million (10,000,000) shares of preferred stock, $0.0001 par value per share, and expressly vests in the Board of Directors of the Company the authority to issue any or all of said shares in one (1) or more series and by resolution or resolutions to establish the designation and number and to fix the relative rights and preferences of each series to be issued.

3. The Board of Directors of the Company, pursuant to the authority expressly vested in it as aforesaid, has adopted the following resolutions creating a Series A issue of Preferred Stock:

RESOLVED, that 2,000,000 of the Ten Million (10,000,000) authorized shares of Preferred Stock of the Company shall be designated Series A Convertible Preferred Stock, $0.0001 par value per share, and shall possess the rights and preferences set forth below:

Section 1. Definitions. For the purposes hereof, the following terms shall have the following meanings:

"**Affiliate**" means any person controlled directly or indirectly through one or more intermediaries, by the Company. A Person shall be regarded as in control of the Company if the Company owns or directly or indirectly controls more than fifty percent (50%) of the voting stock or other ownership interest of the other person, or if it possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such person.

"**Alternate Consideration**" shall have the meaning set forth in Section 7(b).

"**Business Day**" means any day except Saturday, Sunday, and any day which shall be a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close. Whenever any payment or other obligation hereunder shall be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day.

"**Certificate of Designations**" means this Certificate of Designation of Preferences, Rights and Limitations of Series A Convertible Preferred Stock.

"**Common Stock**" means the Company's common stock, par value $0.0001 per share, and stock of any other class of securities into which such securities may hereafter be reclassified or changed into.

"**Common Stock Equivalents**" means any securities of the Company or the subsidiaries of the Company, whether or not vested or otherwise convertible or exercisable into shares of Common Stock at the time of such issuance, which would entitle the holder thereof to acquire at any time Common Stock, including, without limitation, any debt, preferred stock, rights, options, warrants or other instrument that is at any time convertible into or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock, and excluding shares of Common Stock issuable upon conversion of the Series A Convertible Preferred Stock.

"**Company Conversion Notice**" means a notice delivered by the Company to effect a Mandatory Conversion of all the outstanding Series A Convertible Preferred Stock, provided that the effective date of such Mandatory Conversion shall be no less than ten Business Days following delivery of such notice.

"**Conversion Date**" shall have the meaning set forth in Section 6(d).

"**Conversion Price**" means $5.00, subject to adjustment as set forth in Section 7.

"**Conversion Shares**" means the shares of Common Stock issuable upon conversion of the shares of Series A Convertible Preferred Stock in accordance with the terms hereof.

"**Effective Date**" means the date that this Certificate of Designation is filed with the Secretary of State of Delaware.

"**Fundamental Transaction**" shall have the meaning set forth in Section 7(b).

"**Holder**" shall mean the owner of the Series A Convertible Preferred Stock.

"**Junior Securities**" shall be the Common Stock and any other class or series of capital stock of the Company hereafter created which does not expressly rank pari passu with or senior to the Series A Convertible Preferred Stock.

"**Liquidation**" shall have the meaning set forth in Section 5(a).

"**Mandatory Conversion**" shall have the meaning set forth in Section 6(b).

"**Mandatory Conversion Date**" shall have the meaning set forth in Section 6(b).

"**Notice of Conversion**" shall have the meaning set forth in Section 6(d).

"**Person**" means an individual, entity, corporation, partnership, association, limited liability company, limited liability partnership, joint-stock company, trust or unincorporated organization.

"**Preferred Stock**" means the Company's preferred stock, par value $0.0001 per share, and stock of any other class of securities into which such securities may hereafter be reclassified or changed into.

"**Series A Convertible Preferred Stock**" shall have the meaning set forth in Section 2.

"**Stated Value**" means $5.00 per share.

"**Subscription Agreement**" means, with respect to each Holder, the subscription agreement between the Company and the original Holder.

"**Trading Day**" means a day on which any trading market or exchange on which the Common Stock may then trade is open for business.

Section 2. Designation and Authorized Shares. The series of Preferred Stock designated by this Certificate shall be designated as the Company's Series A Convertible Preferred Stock (the "**Series A Convertible Preferred Stock**") and the number of shares so designated shall be 2,000,000, provided, however, the Company may increase the number of shares of Series A Convertible Preferred Stock that has been designated solely by action of the Company's Board of Directors and no further consent of the Holders is required. So long as any of the Series A Convertible Preferred Stock are issued and outstanding, the Company shall not issue any shares of its preferred stock that are senior to the Series A Convertible Preferred Stock in Liquidation without the approval of the Holders of a majority of the issued and outstanding shares of Series A Convertible Preferred Stock. The Series A Convertible Preferred Stock shall not be redeemed for cash and under no circumstances shall the Company be required to net cash settle the Series A Convertible Preferred Stock.

Section 3. Dividends. The Holders of the Series A Convertible Preferred Stock will not be entitled to receive dividends.

Section 4. Voting Rights. On any matter presented to the stockholders of the Company for their action or consideration at any meeting of stockholders of the Company (or by written consent of stockholders in lieu of meeting), each Holder of outstanding shares of Series A Convertible Preferred Stock shall be entitled to cast the number of votes equal to the number of whole shares of Common Stock into which the shares of Series A Convertible Preferred Stock held by such Holder are convertible as of the record date for determining stockholders entitled to vote on such matter. Except as provided by law or by the other provisions of the Certificate of Incorporation, Holders of Series A Convertible Preferred Stock shall vote together with the holders of Common Stock as a single class. The Holders shall be entitled to the same notice of any regular or special meeting of the stockholders as may or shall be given to holders of Common Stock entitled to vote at such meetings. As long as any shares of Series A Convertible Preferred Stock are outstanding, the Company may not, without the affirmative vote of the Holders of the majority of the then outstanding shares of the Series A Convertible Preferred Stock, amend, alter or repeal any provision of this Certificate of Designations in a manner that adversely affects the powers, preferences or rights of the Series A Convertible Preferred Stock, or issue, or obligate itself to issue shares of, any additional class or series of capital stock unless the same ranks junior to the Series A Convertible Preferred Stock with respect to the distribution of assets on Liquidation.

Section 5. Liquidation.

(a) The Series A Convertible Preferred Stock shall with respect to distributions of assets and rights upon the occurrence of a Liquidation, rank (i) senior to the Junior Securities of the Company and (ii) senior to each other class of series of capital stock of the Company hereafter created which does not expressly rank pari passu with or senior to the Series A Convertible Preferred Stock. Upon any liquidation, dissolution or winding-up of the Company ("**Liquidation**"), the Holders of Series A Convertible Preferred Stock will be entitled to be paid for each share of Series A Convertible Preferred Stock held thereby, out of, but only to the extent the assets of the Company are legally available for distribution to its stockholders, an amount equal to the Stated Value per share (as adjusted for stock splits, stock dividends, combinations or other recapitalizations of the Series A Convertible Preferred Stock), plus any accrued but unpaid dividends before any distribution or payment may be made to the holders of any Junior Securities. If the assets of the Company available for distribution to holders of Series A Convertible Preferred Stock shall be insufficient to permit payment in full to such holders of the sums which such holders are entitled to receive in such case, then all of the assets available for distribution to holders of the Series A Convertible Preferred Stock shall be distributed among and paid to such holders ratably in proportion to the amounts that would be payable to such holders if such assets were sufficient to permit payment in full.

(b) After the Holders of all series of Series A Convertible Preferred Stock shall have been paid in full the amounts to which they are entitled in paragraph 5(a), the remaining assets of the Company available for distribution to its stockholders shall be distributed among the Holders of the shares of Series A Convertible Preferred Stock and Common Stock, pro rata based on the number of shares held by each such holder, treating for this purpose all such Series A Convertible Preferred Stock as if it had been converted to Common Stock pursuant to the terms of the Certificate of Designations immediately prior to such Liquidation.

Section 6. Conversion.

(a) Conversions at Option of Holder. Each share of Series A Convertible Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and non-assessable shares of Common Stock as is determined by dividing the Stated Value by the Conversion Price in effect on the Conversion Date.

(b) Mandatory Conversion. On the sooner to occur of (i) three years from the Effective Date or (ii) the effective date set forth in the Company Conversion Notice (each of the foregoing, a "**Mandatory Conversion Date**"), each outstanding share of Series A Convertible Preferred Stock will automatically convert into such number of fully paid and non-assessable shares of Common Stock as is determined by dividing the Stated Value by the Conversion Price in effect on the Mandatory Conversion Date (a "**Mandatory Conversion**"). Within three Trading Days of (i) the Mandatory Conversion Date, if the shares of Series A Convertible Preferred Stock are uncertificated, or (ii) such Holder's surrender of the certificate representing the Series A Convertible Preferred Stock (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and an indemnity bond in a form acceptable to the Company's transfer agent, or if the Company acts as its own transfer agent, an agreement reasonably acceptable to the Company to indemnify the Company against any claim that may be made against the Company on account of the alleged loss, theft or destruction of such certificate), the Company shall deliver to each Holder the Conversion Shares issuable upon conversion of such Holder's Series A Convertible Preferred Stock, provided that, any failure by the Holder to return a certificate for Series A Convertible Preferred Stock will have no effect on the Mandatory Conversion pursuant to this Section 6(b), which Mandatory Conversion will be deemed to occur on the Mandatory Conversion Date.

(c) Conversion Shares. The number of Conversion Shares which the Company shall issue upon conversion of the Series A Convertible Preferred Stock (whether pursuant to Section 6(a) or 6(b)) will be equal to the number of shares of Series A Convertible Preferred Stock to be converted, multiplied by the Stated Value, divided by the Conversion Price in effect at the time of the conversion.

(d) Mechanics of Conversion

(i) Notice of Conversion at the Option of Holder. In order for a Holder of Series A Convertible Preferred Stock to voluntarily convert shares of Series A Convertible Preferred Stock into shares of Common Stock, such holder shall (a) provide written notice ("**Notice of Conversion**") to the Company's transfer agent at the office of the transfer agent for the Series A Convertible Preferred Stock (or at the principal office of the Company if the Company serves as its own transfer agent) that such Holder elects to convert all or any number of such holder's shares of Series A Convertible Preferred Stock and (b), if such Holder's shares are certificated, surrender the certificate or certificates for such shares of Series A Convertible Preferred Stock (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and an indemnity bond in a form acceptable to the Company's transfer agent, or if the Company acts as its own transfer agent, an agreement reasonably acceptable to the Company to indemnify the Company against any claim that may be made against the Company on account of the alleged loss, theft or destruction of such certificate), at the office of the transfer agent for the Series A Convertible Preferred Stock (or at the principal office of the Company if the Company serves as its own transfer agent). Such notice shall state such Holder's name or the names of the nominees in which such Holder wishes the shares of Common Stock to be issued. If required by the Company, any certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Company, duly executed by the registered holder or his, her or its attorney duly authorized in writing. The close of business on the date of receipt by the transfer agent (or by the Company if the Company serves as its own transfer agent) of such notice and, if applicable, certificates (or lost certificate affidavit and agreement) shall be the date of conversion (the "**Conversion Date**"), and the Conversion Shares, if any, issuable upon conversion of the specified shares shall be deemed to be outstanding of record as of such date.

(e) Delivery of Certificate Upon Conversion. Not later than three Trading Days after each Conversion Date, the Company shall issue and deliver to such holder of Series A Convertible Preferred Stock, or to his, her or its nominees, a certificate or certificates for the number of full shares of Conversion Shares, if any, issuable upon such conversion in accordance with the provisions hereof and a certificate for the number (if any) of the shares of Series A Convertible Preferred Stock represented by the surrendered certificate that were not converted into Common Stock. If in the case of any Notice of Conversion such certificate or certificates are not delivered to or as directed by the applicable Holder by the third Trading Day after the Conversion Date, the applicable Holder shall be entitled to pursue such legal remedies for the default as may be available.

(i) Reservation of Shares Issuable Upon Conversion. The Company covenants that it will at all times reserve and keep available out of its authorized and unissued shares of Common Stock for the sole purpose of issuance upon conversion of the Series A Convertible Preferred Stock, free from preemptive rights or any other actual contingent purchase rights of Persons other than the Holders of the Series A Convertible Preferred Stock, not less than such aggregate number of shares of the Common Stock as are issuable upon the conversion of all outstanding shares of Series A Convertible Preferred Stock.

(ii) Fractional Shares. No fractional shares or scrip representing fractional shares shall be issued upon the conversion of or as dividends on the Series A Convertible Preferred Stock. As to any fraction of a share which a Holder would otherwise be entitled to purchase or be issued upon such conversion, the Company shall round up to the next whole share of Common Stock.

Section 7. Certain Adjustments.

(a) Stock Dividends and Stock Splits. If the Company, at any time while the Series A Convertible Preferred Stock is outstanding: (A) pays a stock dividend or otherwise makes a distribution or distributions payable in shares of Common Stock on shares of Common Stock or any other Common Stock Equivalents (which, for avoidance of doubt, will not include any shares of Common Stock issued by the Company upon conversion of this Series A Convertible Preferred Stock); (B) subdivides outstanding shares of Common Stock into a larger number of shares; (C) combines (including by way of a reverse stock split) outstanding shares of Common Stock into a smaller number of shares; or (D) issues, in the event of a reclassification of shares of the Common Stock, any shares of capital stock of the Company, then the Conversion Price will be multiplied by a fraction of which the numerator will be the number of shares of Common Stock (excluding any treasury shares of the Company) outstanding immediately before such event and of which the denominator will be the number of shares of Common Stock, or in the event that clause (D) of this Section 7(a) will apply shares of reclassified capital stock, outstanding immediately after such event. Any adjustment made pursuant to this Section 7(a) will become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and will become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

(b) Fundamental Transaction. If, at any time while the Series A Convertible Preferred Stock is outstanding, (A) the Company effects any merger or consolidation of the Company with or into another Person, (B) the Company effects any sale of all or substantially all of its assets in one transaction or a series of related transactions, or (C) the Company effects any reclassification of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property (in any such case, a "**Fundamental Transaction**"), then, upon any subsequent conversion of the Series A Convertible Preferred Stock, the Holders shall have the right to receive, for each Conversion Share that would have been issuable upon such conversion immediately prior to the occurrence of such Fundamental Transaction, the same kind and amount of securities, cash or property as it would have been entitled to receive upon the occurrence of such Fundamental Transaction if it had been, immediately prior to such Fundamental Transaction, the holder of one share of Common Stock (the "**Alternate Consideration**"). For purposes of any such conversion, the determination of the Conversion Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall adjust the Conversion Price in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holders shall be given the same choice as to the Alternate Consideration they receive upon any conversion of the Series A Convertible Preferred Stock following such Fundamental Transaction. To the extent necessary to effectuate the foregoing provisions, any successor to the Company or surviving entity in such Fundamental Transaction shall file a new Certificate of Designation with the same terms and conditions and issue to the Holders new preferred stock consistent with the foregoing provisions and evidencing the Holders' right to convert such preferred stock into Alternate Consideration. The terms of any agreement pursuant to which a Fundamental Transaction is effected shall include terms requiring any such successor or surviving entity to comply with the provisions of this Section 7(b) and insuring that the Series A Convertible Preferred Stock (or any such replacement security) will be similarly adjusted upon any subsequent transaction analogous to a Fundamental Transaction.

(c) Calculations. All calculations under this Section 7 will be made to the nearest cent or the nearest 1/100th of a share, as the case may be.

(d) Notice to the Holders. Whenever the Conversion Price is adjusted pursuant to any provision of this Section 7, the Company shall promptly deliver to each Holder a notice setting forth the Conversion Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment.

Section 8. Royalty Payment Rights. The Holders of the Series A Convertible Preferred Stock have the royalty payment rights (the "**Royalty Payment Rights**"), as set forth in and subject to the terms and conditions in this Certificate of Designations, pursuant to which the Company is required to pay the holder of the Series A Convertible Preferred Stock a royalty. Upon the Mandatory Conversion Date, any Holder of the Series A Convertible Preferred Stock will no longer be entitled to Royalty Payment Rights by virtue of owning shares of Series A Convertible Preferred Stock and instead the Company shall issue to each Holder a Royalty Payment Rights certificate, evidencing such Royalty Payment Rights, which certificate shall contain in all material respects the Royalty Payment Rights set forth herein.

(a) Definitions. For purposes of Section 8, the following terms have the following meanings:

"**First Commercial Sale**" means, on a country by country basis, with respect to a Product, the first *bona fide* sale of such Product to a third party by or on behalf of the Company or its Affiliates in a country after Regulatory Approval has been achieved for such Product in such country. For greater certainty, sales for test marketing, sampling and promotional uses, clinical trial purposes or compassionate or similar use shall not be considered to constitute a First Commercial Sale, so long as the Product is provided free of charge, or at or below cost.

"**Investor**" mean the holder of Participating Royalty Interests.

"**Licensing Proceeds**" means all cash received by the Company and its Affiliates from third party licensees or partners with respect to licensing or partnering arrangements with respect to a Product, including, without limitation, (i) royalties based on sales of Products by third party licensees or their sublicensees; (ii) any licensing fees (including, without limitation, upfront fees) for rights to develop or commercialize Products, or other payments in connection with the licensing of rights with respect to Products; (iii) milestone payments (including without limitation, those based on development, regulatory or commercialization milestones for Products); and (iv) research and development funding.

"**Net Sales**" means for any period, the gross amount invoiced by the Company and its Affiliates for the sale of Products, (including, without limitation, third party agents, distributors and wholesalers), less the total of the following, to the extent applicable:

(i) trade, cash and/or quantity discounts not already reflected in the amount invoiced;

(ii) all excise, sales and other consumption taxes (including VAT) and custom duties, whether or not specifically identified as such in the invoice to the third party;

(iii) freight, distribution, insurance and other transportation charges, whether or not specifically identified as such in the invoice to the third party;

(iv) amounts repaid or credited by reason of rejections, defects or returns or because of chargebacks, retroactive price reductions, refunds or billing errors;

(v) any royalty amounts or license fees payable by the Company to a non-Affiliate third party for access to, or licensing in of, such non-Affiliate third party's intellectual property rights for use or exploitation of the Products; and

(vi) rebates and similar payments made with respect to sales paid for or reimbursed by any governmental or regulatory authority such as, by way of illustration, United States Federal or state Medicaid, Medicare or similar state program or equivalent foreign governmental program.

For purposes of determining Net Sales, "sale" will not include transfers or dispositions for charitable, promotional, pre-clinical, clinical, regulatory or governmental purposes. "Net Sales" also excludes all Licensing Proceeds received by the Company and its Affiliates from third party licensees to the extent that a royalty payment has otherwise been made with respect to such Licensing Proceeds.

"**Participating Royalty Interests**" shall mean (i) for each Holder the number of shares of Series A Convertible Preferred Stock held on the applicable Record Date, and (ii) for all Holders in the aggregate the number of shares of Series A Convertible Preferred Stock held by all Holders on the applicable Record Date.

"Patent" shall mean all national, regional, and international (a) issued patents, including without limitation utility patents, design patents, and utility models; (b) pending patent applications (whether provisional or non-provisional); (c) divisionals, continuations, continuations-in-part, substitutions, reissues, reexaminations, extensions, or restorations of any of the foregoing, and patents resulting from any opposition or post-grant proceedings, including without limitation post-grant review, covered business method patent review, inter partes review, and derivation proceedings; and (d) any other forms of governmental authority issued rights substantially similar to any of the foregoing.

"**Private Placement Offering**" means only that private placement offering of Units conducted pursuant to the Confidential Private Placement Memorandum of the Company, dated November 30, 2016.

"**Product**" means either (i) the Pure-Vu system, including disposables, parts, and services or (ii) any other system or device that is covered by a Patent issued to or issuable to the Company as of the Effective Date.

"**Record Date**" means the third Business Day prior to the applicable date, as determined in Section 8(c), on which a Royalty Amount is payable by the Company.

"**Regulatory Approval**" means the approval of the Company's Pure-Vu system product candidate by the U.S. Food and Drug Administration or the European Medicines Agency.

"**Royalty Amount**" shall have the meaning set forth in Section 8(b).

"**Royalty Amount Per Share**" shall be expressed as a dollar amount and shall be equal to the Royalty Amount divided by the aggregate Participating Royalty Interests on the applicable Record Date.

"**Royalty Term**" means, with respect to each Product, on a country by country basis in each country, commencing on the First Commercial Sale of the Product, if the Company is commercializing the Product directly, or the date the Company enters into a licensing agreement or partnering agreement for such Product until the last of:

(i) the expiration of the last to expire of the Valid Claims covering such Product in such country; or

(ii) the expiration of any regulatory exclusivity period covering such Product in such country.

For clarity, by way of example, the Royalty Term in the United States extends to October 2026 as of the Effective Date of this Certificate of Designation, which period may be altered by the prosecution of the Company's patent claims and new patent filings from time-to-time.

"**Units**" means the units consisting of (i) three-quarter (3/4) of a share of Common Stock, and (ii) one-quarter (1/4) a share of Series A Convertible Preferred Stock offered pursuant to the Private Placement Offering.

"**Valid Claim**" means a claim (i) of an issued and unexpired United States Patent that has not been revoked or held permanently unenforceable or invalid by a decision of a court or other governmental agency of competent jurisdiction, unappealable or unappealed within the time allowed for appeal, and which has not been admitted to be invalid or unenforceable through re-issue or disclaimer or otherwise, or (ii) of any patent application included that has not been cancelled, withdrawn or abandoned or been pending for more than six (6) years.

(b) Royalties. During the Royalty Term, the Company will pay to the Holders, with the allocation between Holders determined as set forth in Section 8(e), in aggregate, a royalty in an amount (referred to as the "**Royalty Amount**") equal to:

Company Commercializes Product Directly	**The Rights to Commercialize the Product is Sublicensed by Company to a third-party**
3.0% of Net Sales, subject in all cases for all Products in any calendar year equal to the total dollar amount of Units closed on in the Private Placement Offering.	5.0% of any Licensing Proceeds, subject in all cases for all Products in any calendar year equal to the total dollar amount of Units closed on in the Private Placement Offering.

(c) Timing of Royalty Payments. With respect to Products that the Company commercializes directly, royalty payments, if any, will be paid annually 15 business days after the issuance of the Company's audited financial statements for the prior year. With respect to Products that the Company sublicenses or otherwise disposes of to a third-party, royalty payments, if any, will be paid 10 business days after the end of the applicable quarter in which such Licensing Proceeds were received by the Company. However, all royalty payments shall be accrued by the Company until 15 business days after the issuance of the Company's audited financial statements for the earlier of (i) the calendar year in which Net Sales exceed $15 million or Licensing Proceeds exceed $2.5 million, or (ii) the year ended December 31, 2019, at which time all accrued royalties shall be paid in a lump sum along with the regular royalty payments and subsequent royalty payments will be made irrespective of the amount of annual Net Sales or Licensing Proceeds.

(d) Vesting. The shares of Series A Convertible Preferred Stock will be immediately vested upon issuance. If a Holder elects to convert all of its Series A Convertible Preferred Stock into Common Stock, pursuant to Section 6(a) herein, prior to the Mandatory Conversion Date, the Holder will forfeit any and all rights to future Royalty Payment Rights, if any. If a Holder elects to convert a portion but not all of its Series A Convertible Preferred Stock into Common Stock at any time prior to the Mandatory Conversion Date, such Holder will forfeit any rights to future Royalty Payment Rights, if any, with respect to such converted shares.

(e) Allocation of Royalty Payment. Once the Royalty Amount has been calculated as set forth in Section 8(b), the Royalty payable to each Investor shall be calculated as follows:

(i) Prior to the three year anniversary of the Effective Date, the Royalty payable to each Investor will be equal to the Royalty Amount Per Share *multiplied by* the number of Participating Royalty Interests held by Investor on the applicable Record Date

(ii) On or after the three year anniversary of the Effective Date, the Royalty payable to each Investor will be calculated by multiplying the Royalty Amount by the percentage set forth in each Investor's Royalty Payment Rights certificate. The percentage set forth in each Royalty Payment Rights certificate will be calculated as follows:

Number of Participating Royalty Interests Held by Investor after the three year anniversary of the Effective Date
Total Participating Royalty Interests after the three year anniversary of the Effective Date

(f) Separability/Effect of Transfer. The Royalty Payment Rights may not be transferred separate from the shares of Series A Convertible Preferred Stock until after the three year anniversary of the Effective Date. Upon the three year anniversary of the Effective Date, the Company will issue a certificate representing the Royalty Payment Rights to each Holder of shares of Series A Convertible Preferred Stock at such date. Such Royalty Payment Rights certificate shall set forth the applicable percentage of any Royalty Amounts payable by the Company on or after the date of issuance of such Royalty Payment Rights certificate and the other applicable terms for such Royalty Payment Rights. Following the issuance of Royalty Payment Rights certificate, the Holders of shares of Series A Convertible Preferred Stock will not have any Royalty Payment Rights resulting from their ownership of such shares of Series A Convertible Preferred Stock and the Royalty Payment Rights shall soley be evidenced by the Royalty Payment Rights certificate and may be transferred, subject to the availability of an exemption from registration under applicable state and federal securities laws, separately from the shares of Series A Convertible Preferred Stock. For all transfers made prior to the three year anniversary of the Effective Date, the Royalty Payment Rights will follow any transfer of the shares of Series A Convertible Preferred Stock. If a Holder transfers any of its shares of Series A Convertible Preferred Stock prior to the three year anniversary of the Effective Date, the transferee of such shares will have thereafter the Royalty Payment Rights related to the shares of Series A Convertible Preferred Stock it receives, and the transferring Holder will thereafter no longer have any Royalty Payment Rights in respect of the shares of Series A Convertible Preferred Stock it transferred.

(g) Unsecured Obligations. The Royalty Payment Rights are unsecured obligations of the Company.

(h) Amendments, Modifications and Waivers. Prior to the Mandatory Conversion Date, all modifications, amendments or waivers to the Royalty Payment Rights shall require the written consent of the Company and the Holders of the majority of the then outstanding shares of Series A Convertible Preferred Stock. Following the issuance of the Royalty Payment Rights certificate, all modifications, amendments or waivers to the Royalty Payment Rights shall require the written consent of the Company and the holders of Royalty Payment Rights certificates representing, in the aggregate, the right to receive at least 50% of any Royalty Amount payable by the Company.

Section 9. Miscellaneous.

(a) Notices. Any and all notices or other communications or deliveries to be provided by the Holders hereunder including, without limitation, any Notice of Conversion, shall be in writing and delivered personally, by facsimile, by e-mail, or sent by a nationally recognized overnight courier service, addressed to the Company, at the address set forth in the Subscription Agreement or address as the Company may specify for such purposes by notice to the Holders delivered in accordance with this Section. Any and all notices or other communications or deliveries to be provided by the Company hereunder shall be in writing and delivered personally or sent by a nationally recognized overnight courier service, or by facsimile or e-mail, addressed to each Holder at the address of such Holder such forth in the Subscription Agreement or appearing on the books of the Company, or if no such address appears in the Subscription Agreement or on the books of the Company, at the principal place of business of the Holder. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of the Business Day following the date of mailing, if sent by nationally recognized overnight courier service, or upon actual receipt by the party

(b) Lost or Mutilated Series A Convertible Preferred Stock Certificate . If a Holder alleges that such Holder's Series A Convertible Preferred Stock certificate has been lost, stolen or destroyed, the Company will only be obligated to issue a replacement certificate if the Holder delivers to the transfer agent, or the Company, as applicable: (i) a lost certificate affidavit; (ii) an indemnity bond in a form acceptable to the Company's transfer agent, or if the Company acts as its own transfer agent, an agreement reasonably acceptable to the Company to indemnify the Company against any claim that may be made against the Company on account of the alleged loss, theft or destruction of such certificate; and (iii) any other documentation that the transfer agent or the Company, if the Company acts as its own transfer agent, may reasonably require.

(c) Waiver. Any waiver by the Company or a Holder of a breach of any provision of this Certificate of Designation shall not operate as or be construed to be a waiver of any other breach of such provision or of any breach of any other provision of this Certificate of Designation or a waiver by any other Holders. The failure of the Company or a Holder to insist upon strict adherence to any term of this Certificate of Designation on one or more occasions shall not be considered a waiver or deprive that party (or any other Holder) of the right thereafter to insist upon strict adherence to that term or any other term of this Certificate of Designation. Any waiver by the Company or a Holder must be in writing.

(d) Severability. If any provision of this Certificate of Designation is invalid, illegal or unenforceable, the balance of this Certificate of Designation shall remain in effect, and if any provision is inapplicable to any Person or circumstance, it shall nevertheless remain applicable to all other Persons and circumstances. If it shall be found that any dividend or other amount deemed interest due hereunder violates the applicable law governing usury, the applicable rate of interest due hereunder shall automatically be lowered to equal the maximum rate of interest permitted under applicable law.

(e) Status of Converted Series A Convertible Preferred Stock . If any shares of Series A Convertible Preferred Stock shall be converted or reacquired by the Company, such shares shall resume the status of authorized but unissued Series A Convertible Preferred Stock.

(f) Assignment. The holders of the Series A Convertible Preferred Stock may not assign, transfer or sell the Series A Convertible Preferred Stock held by such holder or the rights under this Certificate of Designation without the prior written consent of the Company which shall not be unreasonably withheld.

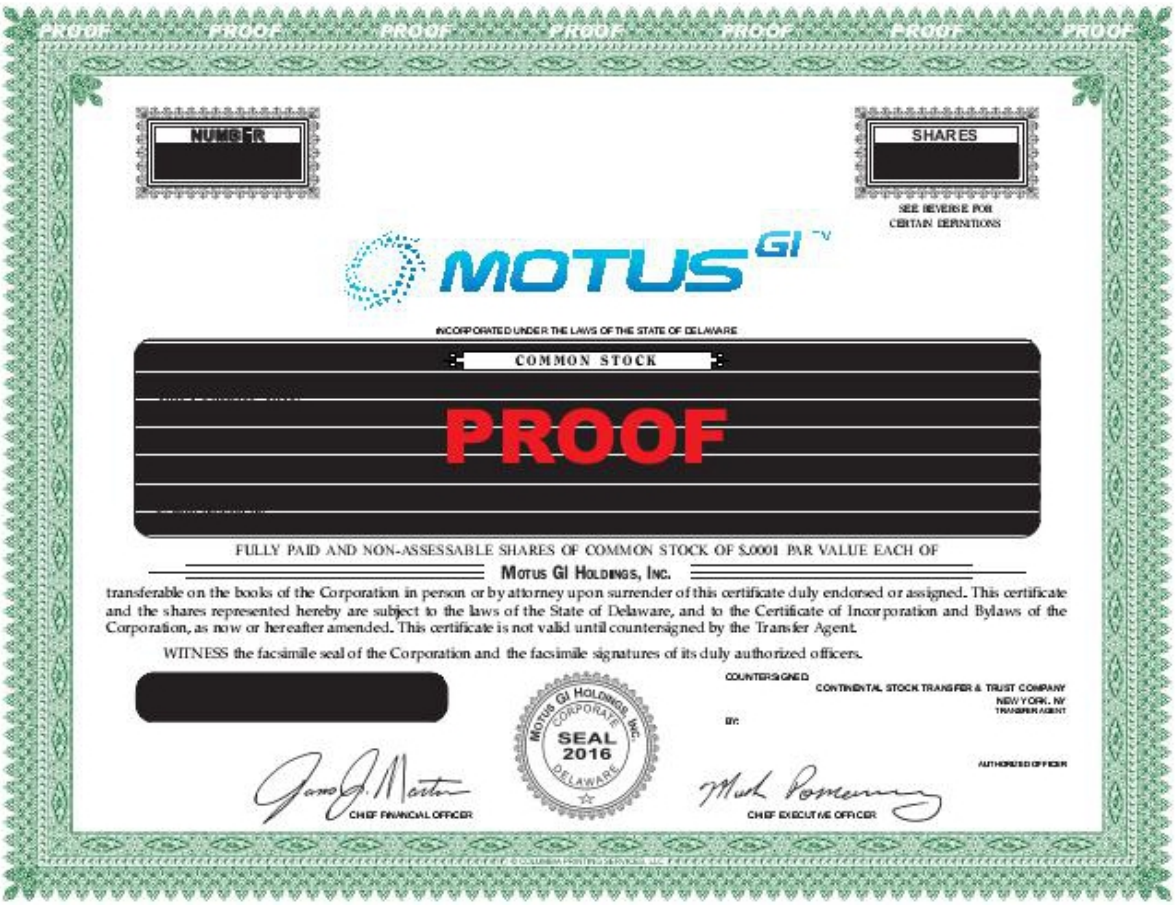
[Signature page follows.]

IN WITNESS WHEREOF, this Certificate of Designation has been executed by a duly authorized officer of the Company as of this 20th day of December, 2016.

/s/ Todd Van Emburgh

Name: Todd Van Emburgh

Title: President


PROOF
NUMBER
SHARES
SEE REVERSE FOR CERTAIN DEFINITIONS
MOTUS GI
INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE
COMMON STOCK
PROOF
FULLY PAID AND NON-ASSESSABLE SHARES OF COMMON STOCK OF $.0001 PAR VALUE EACH OF
MOTUS GI HOLDINGS, INC.
transferable on the books of the Corporation in person or by attorney upon surrender of this certificate duly endorsed or assigned. This certificate and the shares represented hereby are subject to the laws of the State of Delaware, and to the Certificate of Incorporation and Bylaws of the Corporation, as now or hereafter amended. This certificate is not valid until countersigned by the Transfer Agent.
WITNESS the facsimile seal of the Corporation and the facsimile signatures of its duly authorized officers.
MOTUS GI HOLDINGS, INC. CORPORATE SEAL 2016 DELAWARE
COUNTERSIGNED
CONTINENTAL STOCK TRANSFER & TRUST COMPANY
NEW YORK, NY
TRANSFER AGENT
BY:
AUTHORIZED OFFICER
CHIEF FINANCIAL OFFICER
CHIEF EXECUTIVE OFFICER

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	*- as tenants in common*	*UNIF GIFT MIN ACT - .....Custodian..... (Cust) (Minor)*
TEN ENT	*- as tenants by the entireties*	*under Uniform Gifts to Minors*
JT TEN	*- as joint tenants with right of survivorship and not as tenants in common*	*Act ..... (State)*

Additional abbreviations may also be used though not in the above list.

For Value Received, _____ *hereby sell, assign and transfer unto*

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

_____

(PLEASE PRINT OR TYPE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

_____

_____

_____ *Shares of the stock represented by the within Certificate, and do hereby irrevocably constitute and appoint*

_____ *Attorney to transfer the said stock on the books of the within named Corporation with full power of substitution in the premises.*

Dated _____

_____

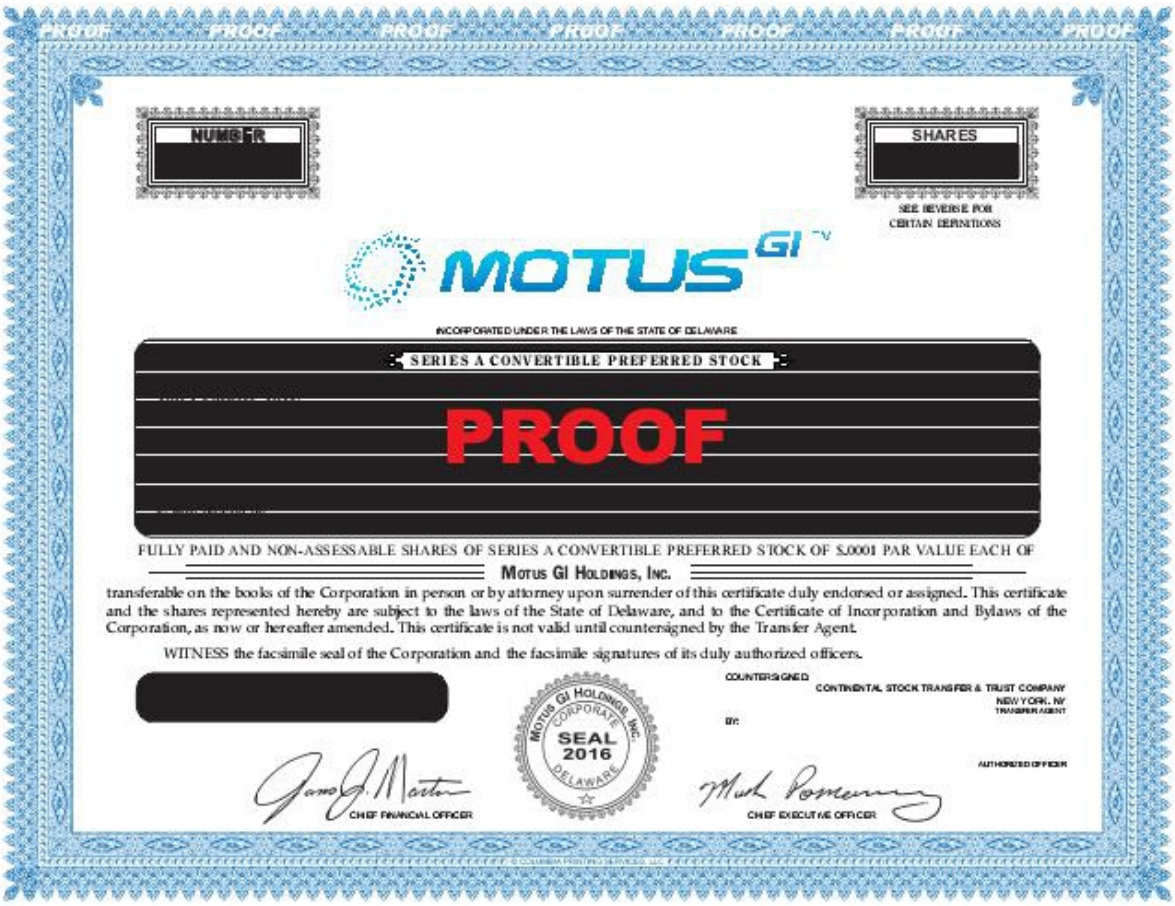
NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER.

Signature(s) Guaranteed

By _____

The Signature(s) must be guaranteed by an eligible guarantor institution (Banks, Stockbrokers, Savings and Loan Associations and Credit Unions with membership in an approved Signature Guarantee Medallion Program), pursuant to SEC Rule 17Ad-15.

THE CORPORATION WILL FURNISH TO ANY STOCKHOLDER, UPON REQUEST AND WITHOUT CHARGE, A FULL STATEMENT OF THE DESIGNATIONS, RELATIVE RIGHTS, PREFERENCES AND LIMITATIONS OF THE SHARES OF EACH CLASS AND SERIES AUTHORIZED TO BE ISSUED, SO FAR AS THE SAME HAVE BEEN DETERMINED, AND OF THE AUTHORITY, IF ANY, OF THE BOARD TO DIVIDE THE SHARES INTO CLASSES OR SERIES AND TO DETERMINE AND CHANGE THE RELATIVE RIGHTS, PREFERENCES AND LIMITATIONS OF ANY CLASS OR SERIES. SUCH REQUEST MAY BE MADE TO THE SECRETARY OF THE CORPORATION OR TO THE TRANSFER AGENT NAMED ON THIS CERTIFICATE.


PROOF
NUMBER
SHARES
SEE REVERSE FOR CERTAIN DEFINITIONS
MOTUS GI
INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE
SERIES A CONVERTIBLE PREFERRED STOCK
PROOF
FULLY PAID AND NON-ASSESSABLE SHARES OF SERIES A CONVERTIBLE PREFERRED STOCK OF $.0001 PAR VALUE EACH OF
MOTUS GI HOLDINGS, INC.
transferable on the books of the Corporation in person or by attorney upon surrender of this certificate duly endorsed or assigned. This certificate and the shares represented hereby are subject to the laws of the State of Delaware, and to the Certificate of Incorporation and Bylaws of the Corporation, as now or hereafter amended. This certificate is not valid until countersigned by the Transfer Agent.
WITNESS the facsimile seal of the Corporation and the facsimile signatures of its duly authorized officers.
COUNTERSIGNED
CONTINENTAL STOCK TRANSFER & TRUST COMPANY
NEW YORK, NY
TRANSFER AGENT
BY:
AUTHORIZED OFFICER
MOTUS GI HOLDINGS, INC.
CORPORATE
SEAL
2016
DELAWARE
CHIEF FINANCIAL OFFICER
CHIEF EXECUTIVE OFFICER

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	- *as tenants in common*	*UNIF GIFT MIN ACT* -	..... *Custodian* .....
TEN ENT	- *as tenants by the entireties*		*(Cust)* *(Minor)*
JT TEN	- *as joint tenants with right of survivorship and not as tenants in common*		*under Uniform Gifts to Minors Act* .....
			(State)

Additional abbreviations may also be used though not in the above list.

For Value Received, _____ *hereby sell, assign and transfer unto*

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

_____

(PLEASE PRINT OR TYPE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

_____

_____

_____ *Shares of the stock represented by the within Certificate, and do hereby irrevocably constitute and appoint*

_____ *Attorney to transfer the said stock on the books of the within named Corporation with full power of substitution in the premises.*

Dated _____

_____

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER.

Signature(s) Guaranteed

By _____

The Signature(s) must be guaranteed by an eligible guarantor institution (Banks, Stockbrokers, Savings and Loan Associations and Credit Unions with membership in an approved Signature Guarantee Medallion Program), pursuant to SEC Rule 17Ad-15.

THE CORPORATION WILL FURNISH TO ANY STOCKHOLDER, UPON REQUEST AND WITHOUT CHARGE, A FULL STATEMENT OF THE DESIGNATIONS, RELATIVE RIGHTS, PREFERENCES AND LIMITATIONS OF THE SHARES OF EACH CLASS AND SERIES AUTHORIZED TO BE ISSUED, SO FAR AS THE SAME HAVE BEEN DETERMINED, AND OF THE AUTHORITY, IF ANY, OF THE BOARD TO DIVIDE THE SHARES INTO CLASSES OR SERIES AND TO DETERMINE AND CHANGE THE RELATIVE RIGHTS, PREFERENCES AND LIMITATIONS OF ANY CLASS OR SERIES. SUCH REQUEST MAY BE MADE TO THE SECRETARY OF THE CORPORATION OR TO THE TRANSFER AGENT NAMED ON THIS CERTIFICATE.

Warrant Certificate No. ___

NEITHER THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES ISSUABLE UPON THE EXERCISE OF THIS WARRANT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY STATE SECURITIES LAWS, AND NEITHER SUCH SECURITIES NOR ANY INTEREST THEREIN MAY BE OFFERED, SOLD, ASSIGNED OR OTHERWISE TRANSFERRED UNLESS (1) A REGISTRATION STATEMENT WITH RESPECT THERETO IS EFFECTIVE UNDER THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR (2) AN EXEMPTION FROM SUCH REGISTRATION EXISTS AND THE COMPANY RECEIVES AN OPINION OF COUNSEL TO THE HOLDER OF SUCH SECURITIES, WHICH COUNSEL AND OPINION ARE SATISFACTORY TO THE COMPANY, THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED, ASSIGNED OR TRANSFERRED IN THE MANNER CONTEMPLATED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR APPLICABLE STATE SECURITIES LAWS.

Effective Date: [ ], 2016 Void After: [ ], 2021

MOTUS GI HOLDINGS, INC.

REPLACEMENT WARRANT TO PURCHASE COMMON STOCK

Motus GI Holdings, Inc., a Delaware corporation (the "**Company**"), for value received on [ ], 2016 (the "**Effective Date**"), hereby issues to **[ ]** (the "**Holder**" or "**Warrant Holder**") this Replacement Warrant (the "**Warrant**") to purchase, **[ ]** shares (each such share as from time to time adjusted as hereinafter provided being a "**Warrant Share**" and all such shares being the "**Warrant Shares**") of the Company's Common Stock (as defined below), at the Exercise Price (as defined below), as adjusted from time to time as provided herein, on or before [ ], 2021 [**5 year anniversary of first closing**] (the "**Expiration Date**"), all subject to the following terms and conditions. This Warrant is one of a series of warrants of like tenor that have been issued in connection with that certain Share Exchange Agreement, dated December 1, 2016 (the "**Exchange Agreement**"), by and among the Company, Motus GI Medical Technologies Ltd., an Israeli Corporation ("Motus"), the stockholders of Motus, Orchestra Medical Ventures II, L.P., as Stockholder Representative, and Altshuler Shaham Trusts Ltd, as ESOP Trustee, and that certain Convertible Notes Agreement, dated June 9, 2015, as amended (the "**Convertible Notes Agreement**") by and among Motus and each Purchaser (as defined in the Convertible Notes Agreement) and Additional Purchaser (as defined in the Convertible Notes Agreement).

As used in this Warrant, (i) "**Business Day**" means any day other than Saturday, Sunday or any other day on which commercial banks in the City of New York, New York, are authorized or required by law or executive order to close; (ii) "**Common Stock**" means the common stock of the Company, par value $0.0001 per share, including any securities issued or issuable with respect thereto or into which or for which such shares may be exchanged for, or converted into, pursuant to any stock dividend, stock split, stock combination, recapitalization, reclassification, reorganization or other similar event; (iii) "**Exercise Price**" means $5.00 per share of Common Stock, subject to adjustment as provided herein; (iv) "**Trading Day**" means any day on which the Common Stock is traded (or available for trading) on its principal trading market; (v) "**Affiliate**" means any person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, a person, as such terms are used and construed in Rule 144 promulgated under the Securities Act of 1933, as amended (the "**Securities Act**") and (vi) "**Warrantholders**" means the holders of Warrants issued pursuant to the Exchange Agreement and the Convertible Notes Agreement.

1. DURATION AND EXERCISE OF WARRANTS

(a) Exercise Period. The Holder may exercise this Warrant in whole or in part on any Business Day on or before 5:00 P.M., Eastern Time, on the Expiration Date, at which time this Warrant shall become void and of no value.

(b) Exercise Procedures.

(i) While this Warrant remains outstanding and exercisable in accordance with Section 1(a), in addition to the manner set forth in Section 1(b)(ii) below, the Holder may exercise this Warrant in whole or in part at any time and from time to time by:

(A) delivery to the Company of a duly executed copy of the Notice of Exercise attached as **Exhibit A**;

(B) surrender of this Warrant to the Secretary of the Company at its principal offices or at such other office or agency as the Company may specify in writing to the Holder; and

(C) payment of the then-applicable Exercise Price per share multiplied by the number of Warrant Shares being purchased upon exercise of the Warrant (such amount, the "**Aggregate Exercise Price**") made in the form of cash, or by certified check, bank draft or money order payable in lawful money of the United States of America or in the form of a Cashless Exercise to the extent permitted in Section 1(b)(ii) below.

(ii) In addition to the provisions of Section 1(b)(i) above, if a registration statement covering the Warrant Shares that are the subject of the Notice of Exercise (the "Unavailable Warrant Shares"), or an exemption from registration, is not available for the resale of such Unavailable Warrant Shares, the Holder may, in its sole discretion, exercise all or any part of the Warrant in a "cashless" or "net-issue" exercise (a "Cashless Exercise") by delivering to the Company (1) the Notice of Exercise and (2) the original Warrant, pursuant to which the Holder shall surrender the right to receive upon exercise of this Warrant, a number of Warrant Shares having a value (as determined below) equal to the Aggregate Exercise Price, in which case, the number of Warrant Shares to be issued to the Holder upon such exercise shall be calculated using the following formula:

$$X = \frac{Y * (A - B)}{A}$$

with:

X = the number of Warrant Shares to be issued to the Holder

Y = the number of Warrant Shares with respect to which the Warrant is being exercised

A = the fair value per share of Common Stock on the date of exercise of this Warrant

B = the then-current Exercise Price of the Warrant

Solely for the purposes of this paragraph, "**fair value**" per share of Common Stock shall mean the average Closing Price (as defined below) per share of Common Stock for the twenty (20) trading days immediately preceding the date on which the Notice of Exercise is deemed to have been sent to the Company. "**Closing Price**" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on the New York Stock Exchange, the NYSE MKT, the NASDAQ Global Select Market, the NASDAQ Global Market or the NASDAQ Capital Market or any other national securities exchange, the closing price per share of the Common Stock for such date (or the nearest preceding date) on the primary eligible market or exchange on which the Common Stock is then listed or quoted; (b) if prices for the Common Stock are then quoted on the OTC Bulletin Board or any tier of the OTC Markets, the closing bid price per share of the Common Stock for such date (or the nearest preceding date) so quoted; or (c) if prices for the Common Stock are then reported in the "Pink Sheets" published by the National Quotation Bureau Incorporated (or a similar organization or agency succeeding to its functions of reporting prices), the most recent closing bid price per share of the Common Stock so reported. If the Common Stock is not publicly traded as set forth above, the "fair value" per share of Common Stock shall be reasonably and in good faith determined by the Board of Directors of the Company as of the date which the Notice of Exercise is deemed to have been sent to the Company.

Notwithstanding the foregoing, provided that a registration statement (including any post-effective amendment) covering the resale of the Warrant Shares by the Holder has (x) been declared effective by the SEC and (y) has been effective for an aggregate period of one year, any Cashless Exercise right hereunder shall thereupon terminate.

For purposes of Rule 144 promulgated under the Securities Act, it is intended, understood and acknowledged that the Warrant Shares issued in a cashless exercise transaction shall be deemed to have been acquired by the Holder, and the holding period for such shares shall be deemed to have commenced, on the date this Warrant was originally issued.

(iii) Upon the exercise of this Warrant in compliance with the provisions of this Section 1(b), and except as limited pursuant to the last paragraph of Section 1(b)(ii), the Company shall promptly issue and cause to be delivered to the Holder a certificate for the Warrant Shares purchased by the Holder. Each exercise of this Warrant shall be effective immediately prior to the close of business on the date (the "**Date of Exercise**") that the conditions set forth in Section 1(b) have been satisfied, as the case may be. On the first Business Day following the date on which the Company has received each of the Notice of Exercise and the Aggregate Exercise Price (or notice of a Cashless Exercise in accordance with Section 1(b)(ii)) (the "**Exercise Delivery Documents**"), the Company shall transmit an acknowledgment of receipt of the Exercise Delivery Documents to the Company's transfer agent (the "**Transfer Agent**"). On or before the third Business Day following the date on which the Company has received all of the Exercise Delivery Documents (the "**Share Delivery Date**"), the Company shall (X) provided that the Transfer Agent is participating in The Depository Trust Company (" **DTC**") Fast Automated Securities Transfer Program, upon the request of the Holder, credit such aggregate number of shares of Common Stock to which the Holder is entitled pursuant to such exercise to the Holder's or its designee's balance account with DTC through its Deposit Withdrawal Agent Commission system, or (Y) if the Transfer Agent is not participating in the DTC Fast Automated Securities Transfer Program, issue and dispatch by overnight courier to the address as specified in the Notice of Exercise, a certificate, registered in the Company's share register in the name of the Holder or its designee, for the number of shares of Common Stock to which the Holder is entitled pursuant to such exercise. Upon delivery of the Exercise Delivery Documents, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the certificates evidencing such Warrant Shares.

(iv) If the Company shall fail for any reason or for no reason to issue to the Holder, within three (3) Business Days of receipt of the Exercise Delivery Documents, a certificate for the number of shares of Common Stock to which the Holder is entitled and register such shares of Common Stock on the Company's share register or to credit the Holder's balance account with DTC for such number of shares of Common Stock to which the Holder is entitled upon the Holder's exercise of this Warrant, and if on or after such Business Day the Holder purchases (in an open market transaction or otherwise) shares of Common Stock to deliver in satisfaction of a sale by the Holder of shares of Common Stock issuable upon such exercise that the Holder anticipated receiving from the Company (a "**Buy-In**"), then the Company shall, (A) pay in cash to the Holder the amount, if any, by which (x) the Holder's total purchase price (including brokerage commissions, if any) for the shares of Common Stock so purchased (the "**Buy-In Amount**") plus the amount paid by the Holder to the Company as the exercise price for the Warrant Shares exceeds (y) the amount obtained by multiplying (1) the number of Warrant Shares that the Company was required to deliver to the Holder in connection with the exercise at issue times (2) the price at which the sell order giving rise to such purchase obligation was executed, and (B) at the option of the Holder, either reinstate the portion of the Warrant and equivalent number of Warrant Shares for which such exercise was not honored or deliver to the Holder the number of shares of Common Stock that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder. For example, if the Holder purchases Common Stock having a total purchase price of $11,000 to cover a Buy-In with respect to an attempted exercise of shares of Common Stock, and paid the Company $5,000 as the exercise price, the Holder's cash outlay would be a total of $16,000; and if the aggregate sales price of the shares giving rise to such Buy-In obligation was $10,000, under clause (A) of the immediately preceding sentence the Company shall be required to pay the Holder $6,000. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In and, upon request of the Company, evidence of the amount of such loss. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver certificates representing shares of Common Stock upon exercise of the Warrant as required pursuant to the terms hereof.

(c) Partial Exercise. This Warrant shall be exercisable, either in its entirety or, from time to time, for part only of the number of Warrant Shares referenced by this Warrant. If this Warrant is submitted in connection with any exercise pursuant to Section 1 and the number of Warrant Shares represented by this Warrant submitted for exercise is greater than the actual number of Warrant Shares being acquired upon such an exercise, then the Company shall as soon as practicable and in no event later than five (5) Business Days after any exercise and at its own expense, issue a new Warrant of like tenor representing the right to purchase the number of Warrant Shares purchasable immediately prior to such exercise under this Warrant, less the number of Warrant Shares with respect to which this Warrant is exercised.

(d) Disputes. In the case of a dispute as to the determination of the Exercise Price or the arithmetic calculation of the Warrant Shares, the Company shall promptly issue to the Holder the number of Warrant Shares that are not disputed and resolve such dispute in accordance with Section 16.

2. ISSUANCE OF WARRANT SHARES

(a) The Company covenants that all Warrant Shares will, upon issuance in accordance with the terms of this Warrant, be (i) duly authorized, fully paid and non-assessable, and (ii) free from all liens, charges and security interests, with the exception of claims arising through the acts or omissions of any Holder and except as arising from applicable Federal and state securities laws.

(b) The Company shall register this Warrant upon records to be maintained by the Company for that purpose in the name of the record holder of such Warrant from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner thereof for the purpose of any exercise thereof, any distribution to the Holder thereof and for all other purposes.

(c) The Company will not, by amendment of its certificate of incorporation, by-laws or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but will at all times in good faith assist in the carrying out of all the provisions of this Warrant and in the taking of all action necessary or appropriate in order to protect the rights of the Holder to exercise this Warrant, or against impairment of such rights.

3. ADJUSTMENTS OF EXERCISE PRICE, NUMBER AND TYPE OF WARRANT SHARES

(a) The Exercise Price and the number of shares purchasable upon the exercise of this Warrant shall be subject to adjustment from time to time upon the occurrence of certain events described in this Section 3; provided, that notwithstanding the provisions of this Section 3, the Company shall not be required to make any adjustment if and to the extent that such adjustment would require the Company to issue a number of shares of Common Stock in excess of its authorized but unissued shares of Common Stock, less all amounts of Common Stock that have been reserved for issue upon the conversion of all outstanding securities convertible into shares of Common Stock and the exercise of all outstanding options, warrants and other rights exercisable for shares of Common Stock. If the Company does not have the requisite number of authorized but unissued shares of Common Stock to make any adjustment, the Company shall use its commercially best efforts to obtain the necessary stockholder consent to increase the authorized number of shares of Common Stock to make such an adjustment pursuant to this Section 3.

(i) Subdivision or Combination of Stock. In case the Company shall at any time subdivide (whether by way of stock dividend, stock split or otherwise) its outstanding shares of Common Stock into a greater number of shares, the Exercise Price in effect immediately prior to such subdivision shall be proportionately reduced and the number of Warrant Shares shall be proportionately increased, and conversely, in case the outstanding shares of Common Stock of the Company shall be combined (whether by way of stock combination, reverse stock split or otherwise) into a smaller number of shares, the Exercise Price in effect immediately prior to such combination shall be proportionately increased and the number of Warrant Shares shall be proportionately decreased. The Exercise Price and the Warrant Shares, as so adjusted, shall be readjusted in the same manner upon the happening of any successive event or events described in this Section 3(a)(i).

(ii) Dividends in Stock, Property, Reclassification. If at any time, or from time to time, all of the holders of Common Stock (or any shares of stock or other securities at the time receivable upon the exercise of this Warrant) shall have received or become entitled to receive, without payment therefore:

(A) any shares of stock or other securities that are at any time directly or indirectly convertible into or exchangeable for Common Stock, or any rights or options to subscribe for, purchase or otherwise acquire any of the foregoing by way of dividend or other distribution, or

(B) additional stock or other securities or property (including cash) by way of spin-off, split-up, reclassification, combination of shares or similar corporate rearrangement (other than shares of Common Stock issued as a stock split or adjustments in respect of which shall be covered by the terms of Section 3(a)(i) above),

then and in each such case, the Exercise Price and the number of Warrant Shares to be obtained upon exercise of this Warrant shall be adjusted proportionately, and the Holder hereof shall, upon the exercise of this Warrant, be entitled to receive, in addition to the number of shares of Common Stock receivable thereupon, and without payment of any additional consideration therefor, the amount of stock and other securities and property (including cash in the cases referred to above) that such Holder would hold on the date of such exercise had such Holder been the holder of record of such Common Stock as of the date on which holders of Common Stock received or became entitled to receive such shares or all other additional stock and other securities and property. The Exercise Price and the Warrant Shares, as so adjusted, shall be readjusted in the same manner upon the happening of any successive event or events described in this Section 3(a)(ii).

(iii) Reorganization, Reclassification, Consolidation, Merger or Sale. If any recapitalization, reclassification or reorganization of the capital stock of the Company, or any consolidation or merger of the Company with another corporation, or the sale of all or substantially all of its assets or other transaction shall be effected in such a way that holders of Common Stock shall be entitled to receive stock, securities, or other assets or property (an "**Organic Change**"), then, as a condition of such Organic Change, lawful and adequate provisions shall be made by the Company whereby the Holder hereof shall thereafter have the right to purchase and receive (in lieu of the shares of the Common Stock of the Company immediately theretofore purchasable and receivable upon the exercise of the rights represented by this Warrant) such shares of stock, securities or other assets or property as may be issued or payable with respect to or in exchange for a number of outstanding shares of such Common Stock equal to the number of shares of such stock immediately theretofore purchasable and receivable assuming the full exercise of the rights represented by this Warrant. In the event of any Organic Change, appropriate provision shall be made by the Company with respect to the rights and interests of the Holder of this Warrant to the end that the provisions hereof (including, without limitation, provisions for adjustments of the Exercise Price and of the number of shares purchasable and receivable upon the exercise of this Warrant) shall thereafter be applicable, in relation to any shares of stock, securities or assets thereafter deliverable upon the exercise hereof. The Company will not affect any such consolidation, merger or sale unless, prior to the consummation thereof, the successor corporation (if other than the Company) resulting from such consolidation or merger or the corporation purchasing such assets shall assume by written instrument reasonably satisfactory in form and substance to the Holder executed and mailed or delivered to the registered Holder hereof at the last address of such Holder appearing on the books of the Company, the obligation to deliver to such Holder such shares of stock, securities or assets as, in accordance with the foregoing provisions, such Holder may be entitled to purchase. If there is an Organic Change, then the Company shall cause to be mailed to the Holder at its last address as it shall appear on the books and records of the Company, at least 10 calendar days before the effective date of the Organic Change, a notice stating the date on which such Organic Change is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares for securities, cash, or other property delivered upon such Organic Change; provided, that the failure to mail such notice or any defect therein or in the mailing thereof shall not affect the validity of the corporate action required to be specified in such notice. The Holder is entitled to exercise this Warrant during the 10-day period commencing on the date of such notice to the effective date of the event triggering such notice. In any event, the successor corporation (if other than the Company) resulting from such consolidation or merger or the corporation purchasing such assets shall be deemed to assume such obligation to deliver to such Holder such shares of stock, securities or assets even in the absence of a written instrument assuming such obligation to the extent such assumption occurs by operation of law.

(b) Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment pursuant to this Section 3, the Company at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to each Holder of this Warrant a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall promptly furnish or cause to be furnished to such Holder a like certificate setting forth: (i) such adjustments and readjustments; and (ii) the number of shares and the amount, if any, of other property which at the time would be received upon the exercise of the Warrant.

(c) Certain Events. If any event occurs as to which the other provisions of this Section 3 are not strictly applicable but the lack of any adjustment would not fairly protect the purchase rights of the Holder under this Warrant in accordance with the basic intent and principles of such provisions, or if strictly applicable would not fairly protect the purchase rights of the Holder under this Warrant in accordance with the basic intent and principles of such provisions, then the Company's Board of Directors will, in good faith, make an appropriate adjustment to protect the rights of the Holder; provided, that no such adjustment pursuant to this Section 3(c) will increase the Exercise Price or decrease the number of Warrant Shares as otherwise determined pursuant to this Section 3.

4. [INTENTIONALLY OMITTED]

5. TRANSFERS AND EXCHANGES OF WARRANT AND WARRANT SHARES

(a) Registration of Transfers and Exchanges. Subject to Section 5(c), upon the Holder's surrender of this Warrant, with a duly executed copy of the Form of Assignment attached as **Exhibit B**, to the Secretary of the Company at its principal offices or at such other office or agency as the Company may specify in writing to the Holder, the Company shall register the transfer of all or any portion of this Warrant. Upon such registration of transfer, the Company shall issue a new Warrant, in substantially the form of this Warrant, evidencing the acquisition rights transferred to the transferee and a new Warrant, in similar form, evidencing the remaining acquisition rights not transferred, to the Holder requesting the transfer.

(b) Warrant Exchangeable for Different Denominations. The Holder may exchange this Warrant for a new Warrant or Warrants, in substantially the form of this Warrant, evidencing in the aggregate the right to purchase the number of Warrant Shares which may then be purchased hereunder, each of such new Warrants to be dated the date of such exchange and to represent the right to purchase such number of Warrant Shares as shall be designated by the Holder. The Holder shall surrender this Warrant with duly executed instructions regarding such re-certification of this Warrant to the Secretary of the Company at its principal offices or at such other office or agency as the Company may specify in writing to the Holder.

(c) Restrictions on Transfers. This Warrant may not be transferred at any time without (i) registration under the Securities Act or (ii) an exemption from such registration and a written opinion of legal counsel addressed to the Company that the proposed transfer of the Warrant may be effected without registration under the Securities Act, which opinion will be in form and from counsel reasonably satisfactory to the Company.

(d) Permitted Transfers and Assignments. Notwithstanding any provision to the contrary in this Section 5, the Holder may transfer, with or without consideration, this Warrant or any of the Warrant Shares (or a portion thereof) to the Holder's Affiliates (as such term is defined under Rule 144 of the Securities Act) without obtaining the opinion from counsel that may be required by Section 5(c)(ii), provided, that the Holder delivers to the Company and its counsel certification, documentation, and other assurances reasonably required by the Company's counsel to enable the Company's counsel to render an opinion to the Company's Transfer Agent that such transfer does not violate applicable securities laws.

6. MUTILATED OR MISSING WARRANT CERTIFICATE

If this Warrant is mutilated, lost, stolen or destroyed, upon request by the Holder, the Company will, at its expense, issue, in exchange for and upon cancellation of the mutilated Warrant, or in substitution for the lost, stolen or destroyed Warrant, a new Warrant, in substantially the form of this Warrant, representing the right to acquire the equivalent number of Warrant Shares; provided, that, as a prerequisite to the issuance of a substitute Warrant, the Company may require satisfactory evidence of loss, theft or destruction as well as an indemnity from the Holder of a lost, stolen or destroyed Warrant.

7. PAYMENT OF TAXES

The Company will pay all transfer and stock issuance taxes attributable to the preparation, issuance and delivery of this Warrant and the Warrant Shares (and replacement Warrants) including, without limitation, all documentary and stamp taxes; provided, however, that the Company shall not be required to pay any tax in respect of the transfer of this Warrant, or the issuance or delivery of certificates for Warrant Shares or other securities in respect of the Warrant Shares to any person or entity other than to the Holder.

8. FRACTIONAL WARRANT SHARES

No fractional Warrant Shares shall be issued upon exercise of this Warrant. The Company, in lieu of issuing any fractional Warrant Share, shall round up the number of Warrant Shares issuable to nearest whole share.

9. NO STOCK RIGHTS AND LEGEND

No holder of this Warrant, as such, shall be entitled to vote or be deemed the holder of any other securities of the Company that may at any time be issuable on the exercise hereof, nor shall anything contained herein be construed to confer upon the holder of this Warrant, as such, the rights of a stockholder of the Company or the right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or give or withhold consent to any corporate action or to receive notice of meetings or other actions affecting stockholders (except as provided herein), or to receive dividends or subscription rights or otherwise (except as provide herein).

Each certificate for Warrant Shares initially issued upon the exercise of this Warrant, and each certificate for Warrant Shares issued to any subsequent transferee of any such certificate, shall be stamped or otherwise imprinted with a legend in substantially the following form:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY STATE SECURITIES LAWS, AND NEITHER SUCH SECURITIES NOR ANY INTEREST THEREIN MAY BE OFFERED, SOLD, PLEDGED, ASSIGNED OR OTHERWISE TRANSFERRED UNLESS (1) A REGISTRATION STATEMENT WITH RESPECT THERETO IS EFFECTIVE UNDER THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR (2) AN EXEMPTION FROM SUCH REGISTRATION EXISTS AND THE COMPANY RECEIVES AN OPINION OF COUNSEL TO THE HOLDER OF SUCH SECURITIES, WHICH COUNSEL AND OPINION ARE REASONABLY SATISFACTORY TO THE COMPANY, THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED, ASSIGNED OR TRANSFERRED IN THE MANNER CONTEMPLATED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR APPLICABLE STATE SECURITIES LAWS."

10. NO REGISTRATION RIGHTS

The Holder shall not be entitled to the registration rights.

11. NOTICES

All notices, consents, waivers, and other communications under this Warrant must be in writing and will be deemed given to a party when (a) delivered to the appropriate address by hand or by nationally recognized overnight courier service (costs prepaid); (b) sent by facsimile or e-mail with confirmation of transmission by the transmitting equipment; (c) received or rejected by the addressee, if sent by certified mail, return receipt requested, if to the registered Holder hereof; or (d) seven days after the placement of the notice into the mails (first class postage prepaid), to the Holder at the address, facsimile number, or e-mail address furnished by the registered Holder to the Company from time to time, or if to the Company, to it at 150 Union Square Drive, New Hope, PA 18938, Attn: Mark Pomeranz (or to such other address, facsimile number, or e-mail address as the Holder or the Company as a party may designate by notice the other party).

12. SEVERABILITY

If a court of competent jurisdiction holds any provision of this Warrant invalid or unenforceable, the other provisions of this Warrant will remain in full force and effect. Any provision of this Warrant held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

13. BINDING EFFECT

This Warrant shall be binding upon and inure to the sole and exclusive benefit of the Company, its successors and assigns, the registered Holder or Holders from time to time of this Warrant and the Warrant Shares.

14. SURVIVAL OF RIGHTS AND DUTIES

This Warrant shall terminate and be of no further force and effect on the earlier of 5:00 P.M., Eastern Time, on the Expiration Date or the date on which this Warrant has been exercised in full.

15. GOVERNING LAW

This Warrant will be governed by and construed under the laws of the State of New York without regard to conflicts of laws principles that would require the application of any other law.

16. DISPUTE RESOLUTION

In the case of a dispute as to the determination of the Exercise Price or the arithmetic calculation of the Warrant Shares, the Company shall submit the disputed determinations or arithmetic calculations via facsimile within two Business Days of receipt of the Notice of Exercise giving rise to such dispute, as the case may be, to the Holder. If the Holder and the Company are unable to agree upon such determination or calculation of the Exercise Price or the Warrant Shares within three Business Days of such disputed determination or arithmetic calculation being submitted to the Holder, then the Company shall, within two Business Days, submit via facsimile (a) the disputed determination of the Exercise Price to an independent, reputable investment bank selected by the Company and approved by the Holder or (b) the disputed arithmetic calculation of the Warrant Shares to the Company's independent, outside accountant. The Company shall cause at its expense the investment bank or the accountant, as the case may be, to perform the determinations or calculations and notify the Company and the Holder of the results no later than ten (10) Business Days from the time it receives the disputed determinations or calculations. Such investment bank's or accountant's determination or calculation, as the case may be, shall be binding upon all parties absent demonstrable error.

17. NOTICES OF RECORD DATE

Upon (a) any establishment by the Company of a record date of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution, or right or option to acquire securities of the Company, or any other right, or (b) any capital reorganization, reclassification, recapitalization, merger or consolidation of the Company with or into any other corporation, any transfer of all or substantially all the assets of the Company, or any voluntary or involuntary dissolution, liquidation or winding up of the Company, or the sale, in a single transaction, of a majority of the Company's voting stock (whether newly issued, or from treasury, or previously issued and then outstanding, or any combination thereof), the Company shall mail to the Holder at least ten (10) Business Days, or such longer period as may be required by law, prior to the record date specified therein, a notice specifying (i) the date established as the record date for the purpose of such dividend, distribution, option or right and a description of such dividend, option or right, (ii) the date on which any such reorganization, reclassification, transfer, consolidation, merger, dissolution, liquidation or winding up, or sale is expected to become effective and (iii) the date, if any, fixed as to when the holders of record of Common Stock shall be entitled to exchange their shares of Common Stock for securities or other property deliverable upon such reorganization, reclassification, transfer, consolation, merger, dissolution, liquidation or winding up.

18. RESERVATION OF SHARES

The Company shall reserve and keep available out of its authorized but unissued shares of Common Stock for issuance upon the exercise of this Warrant, free from pre-emptive rights, such number of shares of Common Stock for which this Warrant shall from time to time be exercisable. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation. Without limiting the generality of the foregoing, the Company covenants that it will use commercially reasonable efforts to take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant and use commercially reasonable efforts to obtain all such authorizations, exemptions or consents, including but not limited to consents from the Company's stockholders or Board of Directors or any public regulatory body, as may be necessary to enable the Company to perform its obligations under this Warrant.

19. NO THIRD PARTY RIGHTS

This Warrant is not intended, and will not be construed, to create any rights in any parties other than the Company and the Holder, and no person or entity may assert any rights as third-party beneficiary hereunder.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed as of the date first set forth above.

MOTUS GI HOLDINGS, INC.

By: _____
Name: Mark Pomeranz
Title: Chief Executive Officer

EXHIBIT A

NOTICE OF EXERCISE

(To be executed by the Holder of Warrant if such Holder desires to exercise Warrant)

To Motus GI Holdings, Inc.:

The undersigned hereby irrevocably elects to exercise this Warrant and to purchase thereunder, _____ full shares of Motus GI Holdings, Inc. common stock issuable upon exercise of the Warrant and delivery of:

$_____ (in cash as provided for in the foregoing Warrant) and any applicable taxes payable by the undersigned pursuant to such Warrant.

The undersigned requests that certificates for such shares be issued in the name of:

_____
(Please print name, address and social security or federal employer identification number (if applicable))

_____

_____

The undersigned hereby reaffirms all of the representations and warranties made in connection with the Convertible Note Agreement submitted to Motus GI Medical Technologies Ltd. to acquire the Warrant, including that the undersigned is an accredited investor as defined under Rule 501 of Regulation D of the Securities Act of 1933.

If the shares issuable upon this exercise of the Warrant are not all of the Warrant Shares which the Holder is entitled to acquire upon the exercise of the Warrant, the undersigned requests that a new Warrant evidencing the rights not so exercised be issued in the name of and delivered to:

_____
(Please print name, address and social security or federal employer identification number (if applicable))

_____

_____

Name of Holder (print): _____
(Signature):_____
(By:)_____
(Title:)_____
Dated:_____

EXHIBIT B

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, _____ hereby sells, assigns and transfers to each assignee set forth below all of the rights of the undersigned under the Warrant (as defined in and evidenced by the attached Warrant) to acquire the number of Warrant Shares set opposite the name of such assignee below and in and to the foregoing Warrant with respect to said acquisition rights and the shares issuable upon exercise of the Warrant:

Name of Assignee	Address	Number of Shares

If the total of the Warrant Shares are not all of the Warrant Shares evidenced by the foregoing Warrant, the undersigned requests that a new Warrant evidencing the right to acquire the Warrant Shares not so assigned be issued in the name of and delivered to the undersigned.

Name of Holder (print): _____
(Signature):_____
(By:)_____
(Title:)_____
Dated:_____

Warrant Certificate No. PAW- __

NEITHER THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES ISSUABLE UPON THE EXERCISE OF THIS WARRANT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY STATE SECURITIES LAWS, AND NEITHER SUCH SECURITIES NOR ANY INTEREST THEREIN MAY BE OFFERED, SOLD, ASSIGNED OR OTHERWISE TRANSFERRED UNLESS (1) A REGISTRATION STATEMENT WITH RESPECT THERETO IS EFFECTIVE UNDER THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR (2) AN EXEMPTION FROM SUCH REGISTRATION EXISTS AND THE COMPANY RECEIVES AN OPINION OF COUNSEL TO THE HOLDER OF SUCH SECURITIES, WHICH COUNSEL AND OPINION ARE SATISFACTORY TO THE COMPANY, THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED, ASSIGNED OR TRANSFERRED IN THE MANNER CONTEMPLATED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR APPLICABLE STATE SECURITIES LAWS.

Effective Date: **[ ]**, 2016 Void After: **[ ]**, 2021

MOTUS GI HOLDINGS, INC.

WARRANT TO PURCHASE COMMON STOCK

Motus GI Holdings, Inc., a Delaware corporation (the "**Company**"), for value received on **[ ]**, 2016 (the "**Effective Date**"), hereby issues to **[ ]** (the "**Holder**" or "**Warrant Holder**") this Warrant (the "**Warrant**") to purchase, **[ ]** shares (each such share as from time to time adjusted as hereinafter provided being a "**Warrant Share**" and all such shares being the "**Warrant Shares**") of the Company's Common Stock (as defined below), at the Exercise Price (as defined below), as adjusted from time to time as provided herein, on or before **[ ]**, 2021 (the "**Expiration Date**"), all subject to the following terms and conditions. This Warrant is one of a series of placement agent warrants of like tenor that have been issued in connection with the Company's private offering of securities pursuant to the terms of that certain Confidential Private Placement Memorandum of the Company dated December 1, 2016, as the same may have been amended and supplemented from time to time and the Placement Agency Agreement dated December 1, 2016, as the same may have been amended from time to time.

As used in this Warrant, (i) "**Business Day**" means any day other than Saturday, Sunday or any other day on which commercial banks in the City of New York, New York, are authorized or required by law or executive order to close; (ii) "**Common Stock**" means the common stock of the Company, par value $0.0001 per share, including any securities issued or issuable with respect thereto or into which or for which such shares may be exchanged for, or converted into, pursuant to any stock dividend, stock split, stock combination, recapitalization, reclassification, reorganization or other similar event; (iii) "**Exercise Price**" means $5.00 per share of Common Stock, subject to adjustment as provided herein; (iv) "**Trading Day**" means any day on which the Common Stock is traded (or available for trading) on its principal trading market; and (v) "**Affiliate**" means any person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, a person, as such terms are used and construed in Rule 144 promulgated under the Securities Act of 1933, as amended (the "**Securities Act**").

1. DURATION AND EXERCISE OF WARRANTS

(a) Exercise Period. The Holder may exercise this Warrant in whole or in part on any Business Day on or before 5:00 P.M., Eastern Time, on the Expiration Date, at which time this Warrant shall become void and of no value.

(b) Exercise Procedures.

(i) While this Warrant remains outstanding and exercisable in accordance with Section 1(a), in addition to the manner set forth in Section 1(b)(ii) below, the Holder may exercise this Warrant in whole or in part at any time and from time to time by:

(A) delivery to the Company of a duly executed copy of the Notice of Exercise attached as **Exhibit A**;

(B) surrender of this Warrant to the Secretary of the Company at its principal offices or at such other office or agency as the Company may specify in writing to the Holder; and

(C) payment of the then-applicable Exercise Price per share multiplied by the number of Warrant Shares being purchased upon exercise of the Warrant (such amount, the "**Aggregate Exercise Price**") made in the form of cash, or by certified check, bank draft or money order payable in lawful money of the United States of America or in the form of a Cashless Exercise to the extent permitted in Section 1(b)(ii) below.

(ii) At any time, the Holder may, in its sole discretion, exercise all or any part of the Warrant in a "cashless" or "net-issue" exercise (a "**Cashless Exercise**") by delivering to the Company (1) the Notice of Exercise and (2) the original Warrant, pursuant to which the Holder shall surrender the right to receive upon exercise of this Warrant, a number of Warrant Shares having a value (as determined below) equal to the Aggregate Exercise Price, in which case, the number of Warrant Shares to be issued to the Holder upon such exercise shall be calculated using the following formula:

$$X = \frac{Y * (A - B)}{A}$$

with: X = the number of Warrant Shares to be issued to the Holder

Y = the number of Warrant Shares with respect to which the Warrant is being exercised

A = the fair value per share of Common Stock on the date of exercise of this Warrant

B = the then-current Exercise Price of the Warrant

Solely for the purposes of this paragraph, "**fair value**" per share of Common Stock shall mean the average Closing Price (as defined below) per share of Common Stock for the twenty (20) trading days immediately preceding the date on which the Notice of Exercise is deemed to have been sent to the Company. "**Closing Price**" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on the New York Stock Exchange, the NYSE MKT, the NASDAQ Global Select Market, the NASDAQ Global Market or the NASDAQ Capital Market or any other national securities exchange, the closing price per share of the Common Stock for such date (or the nearest preceding date) on the primary eligible market or exchange on which the Common Stock is then listed or quoted; (b) if prices for the Common Stock are then quoted on the OTC Bulletin Board or any tier of the OTC Markets, the closing bid price per share of the Common Stock for such date (or the nearest preceding date) so quoted; or (c) if prices for the Common Stock are then reported in the "Pink Sheets" published by the National Quotation Bureau Incorporated (or a similar organization or agency succeeding to its functions of reporting prices), the most recent closing bid price per share of the Common Stock so reported. If the Common Stock is not publicly traded as set forth above, the "fair value" per share of Common Stock shall be reasonably and in good faith determined by the Board of Directors of the Company as of the date which the Notice of Exercise is deemed to have been sent to the Company.

For purposes of Rule 144 promulgated under the Securities Act, it is intended, understood and acknowledged that the Warrant Shares issued in a cashless exercise transaction shall be deemed to have been acquired by the Holder, and the holding period for such shares shall be deemed to have commenced, on the Effective Date of this Warrant.

(iii) Upon the exercise of this Warrant in compliance with the provisions of this Section 1(b), and except as limited pursuant to the last paragraph of Section 1(b)(ii), the Company shall promptly issue and cause to be delivered to the Holder a certificate for the Warrant Shares purchased by the Holder. Each exercise of this Warrant shall be effective immediately prior to the close of business on the date (the "**Date of Exercise**") that the conditions set forth in Section 1(b) have been satisfied, as the case may be. On the first Business Day following the date on which the Company has received each of the Notice of Exercise and the Aggregate Exercise Price (or notice of a Cashless Exercise in accordance with Section 1(b)(ii)) (the "**Exercise Delivery Documents**"), the Company shall transmit an acknowledgment of receipt of the Exercise Delivery Documents to the Company's transfer agent (the "**Transfer Agent**"). On or before the third Business Day following the date on which the Company has received all of the Exercise Delivery Documents (the "**Share Delivery Date**"), the Company shall (X) provided that the Transfer Agent is participating in The Depository Trust Company (" **DTC**") Fast Automated Securities Transfer Program, upon the request of the Holder, credit such aggregate number of shares of Common Stock to which the Holder is entitled pursuant to such exercise to the Holder's or its designee's balance account with DTC through its Deposit Withdrawal Agent Commission system, or (Y) if the Transfer Agent is not participating in the DTC Fast Automated Securities Transfer Program, issue and dispatch by overnight courier to the address as specified in the Notice of Exercise, a certificate, registered in the Company's share register in the name of the Holder or its designee, for the number of shares of Common Stock to which the Holder is entitled pursuant to such exercise. Upon delivery of the Exercise Delivery Documents, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the certificates evidencing such Warrant Shares.

(iv) If the Company shall fail for any reason or for no reason to issue to the Holder, within three (3) Business Days of receipt of the Exercise Delivery Documents, a certificate for the number of shares of Common Stock to which the Holder is entitled and register such shares of Common Stock on the Company's share register or to credit the Holder's balance account with DTC for such number of shares of Common Stock to which the Holder is entitled upon the Holder's exercise of this Warrant, and if on or after such Business Day the Holder purchases (in an open market transaction or otherwise) shares of Common Stock to deliver in satisfaction of a sale by the Holder of shares of Common Stock issuable upon such exercise that the Holder anticipated receiving from the Company (a "**Buy-In**"), then the Company shall, (A) pay in cash to the Holder the amount, if any, by which (x) the Holder's total purchase price (including brokerage commissions, if any) for the shares of Common Stock so purchased (the "**Buy-In Amount**") plus the amount paid by the Holder to the Company as the exercise price for the Warrant Shares exceeds (y) the amount obtained by multiplying (1) the number of Warrant Shares that the Company was required to deliver to the Holder in connection with the exercise at issue times (2) the price at which the sell order giving rise to such purchase obligation was executed, and (B) at the option of the Holder, either reinstate the portion of the Warrant and equivalent number of Warrant Shares for which such exercise was not honored or deliver to the Holder the number of shares of Common Stock that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder. For example, if the Holder purchases Common Stock having a total purchase price of $11,000 to cover a Buy-In with respect to an attempted exercise of shares of Common Stock, and paid the Company $5,000 as the exercise price, the Holder's cash outlay would be a total of $16,000; and if the aggregate sales price of the shares giving rise to such Buy-In obligation was $10,000, under clause (A) of the immediately preceding sentence the Company shall be required to pay the Holder $6,000. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In and, upon request of the Company, evidence of the amount of such loss. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver certificates representing shares of Common Stock upon exercise of the Warrant as required pursuant to the terms hereof.

(c) Partial Exercise. This Warrant shall be exercisable, either in its entirety or, from time to time, for part only of the number of Warrant Shares referenced by this Warrant. If this Warrant is submitted in connection with any exercise pursuant to Section 1 and the number of Warrant Shares represented by this Warrant submitted for exercise is greater than the actual number of Warrant Shares being acquired upon such an exercise, then the Company shall as soon as practicable and in no event later than five (5) Business Days after any exercise and at its own expense, issue a new Warrant of like tenor representing the right to purchase the number of Warrant Shares purchasable immediately prior to such exercise under this Warrant, less the number of Warrant Shares with respect to which this Warrant is exercised.

(d) Disputes. In the case of a dispute as to the determination of the Exercise Price or the arithmetic calculation of the Warrant Shares, the Company shall promptly issue to the Holder the number of Warrant Shares that are not disputed and resolve such dispute in accordance with Section 16.

2. ISSUANCE OF WARRANT SHARES

(a) The Company covenants that all Warrant Shares will, upon issuance in accordance with the terms of this Warrant, be (i) duly authorized, fully paid and non-assessable, and (ii) free from all liens, charges and security interests, with the exception of claims arising through the acts or omissions of any Holder and except as arising from applicable Federal and state securities laws.

(b) The Company shall register this Warrant upon records to be maintained by the Company for that purpose in the name of the record holder of such Warrant from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner thereof for the purpose of any exercise thereof, any distribution to the Holder thereof and for all other purposes.

(c) The Company will not, by amendment of its certificate of incorporation, by-laws or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but will at all times in good faith assist in the carrying out of all the provisions of this Warrant and in the taking of all action necessary or appropriate in order to protect the rights of the Holder to exercise this Warrant, or against impairment of such rights.

3. ADJUSTMENTS OF EXERCISE PRICE, NUMBER AND TYPE OF WARRANT SHARES

(a) The Exercise Price and the number of shares purchasable upon the exercise of this Warrant shall be subject to adjustment from time to time upon the occurrence of certain events described in this Section 3; provided, that notwithstanding the provisions of this Section 3, the Company shall not be required to make any adjustment if and to the extent that such adjustment would require the Company to issue a number of shares of Common Stock in excess of its authorized but unissued shares of Common Stock, less all amounts of Common Stock that have been reserved for issue upon the conversion of all outstanding securities convertible into shares of Common Stock and the exercise of all outstanding options, warrants and other rights exercisable for shares of Common Stock. If the Company does not have the requisite number of authorized but unissued shares of Common Stock to make any adjustment, the Company shall use its commercially best efforts to obtain the necessary stockholder consent to increase the authorized number of shares of Common Stock to make such an adjustment pursuant to this Section 3.

(i) Subdivision or Combination of Stock. In case the Company shall at any time subdivide (whether by way of stock dividend, stock split or otherwise) its outstanding shares of Common Stock into a greater number of shares, the Exercise Price in effect immediately prior to such subdivision shall be proportionately reduced and the number of Warrant Shares shall be proportionately increased, and conversely, in case the outstanding shares of Common Stock of the Company shall be combined (whether by way of stock combination, reverse stock split or otherwise) into a smaller number of shares, the Exercise Price in effect immediately prior to such combination shall be proportionately increased and the number of Warrant Shares shall be proportionately decreased. The Exercise Price and the Warrant Shares, as so adjusted, shall be readjusted in the same manner upon the happening of any successive event or events described in this Section 3(a)(i).

(ii) Dividends in Stock, Property, Reclassification. If at any time, or from time to time, all of the holders of Common Stock (or any shares of stock or other securities at the time receivable upon the exercise of this Warrant) shall have received or become entitled to receive, without payment therefore:

(A) any shares of stock or other securities that are at any time directly or indirectly convertible into or exchangeable for Common Stock, or any rights or options to subscribe for, purchase or otherwise acquire any of the foregoing by way of dividend or other distribution, or

(B) additional stock or other securities or property (including cash) by way of spin-off, split-up, reclassification, combination of shares or similar corporate rearrangement (other than shares of Common Stock issued as a stock split or adjustments in respect of which shall be covered by the terms of Section 3(a)(i) above),

then and in each such case, the Exercise Price and the number of Warrant Shares to be obtained upon exercise of this Warrant shall be adjusted proportionately, and the Holder hereof shall, upon the exercise of this Warrant, be entitled to receive, in addition to the number of shares of Common Stock receivable thereupon, and without payment of any additional consideration therefor, the amount of stock and other securities and property (including cash in the cases referred to above) that such Holder would hold on the date of such exercise had such Holder been the holder of record of such Common Stock as of the date on which holders of Common Stock received or became entitled to receive such shares or all other additional stock and other securities and property. The Exercise Price and the Warrant Shares, as so adjusted, shall be readjusted in the same manner upon the happening of any successive event or events described in this Section 3(a)(ii)**.**

(iii) Reorganization, Reclassification, Consolidation, Merger or Sale. If any recapitalization, reclassification or reorganization of the capital stock of the Company, or any consolidation or merger of the Company with another corporation, or the sale of all or substantially all of its assets or other transaction shall be effected in such a way that holders of Common Stock shall be entitled to receive stock, securities, or other assets or property (an "**Organic Change**"), then, as a condition of such Organic Change, lawful and adequate provisions shall be made by the Company whereby the Holder hereof shall thereafter have the right to purchase and receive (in lieu of the shares of the Common Stock of the Company immediately theretofore purchasable and receivable upon the exercise of the rights represented by this Warrant) such shares of stock, securities or other assets or property as may be issued or payable with respect to or in exchange for a number of outstanding shares of such Common Stock equal to the number of shares of such stock immediately theretofore purchasable and receivable assuming the full exercise of the rights represented by this Warrant. In the event of any Organic Change, appropriate provision shall be made by the Company with respect to the rights and interests of the Holder of this Warrant to the end that the provisions hereof (including, without limitation, provisions for adjustments of the Exercise Price and of the number of shares purchasable and receivable upon the exercise of this Warrant) shall thereafter be applicable, in relation to any shares of stock, securities or assets thereafter deliverable upon the exercise hereof. The Company will not affect any such consolidation, merger or sale unless, prior to the consummation thereof, the successor corporation (if other than the Company) resulting from such consolidation or merger or the corporation purchasing such assets shall assume by written instrument reasonably satisfactory in form and substance to the Holder executed and mailed or delivered to the registered Holder hereof at the last address of such Holder appearing on the books of the Company, the obligation to deliver to such Holder such shares of stock, securities or assets as, in accordance with the foregoing provisions, such Holder may be entitled to purchase. If there is an Organic Change, then the Company shall cause to be mailed to the Holder at its last address as it shall appear on the books and records of the Company, at least 10 calendar days before the effective date of the Organic Change, a notice stating the date on which such Organic Change is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares for securities, cash, or other property delivered upon such Organic Change; provided, that the failure to mail such notice or any defect therein or in the mailing thereof shall not affect the validity of the corporate action required to be specified in such notice. The Holder is entitled to exercise this Warrant during the 10-day period commencing on the date of such notice to the effective date of the event triggering such notice. In any event, the successor corporation (if other than the Company) resulting from such consolidation or merger or the corporation purchasing such assets shall be deemed to assume such obligation to deliver to such Holder such shares of stock, securities or assets even in the absence of a written instrument assuming such obligation to the extent such assumption occurs by operation of law.

(b) Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment pursuant to this Section 3, the Company at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to each Holder of this Warrant a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall promptly furnish or cause to be furnished to such Holder a like certificate setting forth: (i) such adjustments and readjustments; and (ii) the number of shares and the amount, if any, of other property which at the time would be received upon the exercise of the Warrant.

(c) Certain Events. If any event occurs as to which the other provisions of this Section 3 are not strictly applicable but the lack of any adjustment would not fairly protect the purchase rights of the Holder under this Warrant in accordance with the basic intent and principles of such provisions, or if strictly applicable would not fairly protect the purchase rights of the Holder under this Warrant in accordance with the basic intent and principles of such provisions, then the Company's Board of Directors will, in good faith, make an appropriate adjustment to protect the rights of the Holder; provided, that no such adjustment pursuant to this Section 3(c) will increase the Exercise Price or decrease the number of Warrant Shares as otherwise determined pursuant to this Section 3.

4. INTENTIONALLY OMITTED.

5. TRANSFERS AND EXCHANGES OF WARRANT AND WARRANT SHARES

(a) Registration of Transfers and Exchanges. Subject to Section 5(c), upon the Holder's surrender of this Warrant, with a duly executed copy of the Form of Assignment attached as **Exhibit B**, to the Secretary of the Company at its principal offices or at such other office or agency as the Company may specify in writing to the Holder, the Company shall register the transfer of all or any portion of this Warrant. Upon such registration of transfer, the Company shall issue a new Warrant, in substantially the form of this Warrant, evidencing the acquisition rights transferred to the transferee and a new Warrant, in similar form, evidencing the remaining acquisition rights not transferred, to the Holder requesting the transfer.

(b) Warrant Exchangeable for Different Denominations. The Holder may exchange this Warrant for a new Warrant or Warrants, in substantially the form of this Warrant, evidencing in the aggregate the right to purchase the number of Warrant Shares which may then be purchased hereunder, each of such new Warrants to be dated the date of such exchange and to represent the right to purchase such number of Warrant Shares as shall be designated by the Holder. The Holder shall surrender this Warrant with duly executed instructions regarding such re-certification of this Warrant to the Secretary of the Company at its principal offices or at such other office or agency as the Company may specify in writing to the Holder.

(c) Restrictions on Transfers. This Warrant may not be transferred at any time without (i) registration under the Securities Act or (ii) an exemption from such registration and a written opinion of legal counsel addressed to the Company that the proposed transfer of the Warrant may be effected without registration under the Securities Act, which opinion will be in form and from counsel reasonably satisfactory to the Company.

(d) Permitted Transfers and Assignments. Notwithstanding any provision to the contrary in this Section 5, the Holder may transfer, with or without consideration, this Warrant or any of the Warrant Shares (or a portion thereof) to the Holder's Affiliates (as such term is defined under Rule 144 of the Securities Act) without obtaining the opinion from counsel that may be required by Section 5(c)(ii), provided, that the Holder delivers to the Company and its counsel certification, documentation, and other assurances reasonably required by the Company's counsel to enable the Company's counsel to render an opinion to the Company's Transfer Agent that such transfer does not violate applicable securities laws.

6. MUTILATED OR MISSING WARRANT CERTIFICATE

If this Warrant is mutilated, lost, stolen or destroyed, upon request by the Holder, the Company will, at its expense, issue, in exchange for and upon cancellation of the mutilated Warrant, or in substitution for the lost, stolen or destroyed Warrant, a new Warrant, in substantially the form of this Warrant, representing the right to acquire the equivalent number of Warrant Shares; provided, that, as a prerequisite to the issuance of a substitute Warrant, the Company may require satisfactory evidence of loss, theft or destruction as well as an indemnity from the Holder of a lost, stolen or destroyed Warrant.

7. PAYMENT OF TAXES

The Company will pay all transfer and stock issuance taxes attributable to the preparation, issuance and delivery of this Warrant and the Warrant Shares (and replacement Warrants) including, without limitation, all documentary and stamp taxes; provided, however, that the Company shall not be required to pay any tax in respect of the transfer of this Warrant, or the issuance or delivery of certificates for Warrant Shares or other securities in respect of the Warrant Shares to any person or entity other than to the Holder.

8. FRACTIONAL WARRANT SHARES

No fractional Warrant Shares shall be issued upon exercise of this Warrant. The Company, in lieu of issuing any fractional Warrant Share, shall round up the number of Warrant Shares issuable to nearest whole share.

9. NO STOCK RIGHTS AND LEGEND

No holder of this Warrant, as such, shall be entitled to vote or be deemed the holder of any other securities of the Company that may at any time be issuable on the exercise hereof, nor shall anything contained herein be construed to confer upon the holder of this Warrant, as such, the rights of a stockholder of the Company or the right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or give or withhold consent to any corporate action or to receive notice of meetings or other actions affecting stockholders (except as provided herein), or to receive dividends or subscription rights or otherwise (except as provide herein).

Each certificate for Warrant Shares initially issued upon the exercise of this Warrant, and each certificate for Warrant Shares issued to any subsequent transferee of any such certificate, shall be stamped or otherwise imprinted with a legend in substantially the following form:

“THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”), OR ANY STATE SECURITIES LAWS, AND NEITHER SUCH SECURITIES NOR ANY INTEREST THEREIN MAY BE OFFERED, SOLD, PLEDGED, ASSIGNED OR OTHERWISE TRANSFERRED UNLESS (1) A REGISTRATION STATEMENT WITH RESPECT THERETO IS EFFECTIVE UNDER THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR (2) AN EXEMPTION FROM SUCH REGISTRATION EXISTS AND THE COMPANY RECEIVES AN OPINION OF COUNSEL TO THE HOLDER OF SUCH SECURITIES, WHICH COUNSEL AND OPINION ARE REASONABLY SATISFACTORY TO THE COMPANY, THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED, ASSIGNED OR TRANSFERRED IN THE MANNER CONTEMPLATED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR APPLICABLE STATE SECURITIES LAWS.”

10. INTENTIONALLY OMITTED.

11. NOTICES

All notices, consents, waivers, and other communications under this Warrant must be in writing and will be deemed given to a party when (a) delivered to the appropriate address by hand or by nationally recognized overnight courier service (costs prepaid); (b) sent by facsimile or e-mail with confirmation of transmission by the transmitting equipment; (c) received or rejected by the addressee, if sent by certified mail, return receipt requested, if to the registered Holder hereof; or (d) seven days after the placement of the notice into the mails (first class postage prepaid), to the Holder at the address, facsimile number, or e-mail address furnished by the registered Holder to the Company, or if to the Company, to it at 150 Union Square Drive, New Hope, PA 18938, Attn: Mark Pomeranz, CEO (or to such other address, facsimile number, or e-mail address as the Holder or the Company as a party may designate by notice the other party).

12. SEVERABILITY

If a court of competent jurisdiction holds any provision of this Warrant invalid or unenforceable, the other provisions of this Warrant will remain in full force and effect. Any provision of this Warrant held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

13. BINDING EFFECT

This Warrant shall be binding upon and inure to the sole and exclusive benefit of the Company, its successors and assigns, the registered Holder or Holders from time to time of this Warrant and the Warrant Shares.

14. SURVIVAL OF RIGHTS AND DUTIES

This Warrant shall terminate and be of no further force and effect on the earlier of 5:00 P.M., Eastern Time, on the Expiration Date or the date on which this Warrant has been exercised in full.

15. GOVERNING LAW

This Warrant will be governed by and construed under the laws of the State of New York without regard to conflicts of laws principles that would require the application of any other law.

16. DISPUTE RESOLUTION

In the case of a dispute as to the determination of the Exercise Price or the arithmetic calculation of the Warrant Shares, the Company shall submit the disputed determinations or arithmetic calculations via facsimile within two Business Days of receipt of the Notice of Exercise giving rise to such dispute, as the case may be, to the Holder. If the Holder and the Company are unable to agree upon such determination or calculation of the Exercise Price or the Warrant Shares within three Business Days of such disputed determination or arithmetic calculation being submitted to the Holder, then the Company shall, within two Business Days, submit via facsimile (a) the disputed determination of the Exercise Price to an independent, reputable investment bank selected by the Company and approved by the Holder or (b) the disputed arithmetic calculation of the Warrant Shares to the Company's independent, outside accountant. The Company shall cause at its expense the investment bank or the accountant, as the case may be, to perform the determinations or calculations and notify the Company and the Holder of the results no later than ten (10) Business Days from the time it receives the disputed determinations or calculations. Such investment bank's or accountant's determination or calculation, as the case may be, shall be binding upon all parties absent demonstrable error.

17. NOTICES OF RECORD DATE

Upon (a) any establishment by the Company of a record date of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution, or right or option to acquire securities of the Company, or any other right, or (b) any capital reorganization, reclassification, recapitalization, merger or consolidation of the Company with or into any other corporation, any transfer of all or substantially all the assets of the Company, or any voluntary or involuntary dissolution, liquidation or winding up of the Company, or the sale, in a single transaction, of a majority of the Company's voting stock (whether newly issued, or from treasury, or previously issued and then outstanding, or any combination thereof), the Company shall mail to the Holder at least ten (10) Business Days, or such longer period as may be required by law, prior to the record date specified therein, a notice specifying (i) the date established as the record date for the purpose of such dividend, distribution, option or right and a description of such dividend, option or right, (ii) the date on which any such reorganization, reclassification, transfer, consolidation, merger, dissolution, liquidation or winding up, or sale is expected to become effective and (iii) the date, if any, fixed as to when the holders of record of Common Stock shall be entitled to exchange their shares of Common Stock for securities or other property deliverable upon such reorganization, reclassification, transfer, consolation, merger, dissolution, liquidation or winding up.

18. RESERVATION OF SHARES

The Company shall reserve and keep available out of its authorized but unissued shares of Common Stock for issuance upon the exercise of this Warrant, free from pre-emptive rights, such number of shares of Common Stock for which this Warrant shall from time to time be exercisable. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation. Without limiting the generality of the foregoing, the Company covenants that it will use commercially reasonable efforts to take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant and use commercially reasonable efforts to obtain all such authorizations, exemptions or consents, including but not limited to consents from the Company's stockholders or Board of Directors or any public regulatory body, as may be necessary to enable the Company to perform its obligations under this Warrant.

19. NO THIRD PARTY RIGHTS

This Warrant is not intended, and will not be construed, to create any rights in any parties other than the Company and the Holder, and no person or entity may assert any rights as third-party beneficiary hereunder.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed as of the date first set forth above.

MOTUS GI HOLDINGS, INC.

By: _____
Name: Mark Pomeranz
Title: Chief Executive Officer

[*Signature Page to Placement Agent Warrant*]

EXHIBIT A

NOTICE OF EXERCISE

(To be executed by the Holder of Warrant if such Holder desires to exercise Warrant)

To Motus GI Holdings, Inc.:

The undersigned hereby irrevocably elects to exercise this Warrant and to purchase thereunder, _____ full shares of Motus GI Holdings, Inc. common stock issuable upon exercise of the Warrant and delivery of:

(1) $_____ (in cash as provided for in the foregoing Warrant) and any applicable taxes payable by the undersigned pursuant to such Warrant; and

(2) _____ shares of Common Stock (pursuant to a Cashless Exercise in accordance with Section 1(b)(ii) of the Warrant) (check here if the undersigned desires to deliver an unspecified number of shares equal the number sufficient to effect a Cashless Exercise [___]).

The undersigned requests that certificates for such shares be issued in the name of:

(Please print name, address and social security or federal employer identification number (if applicable))

The undersigned hereby affirms that the undersigned is an accredited investor as defined under Rule 501 of Regulation D of the Securities Act of 1933. If the Holder cannot make the foregoing affirmation because it is factually incorrect, it shall be a condition to the exercise of the Warrant that the Company receive such other representations as the Company considers necessary, acting reasonably, to assure the Company that the issuance of securities upon exercise of this Warrant shall not violate any United States or other applicable securities laws.

If the shares issuable upon this exercise of the Warrant are not all of the Warrant Shares which the Holder is entitled to acquire upon the exercise of the Warrant, the undersigned requests that a new Warrant evidencing the rights not so exercised be issued in the name of and delivered to:

(Please print name, address and social security or federal employer identification number (if applicable))

Name of Holder (print): _____
(Signature):_____
(By:)_____
(Title:)_____
Dated:_____

EXHIBIT B

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, _____ hereby sells, assigns and transfers to each assignee set forth below all of the rights of the undersigned under the Warrant (as defined in and evidenced by the attached Warrant) to acquire the number of Warrant Shares set opposite the name of such assignee below and in and to the foregoing Warrant with respect to said acquisition rights and the shares issuable upon exercise of the Warrant:

Name of Assignee	Address	Number of Shares

If the total of the Warrant Shares are not all of the Warrant Shares evidenced by the foregoing Warrant, the undersigned requests that a new Warrant evidencing the right to acquire the Warrant Shares not so assigned be issued in the name of and delivered to the undersigned.

Name of Holder (print): _____
(Signature):_____
(By:)_____
(Title:)_____
Dated:_____

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this "**Agreement**") is made and entered into effective as of December 22, 2016 (the "**Effective Date**") between Motus GI Holdings, Inc., a Delaware corporation (the "**Company**"), and the persons who have executed the signature page(s) hereto (each, a "**Purchaser**" and collectively, the "**Purchasers**").

RECITALS:

WHEREAS, the Company has entered into a Share Exchange Agreement with Motus GI Medical Technology Ltd., an Israeli company ("**Motus**"), the stockholders of Motus and the other parties named therein, pursuant to which the stockholders of Motus agreed to exchange all of the issued and outstanding shares of the capital stock of Motus for shares of common stock, par value $.0001 per share of the Company, and Motus became a wholly-owned subsidiary of the Company (the "**Share Exchange**") contemporaneously with the PPO (as defined below);

WHEREAS, simultaneously with the Share Exchange and to provide the capital required by the Company for working capital and other purposes, the Company has offered in compliance with Rule 506(b) of Regulation D of the Securities Act (as defined herein), to accredited investors in a private placement transaction (the "**PPO**"), units (each, a "**Unit**" and collectively, the "**Units**") of its securities, each consisting of (i) a three-quarter (3/4) share of Common Stock (the "**Unit Common Stock**"), and (ii) one-quarter (1/4) share of Series A Preferred Stock;

WHEREAS, the Series A Preferred Stock is convertible on a one for one basis into shares of Common Stock (the "**Series A Common Stock**," and together with the Unit Common Stock, the "**Investor Shares**");

WHEREAS, the initial closing of the PPO and the closing of the Share Exchange have taken place on the Effective Date;

WHEREAS, simultaneously with the Share Exchange and the PPO, certain of the Company's convertible notes held by certain investors (the "**Note Holders**") in the aggregate principal amount of $13,746,017 (the "**Notes**"), will automatically convert into a quantity of Units equal to the principal amount of Notes held by such Note Holders, together with accrued interest thereon calculated through the date of the initial closing of the PPO, divided by $4.50 (the "**Conversion**"); and

WHEREAS, in connection with the Share Exchange and the PPO, the Company agreed to provide certain registration rights related to the Investor Shares, on the terms set forth herein.

NOW, THEREFORE, in consideration of the mutual promises, representations, warranties, covenants, and conditions set forth herein, the parties mutually agree as follows:

1. Certain Definitions. As used in this Agreement, the following terms shall have the following respective meanings:

"Agreement" has the meaning given it in the preamble to this Agreement.

"Allowed Delay" has the meaning given it in Section 3(e) of this Agreement.

"Approved Market" means the Over-the-Counter Bulletin Board, the OTC Markets, the Nasdaq Stock Market, the New York Stock Exchange or the NYSE MKT.

"Blackout Period" means, with respect to a registration, a period, in each case commencing on the day immediately after the Company notifies the Purchasers that they are required, because of the occurrence of an event of the kind described in Section 4(f) hereof, to suspend offers and sales of Registrable Securities during which the Company, in the good faith judgment of its board of directors, determines (because of the existence of, or in anticipation of, any acquisition, financing activity, or other transaction involving the Company, or the unavailability for reasons beyond the Company's control of any required financial statements, disclosure of information which is in its best interest not to publicly disclose, or any other event or condition of similar significance to the Company) that the registration and distribution of the Registrable Securities to be covered by such Registration Statement, if any, would be seriously detrimental to the Company and its stockholders and ending on the earlier of (1) the date upon which the material non-public information commencing the Blackout Period is disclosed to the public or ceases to be material and (2) such time as the Company notifies the selling Holders that the Company will no longer delay such filing of the Registration Statement, recommence taking steps to make such Registration Statement effective, or allow sales pursuant to such Registration Statement to resume.

"Business Day" means any day of the year, other than a Saturday, Sunday, or other day on which the Commission is required or authorized to close.

"Commission" means the U. S. Securities and Exchange Commission or any other applicable federal agency at the time administering the Securities Act.

"Common Stock" means the common stock, par value $0.0001 per share, of the Company and any and all shares of capital stock or other equity securities of: (i) the Company which are added to or exchanged or substituted for the Common Stock by reason of the declaration of any stock dividend or stock split, the issuance of any distribution or the reclassification, readjustment, recapitalization or other such modification of the capital structure of the Company; and (ii) any other corporation, now or hereafter organized under the laws of any state or other governmental authority, with which the Company is merged, which results from any consolidation or reorganization to which the Company is a party, or to which is sold all or substantially all of the shares or assets of the Company, if immediately after such merger, consolidation, reorganization or sale, the Company or the stockholders of the Company own equity securities having in the aggregate more than 50% of the total voting power of such other corporation.

"Company" has the meaning given it in the preamble to this Agreement. "Conversion" has the meaning given in the recitals of this Agreement.

"Effective Date" has the meaning given it in the preamble to this Agreement.

"Effectiveness Period" has the meaning given it in Section 4(a) of this Agreement.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission promulgated thereunder.

"Family Member" means (a) with respect to any individual, such individual's spouse, any descendants (whether natural or adopted), any trust all of the beneficial interests of which are owned by any of such individuals or by any of such individuals together with any organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, the estate of any such individual, and any corporation, association, partnership or limited liability company all of the equity interests of which are owned by those above described individuals, trusts or organizations and (b) with respect to any trust, the owners of the beneficial interests of such trust.

"Holder" means each Purchaser, including any Note Holder, or any of such Purchaser's or Note Holder's respective successors and Permitted Assignees who acquire rights in accordance with this Agreement with respect to any Registrable Securities directly or indirectly from a Purchaser or Note Holder or from any Permitted Assignee.

"Initial Public Offering" means the initial underwritten sale of equity securities by the Company pursuant to an effective Registration Statement under the Securities Act.

"IPO Engagement" has the meaning given it in Section 3(a) of this Agreement.

"IPO Process Commencement Date" has the meaning given it in Section 3(a) of this Agreement.

"Investor Shares" has the meaning given it in the recitals of this Agreement.

"Joint Registration Statement" has the meaning given it in Section 3(a) of this Agreement.

"Majority Holders" means at any time Holders representing a majority of the Registrable Securities.

"Note Holders" has the meaning given in the recitals of this Agreement.

"Notes" has the meaning given in the recitals of this Agreement.

"Permitted Assignee" means (a) with respect to a partnership, its partners or former partners in accordance with their partnership interests, (b) with respect to a corporation, its stockholders in accordance with their interest in the corporation, (c) with respect to a limited liability company, its members or former members in accordance with their interest in the limited liability company, (d) with respect to an individual party, any Family Member of such party, (e) an entity that is controlled by, controls, or is under common control with a transferor, or (f) a party to this Agreement.

"Piggyback Registration" means, in any registration of Common Stock as set forth in Section 3(b), the ability of holders of Registrable Securities to include Registrable Securities in such registration.

"PPO" has the meaning given in the recitals of this Agreement.

"Purchaser" has the meaning given it in the preamble to this Agreement.

"Qualified Purchaser" has the meaning given it in Section 3(d) of this Agreement.

The terms "register," "registered," and "registration" refer to a registration effected by preparing and filing a registration statement in compliance with the Securities Act, and the declaration or ordering of the effectiveness of such registration statement.

"Registrable Securities" means the Investor Shares but excluding, subject to Section 3(e), (i) any Registrable Securities that have been publicly sold or may be sold immediately without registration under the Securities Act either pursuant to Rule 144 of the Securities Act or otherwise; (ii) any Registrable Securities sold by a person in a transaction pursuant to a registration statement filed under the Securities Act, or (iii) any Registrable Securities that are at the time subject to an effective registration statement under the Securities Act.

"Registration Default Date" means the date that is 150 days after the date the Registration Statement is actually filed with the Commission; provided however that the Registration Default Date is subject to adjustment as set forth under Section 3(a) of this Agreement

"Registration Default Period" means the period during which any Registration Event occurs and is continuing.

"Registration Event" means the occurrence of any of the following events:

(a) the Company fails to file with the Commission the Registration Statement on or before the Registration Filing Date;

(b) the Registration Statement is not declared effective by the Commission on or before the Registration Default Date;

(c) after the SEC Effective Date, sales cannot be made pursuant to the Registration Statement for any reason (including without limitation by reason of a stop order, or the Company's failure to update the Registration Statement) except as excused pursuant to Section 3(e); or

(d) 20 days after the SEC Effective Date, the Common Stock generally or the Registrable Securities specifically are not listed or included for quotation on an Approved Market, or trading of the Common Stock is suspended or halted on the Approved Market, which at the time constitutes the principal market for the Common Stock, for more than two full, consecutive Trading Days; provided, however, that such 20 day delay in the Common Stock being listed on an Approved Market shall not be a Registration Event in the event the delay is solely the result of issues raised by the Approved Market subsequent to the SEC Effective Date and provided that the Company uses its commercially reasonable efforts in curing any issues resulting in such delay.

provided, however, a Registration Event shall not be deemed to occur if: (1) all or substantially all trading in equity securities (including the Common Stock) is suspended or halted on the Approved Market for any length of time; (2) the Company commences and pursues an Initial Public Offering, as set forth in Section 3(a) of this Agreement; or (3) the Company declares a Blackout Period; provided however that the Company shall only be permitted to declare two (2) Blackout Periods per year.

"Registration Filing Date" means the date that is 60 days after date of the final closing of the PPO, or if later, the termination of the PPO following an initial closing of the PPO; provided however, that the Registration Filing Date is subject to adjustment as set forth under Section 3(a) of this Agreement.

"Registration Statement" means the registration statement that the Company is required to file pursuant to this Agreement to register the Registrable Securities.

"Rule 144" means Rule 144 promulgated by the Commission under the Securities Act.

"Rule 145" means Rule 145 promulgated by the Commission under the Securities Act.

"Rule 415" means Rule 415 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC having substantially the same purpose and effect as such Rule.

"Rule 424" means Rule 424 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC having substantially the same purpose and effect as such Rule.

"Securities Act" means the Securities Act of 1933, as amended, or any similar federal statute promulgated in replacement thereof, and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time.

"SEC Effective Date" means the date the Registration Statement is declared effective by the Commission.

"Series A Preferred Stock" means the Series A Convertible Preferred stock, par value $0.0001 per share, of the Company.

"Share Exchange" has the meaning given in the recitals of this Agreement.

"Trading Day" means (a) if the Common Stock is listed or quoted on an Approved Market, then any day during which securities are generally eligible for trading on the Approved Market, or (b) if the Common Stock is not then listed or quoted and traded on an Approved Market, then any Business Day.

"Units" has the meaning given in the recitals of this Agreement.

2. Term. This Agreement shall continue in full force and effect for a period of one year from the SEC Effective Date, unless terminated sooner hereunder.

3. Registration.

(a) Registration on Form S-1. Not later than the Registration Filing Date, the Company shall file with the Commission a Registration Statement on Form S-1, or other applicable form, relating to the resale by the Holders of all of the Registrable Securities, and the Company shall use its commercially reasonably efforts to cause such Registration Statement to be declared effective prior to the Registration Default Date; provided, however, that in the event the Company signs a letter of intent or comparable agreement with an underwriter which contemplates an Initial Public Offering or holds an organizational meeting for an Initial Public Offering or otherwise orally engages an underwriter to begin working with the Company towards an Initial Public Offering (an "**IPO Engagement**") prior to the Registration Default Date (such applicable date, the "**IPO Process Commencement Date**"), then the Company shall, in satisfaction of the foregoing obligation, file a joint registration statement covering the primary shares to be issued in the Initial Public Offering and the resale of the Registrable Securities ("**Joint Registration Statement**"), and, in such event, the Registration Filing Date shall be extended to a date that is seventy five (75) calendar days after the IPO Process Commencement Date and the Registration Default Date shall be extended to a date that is one hundred fifty (150) calendar days after the initial filing of the Registration Statement with the Commission. If the Initial Public Offering is abandoned at any time, then the Registration Filing Date will be 60 calendar days from the actual date of abandonment and the Registration Default Date will be one hundred and fifty (150) calendar days after the date of abandonment. The registration rights under Section 3 shall not apply or be available to certain affiliate holders.

(b) Piggyback Registration. In addition to the Company agreement pursuant to Section 3(a) above, if the Company shall determine to register for sale for cash any of its Common Stock, for its own account or for the account of others (other than the Holders), other than (i) Initial Public Offering, (ii) a registration relating solely to employee benefit plans or securities issued or issuable to employees, consultants (to the extent the securities owned or to be owned by such consultants could be registered on Form S-8) or any of their Family Members (including a registration on Form S-8) or (iii) a registration relating solely to a Securities Act Rule 145 transaction or a registration on Form S-4 in connection with a merger, acquisition, divestiture, reorganization or similar event, the Company shall promptly give to the Holders written notice thereof (and in no event shall such notice be given less than 20 calendar days prior to the filing of such registration statement), and shall, subject to Section 3(c), include as a Piggyback Registration all of the Registrable Securities specified in a written request delivered by the Holder thereof within 10 calendar days after receipt of such written notice from the Company. However, the Company may, without the consent of the Holders, withdraw such registration statement prior to its becoming effective if the Company or such other stockholders have elected to abandon the proposal to register the securities proposed to be registered thereby.

(c) Underwriting. If a Piggyback Registration is for a registered public offering that is to be made by an underwriting, the Company shall so advise the Holders of the Registrable Securities eligible for inclusion in such Registration Statement pursuant to Sections 3(b). In that event, the right of any Holder to Piggyback Registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to sell any of their Registrable Securities through such underwriting shall (together with the Company and any other stockholders of the Company selling their securities through such underwriting) enter into an underwriting agreement in customary form with the underwriter selected for such underwriting by the Company or the selling stockholders, as applicable. Notwithstanding any other provision of this Section, if the underwriter or the Company determines that marketing factors require a limitation on the number of shares of Common Stock or the amount of other securities to be underwritten, the underwriter, at its sole discretion, may exclude some or all Registrable Securities from such registration and underwriting. The Company shall so advise all Holders (except those Holders who failed to timely elect to include their Registrable Securities through such underwriting or have indicated to the Company their decision not to do so), and indicate to each such Holder the number of shares of Registrable Securities that may be included in the registration and underwriting, if any. The number of shares of Registrable Securities to be included in such registration and underwriting shall be allocated among such Holders as follows:

(i) If the Piggyback Registration was initiated by the Company, the number of shares that may be included in the registration and underwriting shall be allocated first to the Company and then, subject to obligations and commitments existing as of the date hereof, to all selling stockholders, including the Holders, who have requested to sell in the registration on a pro rata basis according to the number of shares requested to be included therein; or

(ii) If the Piggyback Registration was initiated by the exercise of demand registration rights by a stockholder or stockholders of the Company (other than the Holders), then the number of shares that may be included in the registration and underwriting shall be allocated first to such selling stockholders who exercised such demand and then, subject to obligations and commitments existing as of the date hereof, to all other selling stockholders, including the Holders, who have requested to sell in the registration on a pro rata basis according to the number of shares requested to be included therein.

No Registrable Securities excluded from the underwriting by reason of the underwriter's marketing limitation shall be included in such registration and no liquidated damages as set forth in Section 3(d) shall accrue with respect to such excluded securities. If any Holder disapproves of the terms of any such underwriting, such Holder may elect to withdraw such Holder's Registrable Securities therefrom by delivering a written notice to the Company and the underwriter. The Registrable Securities so withdrawn from such underwriting shall also be withdrawn from such registration; provided, however, that, if by the withdrawal of such Registrable Securities, a greater number of Registrable Securities held by other Holders may be included in such registration (up to the maximum of any limitation imposed by the underwriters), then the Company shall offer to all Holders who have included Registrable Securities in the registration the right to include additional Registrable Securities pursuant to the terms and limitations set forth herein in the same proportion used above in determining the underwriter limitation.

(d) Occurrence of Registration Event. If a Registration Event occurs, then the Company will make payments to each Holder of Registrable Securities (a "**Qualified Purchaser**"), as liquidated damages for the amount of damages to the Qualified Purchaser by reason thereof, at a rate equal to 0.50% of the purchase price per Unit paid by such Holder in the PPO for the Registrable Securities then held by each Qualified Purchaser for each full period of 30 days of the Registration Default Period (which shall be pro-rated for any period less than 30 days); provided, however, if a Registration Event occurs (or is continuing), liquidated damages shall be paid only with respect to that portion of the Qualified Purchaser's Registrable Securities that cannot then be immediately resold in reliance on Rule 144. Notwithstanding the foregoing, the maximum amount of liquidated damages that may be paid to any Qualified Purchaser pursuant to this Section 3(d) shall be an amount equal to 6% of the purchase price per Unit paid by such Holder in the PPO for the Registrable Securities held by such Qualified Purchaser at the time of the first occurrence of a Registration Event. Each such payment shall be due and payable within five days after the end of each full 30-day period of the Registration Default Period until the termination of the Registration Default Period and within five days after such termination. Such payments shall constitute the Qualified Purchaser's exclusive remedy for such events. If the Company fails to pay any partial liquidated damages or refund pursuant to this Section in full within seven days after the date payable, the Company will pay interest thereon at a rate of 2% per annum (or such lesser maximum amount that is permitted to be paid by applicable law) to the Holder, accruing daily from the date such partial liquidated damages are due until such amounts, plus all such interest thereon, are paid in full. The Registration Default Period shall terminate upon (i) the filing of the Registration Statement in the case of clause (a) of the definition of Registration Event, (ii) the SEC Effective Date in the case of clause (b) of the definition of Registration Event, (iii) the ability of the Qualified Purchaser to effect sales pursuant to the Registration Statement in the case of clause (c) of the definition of Registration Event, and (iv) the listing or inclusion and/or trading of the Common Stock on an Approved Market, as the case may be, in the case of clause (d) of the definition of Registration Event. The amounts payable as liquidated damages pursuant to this Section 3(d) shall be payable in lawful money of the United States.

(e) Notwithstanding the provisions of Section 3(d) above:

(1)(a) if the Commission does not declare the Registration Statement effective on or before the Registration Default Date, or (b) if the Commission allows the Registration Statement to be declared effective at any time before or after the Registration Default Date, subject to the withdrawal of certain Registrable Securities from the Registration Statement, and the reason for (a) or (b) is the Commission's determination that (x) the offering of any of the Registrable Securities constitutes a primary offering of securities by the Company, (y) Rule 415 may not be relied upon for the registration of the resale of any or all of the Registrable Securities, and/or (z) a Holder of any Registrable Securities must be named as an underwriter, the Holders understand and agree that in the case of (b) the Company may reduce, on a *pro rata* basis, the total number of Registrable Securities to be registered on behalf of each such Holder, and, in the case of (a) or (b), that a Holder shall not be entitled to any liquidated damages with respect to the Registrable Securities not registered for the reason set forth in (a), or so reduced on a *pro rata* basis as set forth in (b). In any such *pro rata* reduction, the number of Registrable Securities to be registered on such Registration Statement will be reduced by the Registrable Securities represented by Investor Shares (applied, in the case that some Investor Shares may be registered, to the Holders on a *pro rata* basis based on the total number of unregistered Investor Shares held by such Holders). In addition, any such affected Holder shall be entitled to Piggyback Registration rights after the Registration Statement is declared effective by the Commission until such time as: (AA) all Registrable Securities have been registered pursuant to an effective Registration Statement, (BB) the Registrable Securities may be resold without restriction pursuant to Rule 144 of the Securities Act, or (CC) the Holder agrees to be named as an underwriter in any such registration statement. The Holders acknowledge and agree the provisions of this paragraph may apply to more than one Registration Statement; and

(2) For not more than thirty (30) consecutive days or for a total of not more than sixty (60) days in any twelve (12) month period, the Company may suspend the use of any prospectus included in any Registration Statement contemplated by this Section in the event that the Company determines in good faith that such suspension is necessary to (A) delay the disclosure of material non-public information concerning the Company, the disclosure of which at the time is not, in the good faith opinion of the Company, in the best interests of the Company or (B) amend or supplement the affected Registration Statement or the related prospectus so that such Registration Statement or prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the case of the prospectus in light of the circumstances under which they were made, not misleading, including in connection with the filing of a post-effective amendment to such Registration Statement in connection with the Company's filing of an Annual Report on Form 10-K for any fiscal year (an "**Allowed Delay**"); provided, that the Company shall promptly (a) notify each Holder in writing of the commencement of an Allowed Delay, but shall not (without the prior written consent of an Holder) disclose to such Holder any material non-public information giving rise to an Allowed Delay, (b) advise the Holders in writing to cease all sales under the Registration Statement until the end of the Allowed Delay and (c) use commercially reasonable efforts to terminate an Allowed Delay as promptly as practicable.

In the event of an Allowed Delay, the liquidated damages set forth in Section 3(d) shall not accrue during such Allowed Delay.

4. Registration Procedures for Registrable Securities. The Company will keep each Holder reasonably advised as to the filing and effectiveness of the Registration Statement. At its expense with respect to the Registration Statement, the Company will:

(a) prepare and file with the Commission with respect to the Registrable Securities, a Registration Statement on Form S-1, or any other form for which the Company then qualifies or which counsel for the Company shall deem appropriate and which form shall be available for the sale of the Registrable Securities in accordance with the intended methods of distribution thereof, and use its commercially reasonable efforts to cause such Registration Statement to become effective and shall remain effective for a period of one year or for such shorter period ending on the earlier to occur of (i) the date as of which all of the Holders as selling stockholders thereunder may sell all of the Registrable Securities registered for resale thereon without restriction pursuant to Rule 144 (or any successor rule thereto) promulgated under the Securities Act or (ii) the date when all of the Registrable Securities registered thereunder shall have been sold (the "**Effectiveness Period**"). Thereafter, the Company shall be entitled to withdraw such Registration Statement and the Purchasers shall have no further right to offer or sell any of the Registrable Securities registered for resale thereon pursuant to the respective Registration Statement (or any prospectus relating thereto);

(b) if the Registration Statement is subject to review by the Commission, respond in a commercially reasonable manner to all comments and diligently pursue resolution of any comments to the satisfaction of the Commission;

(c) prepare and file with the Commission such amendments and supplements to such Registration Statement as may be necessary to keep such Registration Statement effective during the Effectiveness Period;

(d) furnish, without charge, to each Holder of Registrable Securities covered by such Registration Statement (i) a reasonable number of copies of such Registration Statement (including any exhibits thereto other than exhibits incorporated by reference), each amendment and supplement thereto as such Holder may reasonably request, (ii) such number of copies of the prospectus included in such Registration Statement (including each preliminary prospectus and any other prospectus filed under Rule 424 of the Securities Act) as such Holders may reasonably request, in conformity with the requirements of the Securities Act, and (iii) such other documents as such Holder may require to consummate the disposition of the Registrable Securities owned by such Holder, but only during the Effectiveness Period;

(e) use its commercially reasonable efforts to register or qualify such registration under such other applicable securities laws of such jurisdictions as any Holder of Registrable Securities covered by such Registration Statement reasonably requests and as may be necessary for the marketability of the Registrable Securities (such request to be made by the time the applicable Registration Statement is deemed effective by the Commission) and do any and all other acts and things necessary to enable such Holder to consummate the disposition in such jurisdictions of the Registrable Securities owned by such Holder; provided, that the Company shall not be required to (i) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this paragraph, (ii) subject itself to taxation in any such jurisdiction, or (iii) consent to general service of process in any such jurisdiction.

(f) notify each Holder of Registrable Securities, the disposition of which requires delivery of a prospectus relating thereto under the Securities Act, of the happening of any event (as promptly as practicable after becoming aware of such event), which comes to the Company's attention, that will after the occurrence of such event cause the prospectus included in such Registration Statement, if not amended or supplemented, to contain an untrue statement of a material fact or an omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading and the Company shall promptly thereafter prepare and furnish to such Holder a supplement or amendment to such prospectus (or prepare and file appropriate reports under the Exchange Act) so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus shall not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, unless suspension of the use of such prospectus otherwise is authorized herein or in the event of a Blackout Period, in which case no supplement or amendment need be furnished (or Exchange Act filing made) until the termination of such suspension or Blackout Period;

(g) comply, and continue to comply during the Effectiveness Period, in all material respects with the Securities Act and the Exchange Act and with all applicable rules and regulations of the Commission with respect to the disposition of all securities covered by such Registration Statement;

(h) as promptly as practicable after becoming aware of such event, notify each Holder of Registrable Securities being offered or sold pursuant to the Registration Statement of the issuance by the Commission of any stop order or other suspension of effectiveness of the Registration Statement;

(i) use its commercially reasonable efforts to cause all the Registrable Securities covered by the Registration Statement to be quoted on such Approved Market on which securities of the same class or series issued by the Company are then listed or traded;

(j) provide a transfer agent and registrar, which may be a single entity, for the shares of Common Stock at all times;

(k) if requested by the Holders, cooperate with the Holders to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be delivered to a transferee pursuant to the Registration Statement, which certificates shall be free, to the extent permitted by applicable law, of all restrictive legends, and to enable such Registrable Securities to be in such denominations and registered in such names as any such Holders may request;

(l) during the Effectiveness Period, refrain from bidding for or purchasing any Common Stock or any right to purchase Common Stock or attempting to induce any person to purchase any such security or right if such bid, purchase or attempt would in any way limit the right of the Holders to sell Registrable Securities by reason of the limitations set forth in Regulation M of the Exchange Act; and

(m) take all other reasonable actions necessary to expedite and facilitate the disposition by the Holders of the Registrable Securities pursuant to the Registration Statement.

5. Suspension of Offers and Sales. Each Holder agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 4(f) hereof or of the commencement of a Blackout Period, such Holder shall discontinue the disposition of Registrable Securities included in the Registration Statement until such Holder's receipt of the copies of the supplemented or amended prospectus contemplated by Section 4(f) hereof or notice of the end of the Blackout Period, and, if so directed by the Company, such Holder shall deliver to the Company (at the Company's expense) all copies (including, without limitation, any and all drafts), other than permanent file copies, then in such Holder's possession, of the prospectus covering such Registrable Securities current at the time of receipt of such notice.

6. Registration Expenses. The Company shall pay all expenses in connection with any registration obligation provided herein, including, without limitation, all registration, filing, stock exchange fees, printing expenses, all fees and expenses of complying with applicable securities laws, and the fees and disbursements of counsel for the Company and of its independent accountants; provided, that, in any registration, each party shall pay for its own underwriting discounts and commissions and transfer taxes. Except as provided in this Section and Section 9, the Company shall not be responsible for the expenses of any attorney or other advisor employed by a Holder.

7. Assignment of Rights. No Holder may assign its rights under this Agreement to any party without the prior written consent of the Company; provided, however, that any Holder may assign its rights under this Agreement without such consent to a Permitted Assignee as long as (a) such transfer or assignment is effected in accordance with applicable securities laws; (b) such transferee or assignee agrees in writing to become subject to the terms of this Agreement; and (c) such Holder notifies the Company in writing of such transfer or assignment, stating the name and address of the transferee or assignee and identifying the Registrable Securities with respect to which such rights are being transferred or assigned.

8. Information by Holder. A Holder with Registrable Securities included in any registration shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as shall be required in order to comply with any applicable law or regulation in connection with the registration of such Holder's Registrable Securities or any qualification or compliance with respect to such Holder's Registrable Securities and referred to in this Agreement. A form of Selling Stockholder Questionnaire is attached as Exhibit A hereto for such purposes.

9. Indemnification.

(a) In the event of the offer and sale of Registrable Securities under the Securities Act, the Company shall, and hereby does, indemnify and hold harmless, to the fullest extent permitted by law, each Holder, its directors, officers, partners, each other person who participates as an underwriter in the offering or sale of such securities, and each other person, if any, who controls or is under common control with such Holder or any such underwriter within the meaning of Section 15 of the Securities Act, against any losses, claims, damages or liabilities, joint or several, and expenses to which the Holder or any such director, officer, partner or underwriter or controlling person may become subject under the Securities Act, the Exchange Act, or any other federal or state law, insofar as such losses, claims, damages, liabilities or expenses (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon any untrue statement of any material fact contained in any registration statement prepared and filed by the Company under which Registrable Securities were registered under the Securities Act, any preliminary prospectus, final prospectus or summary prospectus contained therein, or any amendment or supplement thereto, or any omission to state therein a material fact required to be stated or necessary to make the statements therein in light of the circumstances in which they were made not misleading, or any violation or alleged violation of the Securities Act, the Exchange Act, any state securities law or any rule or regulation promulgated under the Securities Act, the Exchange Act or any state securities law in connection with this Agreement; and the Company shall reimburse the Holder, and each such director, officer, partner, underwriter and controlling person for any legal or any other expenses reasonably incurred by them in connection with investigating, defending or settling any such loss, claim, damage, liability, action or proceeding; provided, that such indemnity agreement found in this Section 9(a) shall in no event exceed the net proceeds from the PPO received by the Company; and provided further, that the Company shall not be liable in any such case (i) to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of or is based upon an untrue statement in or omission from such registration statement, any such preliminary prospectus, final prospectus, summary prospectus, amendment or supplement in reliance upon and in conformity with written information furnished to the Company by the Holder specifically for use in the preparation thereof or (ii) if the person asserting any such loss, claim, damage, liability (or action or proceeding in respect thereof) who purchased the Registrable Securities that are the subject thereof did not receive a copy of the preliminary prospectus or the final prospectus (or the final prospectus as amended or supplemented) at or prior to the written confirmation of the sale of such Registrable Securities to such person because of the failure of such Holder or underwriter to so provide such preliminary or final prospectus and the untrue statement or omission of a material fact made in such preliminary prospectus was corrected in the amended preliminary or final prospectus (or the final prospectus as amended or supplemented). Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Holders, or any such director, officer, partner, underwriter or controlling person and shall survive the transfer of such shares by the Holder.

(b) As a condition to including Registrable Securities in any registration statement filed pursuant to this Agreement, each Holder agrees to be bound by the terms of this Section 9 and to indemnify and hold harmless, to the fullest extent permitted by law, the Company, its directors and officers, and each other person, if any, who controls the Company within the meaning of Section 15 of the Securities Act, against any losses, claims, damages or liabilities, joint or several, to which the Company or any such director or officer or controlling person may become subject under the Securities Act, the Exchange Act, or any other federal or state law, to the extent arising out of or based solely upon: (x) such Holder's failure to comply with the prospectus delivery requirements of the Securities Act or (y) any untrue or alleged untrue statement of a material fact contained in any registration statement, any prospectus, or any form of prospectus, or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading (i) to the extent, but only to the extent, that such untrue statement or omission is contained in any information so furnished in writing by such Holder to the Company specifically for inclusion in the registration statement or such prospectus or (ii) to the extent that (1) such untrue statements or omissions are based solely upon information regarding such Holder furnished in writing to the Company by such Holder expressly for use therein, or to the extent that such information relates to such Holder or such Holder's proposed method of distribution of Registrable Securities and was reviewed and expressly approved in writing by such Holder expressly for use in the Registration Statement, such prospectus or such form of prospectus or in any amendment or supplement thereto or (2) in the case of an occurrence of an event of the type specified in Section 4(f) hereof, the use by such Holder of an outdated or defective prospectus after the Company has notified such Holder in writing that the prospectus is outdated or defective and prior to the receipt by such Holder of the advice contemplated in Section 4(f). In no event shall the liability of any selling Holder hereunder be greater in amount than the dollar amount of the net proceeds received by such Holder upon the sale of the Registrable Securities giving rise to such indemnification obligation.

(c) Promptly after receipt by an indemnified party of notice of the commencement of any action or proceeding involving a claim referred to in this Section (including any governmental action), such indemnified party shall, if a claim in respect thereof is to be made against an indemnifying party, give written notice to the indemnifying party of the commencement of such action; provided, that the failure of any indemnified party to give notice as provided herein shall not relieve the indemnifying party of its obligations under this Section, except to the extent that the indemnifying party is actually prejudiced by such failure to give notice. In case any such action is brought against an indemnified party, unless in the reasonable judgment of counsel to such indemnified party a conflict of interest between such indemnified and indemnifying parties may exist or the indemnified party may have defenses not available to the indemnifying party in respect of such claim, the indemnifying party shall be entitled to participate in and to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party for any legal or other expenses subsequently incurred by the latter in connection with the defense thereof, unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties arises in respect of such claim after the assumption of the defenses thereof or the indemnifying party fails to defend such claim in a diligent manner, other than reasonable costs of investigation. Neither an indemnified nor an indemnifying party shall be liable for any settlement of any action or proceeding effected without its consent. No indemnifying party shall, without the consent of the indemnified party, consent to entry of any judgment or enter into any settlement, which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect of such claim or litigation. Notwithstanding anything to the contrary set forth herein, and without limiting any of the rights set forth above, in any event any party shall have the right to retain, at its own expense, counsel with respect to the defense of a claim.

(d) If an indemnifying party does or is not permitted to assume the defense of an action pursuant to Sections 9(c) or in the case of the expense reimbursement obligation set forth in Sections 9(a) and (b), the indemnification required by Sections 9(a) and 9(b) shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills received or expenses, losses, damages, or liabilities are incurred.

(e) If the indemnification provided for in Section 9(a) or 9(b) is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, liability, claim, damage or expense referred to herein, the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall (i) contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage or expense as is appropriate to reflect the proportionate relative fault of the indemnifying party on the one hand and the indemnified party on the other (determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission relates to information supplied by the indemnifying party or the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission), or (ii) if the allocation provided by clause (i) above is not permitted by applicable law or provides a lesser sum to the indemnified party than the amount hereinafter calculated, not only the proportionate relative fault of the indemnifying party and the indemnified party, but also the relative benefits received by the indemnifying party on the one hand and the indemnified party on the other, as well as any other relevant equitable considerations. No indemnified party guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any indemnifying party who was not guilty of such fraudulent misrepresentation.

(f) Other Indemnification. Indemnification similar to that specified in this Section (with appropriate modifications) shall be given by the Company and each Holder of Registrable Securities with respect to any required registration or other qualification of securities under any federal or state law or regulation or governmental authority other than the Securities Act.

10. Rule 144. With a view to making available to the Holders the benefits of Rule 144 and any other rule or regulation of the Commission that may at any time permit the Holders to sell the Registrable Securities to the public without registration, the Company agrees: (i) to make and keep public information available as those terms are understood in Rule 144, (ii) to file with the Commission in a timely manner all reports and other documents required to be filed by an issuer of securities registered under the Securities Act or the Exchange Act pursuant to Rule 144, (iii) as long as any Holder owns any Registrable Securities, to furnish in writing upon such Holder's request a written statement by the Company that it has complied with the reporting requirements of Rule 144 and of the Securities Act and the Exchange Act, and to furnish to such Holder a copy of the most recent annual or quarterly report of the Company, and such other reports and documents so filed by the Company as may be reasonably requested in availing such Holder of any rule or regulation of the Commission permitting the selling of any such Registrable Securities without registration and (iv) undertake any additional actions commercially reasonably necessary to maintain the availability of the use of Rule 144.

11. Independent Nature of Each Purchaser's Obligations and Rights. The obligations of each Purchaser under this Agreement are several and not joint with the obligations of any other Purchaser, and each Purchaser shall not be responsible in any way for the performance of the obligations of any other Purchaser under this Agreement. Nothing contained herein and no action taken by any Purchaser pursuant hereto, shall be deemed to constitute such Purchasers as a partnership, an association, a joint venture, or any other kind of entity, or create a presumption that the Purchasers are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated by this Agreement. Each Purchaser shall be entitled to independently protect and enforce its rights, including without limitation the rights arising out of this Agreement, and it shall not be necessary for any other Purchaser to be joined as an additional party in any proceeding for such purpose.

12. Miscellaneous.

(a) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the United States of America and the State of New York, both substantive and remedial, without regard to New York conflicts of law principles. Any judicial proceeding brought against either of the parties to this Agreement or any dispute arising out of this Agreement or any matter related hereto shall be brought in the courts of the State of New York, New York County, or in the United States District Court for the Southern District of New York and, by its execution and delivery of this Agreement, each party to this Agreement accepts the jurisdiction of such courts. The foregoing consent to jurisdiction shall not be deemed to confer rights on any person other than the parties to this Agreement.

(b) Remedies. In the event of a breach by the Company or by a Holder of any of their respective obligations under this Agreement, each Holder or the Company, as the case may be, in addition to being entitled to exercise all rights granted by law and under this Agreement, including recovery of damages, shall be entitled to specific performance of its rights under this Agreement. The Company and each Holder agree that monetary damages would not provide adequate compensation for any losses incurred by reason of a breach by it of any of the provisions of this Agreement and hereby further agrees that, in the event of any action for specific performance in respect of such breach, it shall not assert or shall waive the defense that a remedy at law would be adequate.

(c) Successors and Assigns. Except as otherwise provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, Permitted Assignees, executors and administrators of the parties hereto.

(d) No Inconsistent Agreements. The Company has not entered, as of the date hereof, and shall not enter, on or after the date of this Agreement, into any agreement with respect to its securities that would have the effect of impairing the rights granted to the Holders in this Agreement or otherwise conflicts with the provisions hereof.

(e) Entire Agreement. This Agreement constitutes the full and entire understanding and agreement between the parties with regard to the subjects hereof.

(f) Notices, etc. All notices or other communications which are required or permitted under this Agreement shall be in writing and sufficient if delivered by hand, by facsimile transmission, by registered or certified mail, postage pre-paid, by electronic mail, or by courier or overnight carrier, to the persons at the addresses set forth below (or at such other address as may be provided hereunder), and shall be deemed to have been delivered as of the date so delivered:

If to the Company to:

Motus GI Holdings, Inc.
150 Union Square Drive
New Hope, PA 18938

with copy to:

Lowenstein Sandler LLP
1251 Avenue of the Americas
New York, NY 10020
Attn: Steven M. Skolnick, Esq.
Facsimile: (973) 597-2477

If to the Purchasers:

To each Purchaser at the address set forth on the signature page hereto or at such other address as any party shall have furnished to the other parties in writing.

(g) Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to any Holder, upon any breach or default of the Company under this Agreement, shall impair any such right, power or remedy of such Holder nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of any similar breach or default thereunder occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any Holder of any breach or default under this Agreement, or any waiver on the part of any Holder of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement, or by law or otherwise afforded to any holder, shall be cumulative and not alternative.

(h) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be enforceable against the parties actually executing such counterparts, and all of which together shall constitute one instrument. In the event that any signature is delivered by facsimile transmission or electronic transmission via .PDF file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or electronic signature page were an original thereof.

(i) Severability. In the case any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(j) Amendments. The provisions of this Agreement may be amended at any time and from time to time, and particular provisions of this Agreement may be waived, with and only with an agreement or consent in writing signed by the Company and the Majority Holders. The Purchasers acknowledge that by the operation of this Section, the Majority Holders may have the right and power to diminish or eliminate all rights of the Purchasers under this Agreement.

[*SIGNATURE PAGES FOLLOW*]

This Registration Rights Agreement is hereby executed as of the date first above written.

COMPANY:

MOTUS HOLDINGS INC.

By: _____
Name:
Title:

EACH PURCHASER'S SIGNATURE TO THE SUBSCRIPTION AGREEMENT DATED OF VEN DATE HEREWITH SHALL CONSTITUTE THE PURCHASER'S SIGNATURE TO THIS REGISTRATION RIGHTS AGREEMENT.

[Signature Page to Registration Rights Agreement]

Exhibit A

Selling Stockholder Questionnaire

[See Attached.]

MOTUS GI HOLDINGS, INC.
STOCKHOLDERS' QUESTIONNAIRE

The following information is requested from you in connection with the preparation and filing by Motus GI Holdings, Inc. (the "Company") of a Registration Statement on Form S-1 or other appropriate form (the "Registration Statement") with the Securities and Exchange Commission (the "SEC") covering the sale of shares of the Company's common stock, including shares of common stock underlying certain Warrants (the "Registrable Securities") by certain stockholders of the Company.

We would appreciate your answering all of the questions included in this questionnaire, even though your answers may be in the negative, so that the Company will have a record of your responses for use in connection with the preparation of the Registration Statement. It is requested that you give careful attention to each question and that you complete this questionnaire personally.

In order to assist you in completing this questionnaire, certain terms used herein are defined in the appendix which is attached to this questionnaire. Each of such defined terms has been ***bolded and italicized*** for identification. The term "person," as used in this questionnaire, means any natural person, company, government or political subdivision, agency or instrumentality of a government.

After you have completed the following questionnaire, please send the completed questionnaire by e-mail to RBee@lowenstein.com, or fax to the attention of Robert Bee, Esq. at (973)-597-2400, or overnight courier as soon as possible to the attention of Robert Bee, Esq. at Lowenstein Sandler LLP, 65 Livingston Avenue, Roseland, NJ 07068.

****

GENERAL INFORMATION

1. Please provide your full name and address or the full name and address of the entity on whose behalf you are completing this questionnaire. The address may be a business, mailing or residence address.

Name: _____

Address: _____

If you are answering this questionnaire on behalf of a corporate entity, please state your name and position with the selling shareholder.

Name: _____

Position: _____

2. Name the Control Person of your organization: _____

3. (a) Are you a broker-dealer registered pursuant to Section 15 of the Exchange Act?

[ ] Yes
[ ] No

(b) If your response to Item 3(a) above is no, are you an "affiliate" of a broker-dealer registered pursuant to Section 15 of the Exchange Act?

[ ] Yes
[ ] No

For the purposes of this Item 3(b), an "affiliate" of a registered broker-dealer shall include any company that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such broker-dealer, and does not include any individuals employed by such broker-dealer or its affiliates.

(c) Please provide the full legal name of the person through which you hold the Registrable Securities—(i.e. name of your broker, if applicable, through which your Registrable Securities are held):

Name of broker: _____

Contact person: _____

Telephone No.: _____

SECURITIES HOLDINGS

Please fill in all blanks in the following questions related to your ***beneficial ownership*** of the Company's common stock. Generally, a ***beneficial owner*** of a security is a person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise has or shares either: (i) voting power, which includes the power to vote, or to direct the voting of such security; and/or (ii) investment power, which includes the power to dispose, or to direct the disposition of, such security, even though he or she may not be the holder of record of the securities. Thus, securities held in "street name" over which you exercise voting or investment power would be considered ***beneficially owned*** by you. Other examples of indirect ownership include ownership by a partnership in which you are a partner or by an estate or trust of which you or any member of your ***immediate family*** is a beneficiary. Ownership of securities held in the names of your spouse, minor children or other relatives who live in the same household may be attributed to you.

If you have any reason to believe that any interest in securities of the Company which you may have, however remote, is a beneficial interest, please describe such interest. For purposes of responding to this questionnaire, it is preferable to err on the side of inclusion rather than exclusion. Where the SEC's interpretation of ***beneficial ownership*** would require disclosure of your interest or possible interest in certain securities of the Company, and you believe that you do not actually possess the attributes of ***beneficial ownership***, an appropriate response is to disclose the interest and at the same time disclaim ***beneficial ownership*** of the securities.

In the table below, please indicate the shares of common stock, including shares of common stock underlying any option, warrant or other convertible security, of the Company or any of its subsidiaries which you ***beneficially owned*** as of the date hereof.

For each holding use the fields in the table to:

- State the nature of the holding (*i.e.*, held in your own name, jointly, as a trustee or beneficiary of a trust, as a custodian, as an executor, in discretionary accounts, by your spouse or minor children, by a partnership of which you are a partner, etc.), and
- State whether you are the ***beneficial owner*** by reason of (i) sole voting power, (ii) shared voting power, (iii) sole investment power, (iv) shared investment power, (v) the right to acquire stock within 60 days of the end of the calendar year, (vi) the right to acquire stock with the purpose of changing or influencing control; and/or (vii) a security-based swap that you hold that gives you voting or investment power over the underlying Company stock (even though you may not directly hold the underlying Company stock).
- Indicate in the Remarks column below whether you have sole or shared voting or investment power with respect to any such securities, and in what capacity (*i.e.,* individual, general partner, trustee) you have such power or powers.
- If you wish to disclaim ***beneficial ownership*** of any shares listed, so indicate by writing the word "Disclaim" in the Remarks column below; you understand that such shares will be shown separately from your beneficial holdings and an appropriate disclaimer set forth.
- If any of the shares listed are subject to any claim, encumbrance, pledge or lien, so indicate in the Remarks column.

Number of shares[1]	Registered in name of	Beneficially Owned by	Number of Registrable Securities	Remarks

[1] Including the number of shares underlying warrants, options or convertible securities. Please list such shares as a separate line item.

1. Your Interest in the Registrable Securities.

(a) State the number of such Registrable Securities beneficially owned by you.

Common stock: _____

Warrants: _____

(b) Other than as set forth in your response to Item 1(a) above, do you beneficially own any other securities of the Company?

[ ] Yes

[ ] No

(c) If your answer to Item 1(b) above is yes, state the type, the aggregate amount and CUSIP No. (if applicable) of such other securities of the Company beneficially owned by you:

Type: _____

Aggregate amount: _____

CUSIP No.: _____

(d) Did you acquire the securities listed in Item 1(a) above in the ordinary course of business?

[ ] Yes

[ ] No

(e) At the time of your purchase of the securities listed in Item 1(a) above, did you have any agreements or understandings, directly or indirectly, with any person to distribute the securities?

[ ] Yes

[ ] No

(f) If your response to Item 1(e) above is yes, please describe such agreements or understandings:

_____

_____

_____

_____

_____

_____

2. Nature of Your Beneficial Ownership.

(a) Does someone other than you have ***control*** over the securities listed in Item 1(a) above?

[ ] Yes

[ ] No

(b) If your response to Item 2(a) above is yes, name your controlling shareholder(s) or other person who has the ability to exercise control over you (the "Controlling Entity"). If the Controlling Entity is not a natural person and is not a publicly held entity, name each shareholder of such Controlling Entity. If any of these named shareholders are not natural persons or publicly held entities, please provide the same information. This process should be repeated until you reach natural persons or a publicly held entity.

(A) Full legal name of Controlling Entity(ies) or natural person(s) with who have sole or shared voting or dispositive power over (i) the Registrable Securities:

Business address (including street address) (or residence if no business address), telephone number and facsimile number of such person(s):

Address: _____

Telephone: _____

Fax: _____

Name of shareholder:; _____

_____

_____

_____

_____

(B)(i) Full legal name of Controlling Entity(ies):

_____

Business address (including street address) (or residence if no business address), telephone number and facsimile number of such person(s):

Address: _____

Telephone: _____

Fax: _____

Name of shareholders _____

If you need more space for this response, please attach additional sheets of paper. Please be sure to indicate your name and the number of the item being responded to on each such additional sheet of paper, and to sign each such additional sheet of paper before attaching it to this Questionnaire. Please note that you may be asked to answer additional questions depending on your responses to the following questions.

3. 5% Stockholders

To the best of my knowledge, all persons (including myself and my ***associates*** and including corporations, partnerships, trusts, associations and other such groups) who ***beneficially own*** more than 5% of any class of the Company's stock are described below:

Name of Benefiacial Owner	Class of Shares Beneficiaaly Owned	Holder of Voting or Investment Power

4. No Adverse Interest

All interests I or my ***associates*** have or will have that are adverse to the Company interests in any pending or contemplated legal proceeding or government investigation to which the Company is or will be a party (or to which its property may be subject) are described below:

5. Voting Arrangement

All voting trusts or similar agreements or ***arrangements*** of which I have knowledge pursuant to which more than 5% of the Company's outstanding common stock, on an as converted basis, is subject are described below:

Names and Addresses of Voting Trustees	Voting Rights and Other Powers Under Trust, Agreement or Arrangement

6. Change in Control

All ***arrangements*** of which I have knowledge, including any pledge by any person of securities of the Company, the operations of which may at a subsequent date result in a change in ***control*** of the Company, are described below:

TRANSACTIONS WITH THE COMPANY

1. Information regarding all ***material*** interests of yours or your associates in any actual or proposed transaction during the last three fiscal years to which the Company was or is to be a party (and that are identified under "Securities Holdings" above) is provided below. No such transaction need be described if:

(a) the amount involved (including all periodic installments in the case of any lease or other agreement provided for periodic payments or installments and including the value of all transactions In a series of similar transactions) does not exceed $60,000;

(b) the rates or charges involved in the transaction are fixed by law or governmental authority or determined by competitive bids;

(c) the services involved are as a bank depositary of funds, transfer agent, registrar, trustee under a trust indenture or other similar service;

(d) your interest arises solely from my ownership of securities of the Company and you received no extra or special benefit not shared on a pro rata basis by all other holders of securities in the same class;

(e) your interest in the corporation that is a party to the transaction is solely as a director; or

(f) your interest arose solely as an officer and/or director of the Company (e.g., your compensation arrangement with the Company).

Description:

AFFILIATION WITH ACCOUNTANTS OR ATTORNEYS

Described below is any interest, affiliation or connection you have with any law firm or accounting firm that has been retained by the Company during the last three fiscal years or is proposed to be retained by the Company:

CONTRACTS WITH THE COMPANY

Described below are all contracts with the Company or in which the Company has a beneficial interest, or to which the Company has succeeded by assumption or assignment, to which you or any of your ***associates*** is a party, which are to be performed in whole or in part at or after the date of the proposed filing of the Registration Statement, or which were made not more than two years prior thereto:

FINRA-RELATED QUESTIONS

1. Are you (i) a "member" of the Financial Industries Regulatory Authority, Inc. (" FINRA"), (ii) an "affiliate" of a member of FINRA, (iii) a "person associated with a member" or "associated person of a member" of FINRA or (iv) associated with an "underwriter or related person" with respect to the proposed public offering of the Company's securities?

Yes _____ No _____

For the sole purpose of this Question: (i) FINRA generally defines a "member" to include any broker or dealer admitted to membership in FINRA or any officer or partner of such a member or the executive representative of such member or the substitute for such representative; (ii) the term "affiliate" means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is in common control with the person specified. Persons who have acted or are acting on behalf or for the benefit of a person include, but are not necessarily limited to, directors, officers, employees, agents, consultants and sales representatives; (iii) FINRA generally defines a "person associated with a member" or "associated person of a member" to include every sole proprietor, partner, officer, director or branch manager of any member, or any natural person occupying a similar status or performing similar functions, or any natural person engaged in the investment banking or securities business who is directly or indirectly controlling or controlled by such member (for example, any employee), whether or not any such person is registered or exempt from registration with FINRA; and (iv) the term "underwriter or related person" includes, with respect to a proposed offering, underwriters, underwriters' counsel, financial consultants and advisers, finders, members of the selling or distribution group, and any and all other persons associated with or related to any such persons.

If yes, kindly describe such relationship (whether direct or indirect) and please respond to Questions (2) and (3) below; if no, please proceed to Question (4).

2. Please set forth information as to all purchases and acquisitions (including contracts for purchase or acquisition) of securities of the Company by you, regardless of the time acquired or the source from which derived:

Seller or Prospective Seller	Amount and Nature of Securities	Price or Other Consideration	Date

3. In connection with your direct or indirect affiliation or association with a "member" of FINRA as set forth above in Question (1), please furnish the identity of such FINRA member and any information, if known, as to whether such FINRA member intends to participate in any capacity in this proposed initial public offering, including the details of such participation:

4. Please describe any underwriting compensation and arrangement or any dealings known to you between any "underwriter or related person", "member" of FINRA, "affiliate" of a member of FINRA, "person associated with a member", or "associated person of a member" of FINRA on the one hand and the Company or controlling shareholder thereof on the other hand, other than information relating to the proposed initial public offering of the Company:

5. Please set out below any information, if known, as to whether any "member" of FINRA, any "underwriter or related person", "affiliate" or a member of FINRA, "person associated with a member" or "associated person of a member" of FINRA may receive any portion of the net offering:

For subscribers answering "Yes" to Item 1 above:

The undersigned FINRA member form acknowledges receipt of the notice required by Article 3, Sections 28(a) and (b) of the Rules of Fair Practice.

_____

Name of FINRA Member Firm

By: _____ Date: _____

Authorized officer

The undersigned (including its donees or pledgees) intends to distribute the Registrable Securities listed above pursuant to the Registration Statement only as follows (if at all): Such Registrable Securities may be sold from time to time directly by the undersigned or, alternatively, through underwriters, broker-dealers or agents. If the Registrable Securities are sold through underwriters, broker-dealers or agents, the selling holder will be responsible for underwriting discounts or commissions or agents' commissions. Such Registrable Securities may be sold in one or more transactions at fixed prices, at prevailing market prices at the time of sale, at varying prices determined at the time of sale or at negotiated prices. Such sales may be effected in transactions (which may involve block transactions) (i) on any national securities exchange or quotation service on which the Registrable Securities may be listed or quoted at the time of sale, (ii) in the over-the-counter market, or (iii) in transactions otherwise than on such exchanges or services or in the over-the-counter market.

I understand that material misstatements or the omission of material facts in the Registration Statement may give rise to civil and criminal liabilities to the Company, to each officer and director of the Company signing the Registration Statement and other persons signing the Registration Statement. I will notify you and the Company of any misstatement of a material fact in the Registration Statement or any amendment thereto, and of the omission of any material fact necessary to make the statements contained therein not misleading, as soon as practicable after a copy of the Registration Statement or any such amendment has been provided to me. The undersigned acknowledges and agrees that the Company and its legal counsel shall be entitled to rely on the responses in this Questionnaire in all matters pertaining to the Registration Statement and the sale of any Registrable Securities pursuant to the Registration Statement.

I confirm that the foregoing statements are correct, to the best of my knowledge and belief.

Dated: _____

Very truly yours,

_____
(Signature)

_____
(Typed or Printed Name)

DEFINITIONS

The term "***arrangement***" means any plan, contract, authorization or understanding whether or not set forth in a formal document.

The term "***associate***" as used throughout this questionnaire, means (a) any corporation or organization (other than the Company) of which I am an officer, director or partner or of which I am, directly or indirectly, the beneficial owner of 5% or more of any class of equity securities, (b) any trust or other estate in which I have a substantial beneficial interest or as to which I serve as trustee or in a similar capacity, (c) my spouse, (d) any relative of my spouse or any relative of mine who has the same home as me or who is a director or officer or key executive of the Company, (e) any partner, syndicate member or person with whom I have agreed to act in concert with respect to the acquisition, holding, voting or disposition of shares of the Company's securities.

The term "***beneficial owner***" when used in connection with the ownership of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise has or shares:

(a) voting power which includes the power to vote, or to direct the voting of, such security; and/or

(b) investment power which includes the power to dispose, or to direct the disposition, of such security.

The term "***beneficial ownership" or*** "***beneficially owned***" when used in connection with the ownership of securities, means (a) any interest in a security which entitles me to any of the rights or benefits of ownership even though I may not be the owner of record or (b) securities owned by me directly or indirectly, including those held by me for my own benefit (regardless of how registered) and securities held by others for my benefit (regardless of how registered), such as by custodians, brokers, nominees, pledgees, etc., and including securities held by an estate or trust in which I have an interest as legatee or beneficiary, securities owned by a partnership of which I am a partner, securities held by a personal holding company of which I am a stockholder, etc., and securities held in the name of my spouse, minor children and any relative (sharing the same home).

The term "***control***" (including the terms "controlling," "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise.

The term "***immediate family***" means any relationship by blood, marriage or adoption, not more remote than first cousin.

The term "***material***," when used in this questionnaire to qualify a requirement for the furnishing of information as to any subject, limits the information required to those matters as to which an average prudent investor ought reasonably to be informed before purchasing the Common Stock of the Company.

Warrant Certificate No. W-[●]

NEITHER THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES ISSUABLE UPON THE EXERCISE OF THIS WARRANT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY STATE SECURITIES LAWS, AND NEITHER SUCH SECURITIES NOR ANY INTEREST THEREIN MAY BE OFFERED, SOLD, ASSIGNED OR OTHERWISE TRANSFERRED UNLESS (1) A REGISTRATION STATEMENT WITH RESPECT THERETO IS EFFECTIVE UNDER THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR (2) AN EXEMPTION FROM SUCH REGISTRATION EXISTS AND THE COMPANY RECEIVES AN OPINION OF COUNSEL TO THE HOLDER OF SUCH SECURITIES, WHICH COUNSEL AND OPINION ARE SATISFACTORY TO THE COMPANY, THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED, ASSIGNED OR TRANSFERRED IN THE MANNER CONTEMPLATED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR APPLICABLE STATE SECURITIES LAWS.

Effective Date: [●] Void After: [●]

MOTUS GI HOLDINGS, INC.

WARRANT TO PURCHASE COMMON STOCK

Motus GI Holdings, Inc., a Delaware corporation (the "**Company**"), effective [●] (the "**Effective Date**"), hereby issues to [●]**,** (the "**Holder**" or "**Warrant Holder**") this Warrant (the "**Warrant**") to purchase [●] shares (each such share as from time to time adjusted as hereinafter provided being a "**Warrant Share**" and all such shares being the "**Warrant Shares**") of the Company's Common Stock (as defined below), at the Exercise Price (as defined below), as adjusted from time to time as provided herein, on or before [●] (the "**Expiration Date**"), all subject to the following terms and conditions. This Warrant has been issued in connection with that certain Consulting Agreement, between the Company and the Holder, dated [●], as the same may have been amended and supplemented from time to time (the "Consulting Agreement").

As used in this Warrant, (i) "**Business Day**" means any day other than Saturday, Sunday or any other day on which commercial banks in the City of New York, New York, are authorized or required by law or executive order to close; (ii) "**Common Stock**" means the common stock of the Company, par value $0.0001 per share, including any securities issued or issuable with respect thereto or into which or for which such shares may be exchanged for, or converted into, pursuant to any stock dividend, stock split, stock combination, recapitalization, reclassification, reorganization or other similar event; (iii) "**Exercise Price**" means $8.00 per share of Common Stock, subject to adjustment as provided herein; (iv) "**Trading Day**" means any day on which the Common Stock is traded (or available for trading) on its principal trading market; and (v) "**Affiliate**" means any person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, a person, as such terms are used and construed in Rule 144 promulgated under the Securities Act of 1933, as amended (the "**Securities Act**").

1. DURATION AND EXERCISE OF WARRANTS

(a) Vesting; Exercise Period. This Warrant shall become exercisable as follows (each a "Vesting Date"): (i) [●] Warrant Shares shall become exercisable on [●], (ii) [●] Warrant Shares shall become exercisable on the six month anniversary of the date the Securities and Exchange Commission declares the Company's Registration Statement on Form S-1 (the "**Registration Statement**") effective (the "**Registration Statement Effectiveness Date**"), and (iii) [●] Warrant Shares shall become exercisable on the twelve month anniversary of the Registration Statement Effectiveness Date, provided that the Holder remains a service provider, pursuant to the terms of the Consulting Agreement, to the Company through each applicable Vesting Date. The Holder may exercise this Warrant in whole or in part, with respect to Warrant Shares that have become exercisable pursuant to this Section 1(a), on any Business Day on or before 5:00 P.M., Eastern Time, on the Expiration Date, at which time this Warrant shall become void and of no value.

(b) Exercise Procedures.

(i) While this Warrant remains outstanding and exercisable in accordance with Section 1(a), the Holder may exercise this Warrant in whole or in part at any time and from time to time for Warrant Shares that have become exercisable pursuant to Section 1(a) by:

(A) delivery to the Company of a duly executed copy of the Notice of Exercise attached as **Exhibit A**;

(B) surrender of this Warrant to the Secretary of the Company at its principal offices or at such other office or agency as the Company may specify in writing to the Holder; and

(C) payment of the then-applicable Exercise Price per share multiplied by the number of Warrant Shares being purchased upon exercise of the Warrant (such amount, the "**Aggregate Exercise Price**") made in the form of cash, or by certified check, bank draft or money order payable in lawful money of the United States of America.

(ii) Intentionally omitted.

(iii) Upon the exercise of this Warrant in compliance with the provisions of this Section 1(b) the Company shall promptly issue and cause to be delivered to the Holder a certificate for the Warrant Shares purchased by the Holder. Each exercise of this Warrant shall be effective immediately prior to the close of business on the date (the "**Date of Exercise**") that the conditions set forth in Section 1(b) have been satisfied, as the case may be. On the first Business Day following the date on which the Company has received each of the Notice of Exercise and the Aggregate Exercise Price (the "**Exercise Delivery Documents**"), the Company shall transmit an acknowledgment of receipt of the Exercise Delivery Documents to the Company's transfer agent (the "**Transfer Agent**"). On or before the third Business Day following the date on which the Company has received all of the Exercise Delivery Documents (the "**Share Delivery Date**"), the Company shall (X) provided that the Transfer Agent is participating in The Depository Trust Company (" **DTC**") Fast Automated Securities Transfer Program, upon the request of the Holder, credit such aggregate number of shares of Common Stock to which the Holder is entitled pursuant to such exercise to the Holder's or its designee's balance account with DTC through its Deposit Withdrawal Agent Commission system, or (Y) if the Transfer Agent is not participating in the DTC Fast Automated Securities Transfer Program, issue and dispatch by overnight courier to the address as specified in the Notice of Exercise, a certificate, registered in the Company's share register in the name of the Holder or its designee, for the number of shares of Common Stock to which the Holder is entitled pursuant to such exercise. Upon delivery of the Exercise Delivery Documents, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the certificates evidencing such Warrant Shares.

(iv) If the Company shall fail for any reason or for no reason to issue to the Holder, within three (3) Business Days of receipt of the Exercise Delivery Documents, a certificate for the number of shares of Common Stock to which the Holder is entitled and register such shares of Common Stock on the Company's share register or to credit the Holder's balance account with DTC for such number of shares of Common Stock to which the Holder is entitled upon the Holder's exercise of this Warrant, and if on or after such Business Day the Holder purchases (in an open market transaction or otherwise) shares of Common Stock to deliver in satisfaction of a sale by the Holder of shares of Common Stock issuable upon such exercise that the Holder anticipated receiving from the Company (a "**Buy-In**"), then the Company shall, (A) pay in cash to the Holder the amount, if any, by which (x) the Holder's total purchase price (including brokerage commissions, if any) for the shares of Common Stock so purchased (the "**Buy-In Amount**") plus the amount paid by the Holder to the Company as the exercise price for the Warrant Shares exceeds (y) the amount obtained by multiplying (1) the number of Warrant Shares that the Company was required to deliver to the Holder in connection with the exercise at issue times (2) the price at which the sell order giving rise to such purchase obligation was executed, and (B) at the option of the Holder, either reinstate the portion of the Warrant and equivalent number of Warrant Shares for which such exercise was not honored or deliver to the Holder the number of shares of Common Stock that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder. For example, if the Holder purchases Common Stock having a total purchase price of $11,000 to cover a Buy-In with respect to an attempted exercise of shares of Common Stock, and paid the Company $5,000 as the exercise price, the Holder's cash outlay would be a total of $16,000; and if the aggregate sales price of the shares giving rise to such Buy-In obligation was $10,000, under clause (A) of the immediately preceding sentence the Company shall be required to pay the Holder $6,000. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In and, upon request of the Company, evidence of the amount of such loss. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver certificates representing shares of Common Stock upon exercise of the Warrant as required pursuant to the terms hereof.

(c) Partial Exercise. This Warrant shall be exercisable for Warrant Shares that have become exercisable pursuant to Section 1(a), either in its entirety or, from time to time, for part only of the number of Warrant Shares referenced by this Warrant. If this Warrant is submitted in connection with any exercise pursuant to Section 1 and the number of Warrant Shares represented by this Warrant submitted for exercise is greater than the actual number of Warrant Shares being acquired upon such an exercise, then the Company shall as soon as practicable and in no event later than five (5) Business Days after any exercise and at its own expense, issue a new Warrant of like tenor representing the right to purchase the number of Warrant Shares purchasable immediately prior to such exercise under this Warrant, less the number of Warrant Shares with respect to which this Warrant is exercised.

(d) Disputes. In the case of a dispute as to the determination of the Exercise Price or the arithmetic calculation of the Warrant Shares, the Company shall promptly issue to the Holder the number of Warrant Shares that are not disputed and resolve such dispute in accordance with Section 16.

2. ISSUANCE OF WARRANT SHARES

(a) The Company covenants that all Warrant Shares will, upon issuance in accordance with the terms of this Warrant, be (i) duly authorized, fully paid and non-assessable, and (ii) free from all liens, charges and security interests, with the exception of claims arising through the acts or omissions of any Holder and except as arising from applicable Federal and state securities laws.

(b) The Company shall register this Warrant upon records to be maintained by the Company for that purpose in the name of the record holder of such Warrant from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner thereof for the purpose of any exercise thereof, any distribution to the Holder thereof and for all other purposes.

(c) The Company will not, by amendment of its certificate of incorporation, by-laws or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but will at all times in good faith assist in the carrying out of all the provisions of this Warrant and in the taking of all action necessary or appropriate in order to protect the rights of the Holder to exercise this Warrant, or against impairment of such rights.

3. ADJUSTMENTS OF EXERCISE PRICE, NUMBER AND TYPE OF WARRANT SHARES

(a) The Exercise Price and the number of shares purchasable upon the exercise of this Warrant shall be subject to adjustment from time to time upon the occurrence of certain events described in this Section 3; provided, that notwithstanding the provisions of this Section 3, the Company shall not be required to make any adjustment if and to the extent that such adjustment would require the Company to issue a number of shares of Common Stock in excess of its authorized but unissued shares of Common Stock, less all amounts of Common Stock that have been reserved for issue upon the conversion of all outstanding securities convertible into shares of Common Stock and the exercise of all outstanding options, warrants and other rights exercisable for shares of Common Stock. If the Company does not have the requisite number of authorized but unissued shares of Common Stock to make any adjustment, the Company shall use its commercially reasonable efforts to obtain the necessary stockholder consent to increase the authorized number of shares of Common Stock to make such an adjustment pursuant to this Section 3.

(i) Subdivision or Combination of Stock. In case the Company shall at any time subdivide (whether by way of stock dividend, stock split or otherwise) its outstanding shares of Common Stock into a greater number of shares, the Exercise Price in effect immediately prior to such subdivision shall be proportionately reduced and the number of Warrant Shares shall be proportionately increased, and conversely, in case the outstanding shares of Common Stock of the Company shall be combined (whether by way of stock combination, reverse stock split or otherwise) into a smaller number of shares, the Exercise Price in effect immediately prior to such combination shall be proportionately increased and the number of Warrant Shares shall be proportionately decreased. The Exercise Price and the Warrant Shares, as so adjusted, shall be readjusted in the same manner upon the happening of any successive event or events described in this Section 3(a)(i).

(ii) Dividends in Stock, Property, Reclassification. If at any time, or from time to time, all of the holders of Common Stock (or any shares of stock or other securities at the time receivable upon the exercise of this Warrant) shall have received or become entitled to receive, without payment therefore:

(A) any shares of stock or other securities that are at any time directly or indirectly convertible into or exchangeable for Common Stock, or any rights or options to subscribe for, purchase or otherwise acquire any of the foregoing by way of dividend or other distribution, or

(B) additional stock or other securities or property (including cash) by way of spin-off, split-up, reclassification, combination of shares or similar corporate rearrangement (other than shares of Common Stock issued as a stock split or adjustments in respect of which shall be covered by the terms of Section 3(a)(i) above),

then and in each such case, the Exercise Price and the number of Warrant Shares to be obtained upon exercise of this Warrant shall be adjusted proportionately, and the Holder hereof shall, upon the exercise of this Warrant, be entitled to receive, in addition to the number of shares of Common Stock receivable thereupon, and without payment of any additional consideration therefor, the amount of stock and other securities and property (including cash in the cases referred to above) that such Holder would hold on the date of such exercise had such Holder been the holder of record of such Common Stock as of the date on which holders of Common Stock received or became entitled to receive such shares or all other additional stock and other securities and property. The Exercise Price and the Warrant Shares, as so adjusted, shall be readjusted in the same manner upon the happening of any successive event or events described in this Section 3(a)(ii).

(iii) Reorganization, Reclassification, Consolidation, Merger or Sale. If any recapitalization, reclassification or reorganization of the capital stock of the Company, or any consolidation or merger of the Company with another corporation, or the sale of all or substantially all of its assets or other transaction shall be effected in such a way that holders of Common Stock shall be entitled to receive stock, securities, or other assets or property (an "**Organic Change**"), then, as a condition of such Organic Change, lawful and adequate provisions shall be made by the Company whereby the Holder hereof shall thereafter have the right to purchase and receive (in lieu of the shares of the Common Stock of the Company immediately theretofore purchasable and receivable upon the exercise of the vested rights represented by this Warrant) such shares of stock, securities or other assets or property as may be issued or payable with respect to or in exchange for a number of outstanding shares of such Common Stock equal to the number of shares of such stock immediately theretofore purchasable and receivable assuming the full exercise of the vested rights represented by this Warrant. In the event of any Organic Change, appropriate provision shall be made by the Company with respect to the rights and interests of the Holder of this Warrant to the end that the provisions hereof (including, without limitation, provisions for adjustments of the Exercise Price and of the number of shares purchasable and receivable upon the exercise of this Warrant) shall thereafter be applicable, in relation to any shares of stock, securities or assets thereafter deliverable upon the exercise hereof. The Company will not affect any such consolidation, merger or sale unless, prior to the consummation thereof, the successor corporation (if other than the Company) resulting from such consolidation or merger or the corporation purchasing such assets shall assume by written instrument reasonably satisfactory in form and substance to the Holder executed and mailed or delivered to the registered Holder hereof at the last address of such Holder appearing on the books of the Company, the obligation to deliver to such Holder such shares of stock, securities or assets as, in accordance with the foregoing provisions, such Holder may be entitled to purchase. If there is an Organic Change, then the Company shall cause to be mailed to the Holder at its last address as it shall appear on the books and records of the Company, at least 10 calendar days before the effective date of the Organic Change, a notice stating the date on which such Organic Change is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares for securities, cash, or other property delivered upon such Organic Change; provided, that the failure to mail such notice or any defect therein or in the mailing thereof shall not affect the validity of the corporate action required to be specified in such notice. The Holder is entitled to exercise this Warrant, with respect to Warrant Shares that have become exercisable pursuant to Section 1(a), during the 10-day period commencing on the date of such notice to the effective date of the event triggering such notice. In any event, the successor corporation (if other than the Company) resulting from such consolidation or merger or the corporation purchasing such assets shall be deemed to assume such obligation to deliver to such Holder such shares of stock, securities or assets even in the absence of a written instrument assuming such obligation to the extent such assumption occurs by operation of law.

(b) Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment pursuant to this Section 3, the Company at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to each Holder of this Warrant a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall promptly furnish or cause to be furnished to such Holder a like certificate setting forth: (i) such adjustments and readjustments; and (ii) the number of shares and the amount, if any, of other property which at the time would be received upon the exercise of the Warrant.

(c) Certain Events. If any event occurs as to which the other provisions of this Section 3 are not strictly applicable but the lack of any adjustment would not fairly protect the purchase rights of the Holder under this Warrant in accordance with the basic intent and principles of such provisions, or if strictly applicable would not fairly protect the purchase rights of the Holder under this Warrant in accordance with the basic intent and principles of such provisions, then the Company's Board of Directors will, in good faith, make an appropriate adjustment to protect the rights of the Holder; provided, that no such adjustment pursuant to this Section 3(c) will increase the Exercise Price or decrease the number of Warrant Shares as otherwise determined pursuant to this Section 3.

4. INTENTIONALLY OMITTED.

5. TRANSFERS AND EXCHANGES OF WARRANT AND WARRANT SHARES

(a) Registration of Transfers and Exchanges. Subject to Section 5(c), upon the Holder's surrender of this Warrant, with a duly executed copy of the Form of Assignment attached as **Exhibit B**, to the Secretary of the Company at its principal offices or at such other office or agency as the Company may specify in writing to the Holder, the Company shall register the transfer of all or any portion of this Warrant. Upon such registration of transfer, the Company shall issue a new Warrant, in substantially the form of this Warrant, evidencing the acquisition rights transferred to the transferee and a new Warrant, in similar form, evidencing the remaining acquisition rights not transferred, to the Holder requesting the transfer.

(b) Warrant Exchangeable for Different Denominations. The Holder may exchange this Warrant for a new Warrant or Warrants, in substantially the form of this Warrant, evidencing in the aggregate the right to purchase the number of Warrant Shares which may then be purchased hereunder, each of such new Warrants to be dated the date of such exchange and to represent the right to purchase such number of Warrant Shares as shall be designated by the Holder. The Holder shall surrender this Warrant with duly executed instructions regarding such re-certification of this Warrant to the Secretary of the Company at its principal offices or at such other office or agency as the Company may specify in writing to the Holder.

(c) Restrictions on Transfers. This Warrant may not be transferred at any time without (i) registration under the Securities Act or (ii) an exemption from such registration and a written opinion of legal counsel addressed to the Company that the proposed transfer of the Warrant may be effected without registration under the Securities Act, which opinion will be in form and from counsel reasonably satisfactory to the Company.

(d) Permitted Transfers and Assignments. Notwithstanding any provision to the contrary in this Section 5, the Holder may transfer, with or without consideration, this Warrant or any of the Warrant Shares (or a portion thereof) to the Holder's Affiliates (as such term is defined under Rule 144 of the Securities Act) without obtaining the opinion from counsel that may be required by Section 5(c)(ii), provided, that the Holder delivers to the Company and its counsel certification, documentation, and other assurances reasonably required by the Company's counsel to enable the Company's counsel to render an opinion to the Company's Transfer Agent that such transfer does not violate applicable securities laws.

6. MUTILATED OR MISSING WARRANT CERTIFICATE

If this Warrant is mutilated, lost, stolen or destroyed, upon request by the Holder, the Company will, at its expense, issue, in exchange for and upon cancellation of the mutilated Warrant, or in substitution for the lost, stolen or destroyed Warrant, a new Warrant, in substantially the form of this Warrant, representing the right to acquire the equivalent number of Warrant Shares; provided, that, as a prerequisite to the issuance of a substitute Warrant, the Company may require satisfactory evidence of loss, theft or destruction as well as an indemnity from the Holder of a lost, stolen or destroyed Warrant.

7. PAYMENT OF TAXES

The Company will pay all transfer and stock issuance taxes attributable to the preparation, issuance and delivery of this Warrant and the Warrant Shares (and replacement Warrants) including, without limitation, all documentary and stamp taxes; provided, however, that the Company shall not be required to pay any tax in respect of the transfer of this Warrant, or the issuance or delivery of certificates for Warrant Shares or other securities in respect of the Warrant Shares to any person or entity other than to the Holder.

8. FRACTIONAL WARRANT SHARES

No fractional Warrant Shares shall be issued upon exercise of this Warrant. The Company, in lieu of issuing any fractional Warrant Share, shall round up the number of Warrant Shares issuable to nearest whole share.

9. NO STOCK RIGHTS AND LEGEND

No holder of this Warrant, as such, shall be entitled to vote or be deemed the holder of any other securities of the Company that may at any time be issuable on the exercise hereof, nor shall anything contained herein be construed to confer upon the holder of this Warrant, as such, the rights of a stockholder of the Company or the right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or give or withhold consent to any corporate action or to receive notice of meetings or other actions affecting stockholders (except as provided herein), or to receive dividends or subscription rights or otherwise (except as provide herein).

Each certificate for Warrant Shares initially issued upon the exercise of this Warrant, and each certificate for Warrant Shares issued to any subsequent transferee of any such certificate, shall be stamped or otherwise imprinted with a legend in substantially the following form:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY STATE SECURITIES LAWS, AND NEITHER SUCH SECURITIES NOR ANY INTEREST THEREIN MAY BE OFFERED, SOLD, PLEDGED, ASSIGNED OR OTHERWISE TRANSFERRED UNLESS (1) A REGISTRATION STATEMENT WITH RESPECT THERETO IS EFFECTIVE UNDER THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR (2) AN EXEMPTION FROM SUCH REGISTRATION EXISTS AND THE COMPANY RECEIVES AN OPINION OF COUNSEL TO THE HOLDER OF SUCH SECURITIES, WHICH COUNSEL AND OPINION ARE REASONABLY SATISFACTORY TO THE COMPANY, THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED, ASSIGNED OR TRANSFERRED IN THE MANNER CONTEMPLATED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR APPLICABLE STATE SECURITIES LAWS."

10. PIGGYBACK REGISTRATION.

(a) After the one (1) year anniversary of the signing of the Consulting Agreement, if the Company proposes to register the offer and sale of any shares of its Common Stock under the Securities Act (other than a registration (i) pursuant to (a) the Registration Statement, (b) a registration statement on Form S-8 (or other registration solely relating to an offering or sale to employees or directors of the Company pursuant to any employee stock plan or other employee benefit arrangement), or (c) a registration statement on Form S-4 (or similar form that relates to a transaction subject to Rule 145 under the Securities Act or any successor rule thereto), or (ii) in connection with any dividend or distribution reinvestment or similar plan), whether for its own account or for the account of one or more stockholders of the Company and the form of registration statement (a "**Piggyback Registration Statement**") to be used may be used for any registration of Registrable Securities (a "**Piggyback Registration**"), the Company shall give prompt written notice (in any event no later than 20 calendar days prior to the filing of such registration statement) to the Holder of its intention to effect such a registration and, subject to Section 10(b) and 10(c), shall include in such registration all Registrable Securities with respect to which the Company has received written requests for inclusion from the Holder within 10 calendar days after the Company's notice has been given to the Holder. The Company may postpone or withdraw the filing or the effectiveness of a Piggyback Registration at any time in its sole discretion. For purposes of this Section 10, the term "**Registrable Securities**" means (x) the Warrant Shares and (y) any capital stock of the Company issued or issuable with respect to the Warrant Shares, including, without limitation, as a result of any stock split, stock dividend, recapitalization, exchange or similar event or otherwise, but excluding (i) any Registrable Securities that have been publicly sold or may be sold immediately without registration under the Securities Act either pursuant to Rule 144 of the Securities Act or otherwise; (ii) any Registrable Securities sold by the Holder in a transaction pursuant to a registration statement filed under the Securities Act, or (iii) any Registrable Securities that are at the time subject to an effective registration statement under the Securities Act.

(b) If a Piggyback Registration is initiated as a primary underwritten offering on behalf of the Company and the managing underwriter advises the Company and the holders of Registrable Securities (if any holders of Registrable Securities have elected to include Registrable Securities in such Piggyback Registration) in writing that in its reasonable and good faith opinion the number of shares of Common Stock proposed to be included in such registration, including all Registrable Securities and all other shares of Common Stock proposed to be included in such underwritten offering, exceeds the number of shares of Common Stock which can be sold in such offering and/or that the number of shares of Common Stock proposed to be included in any such registration would adversely affect the price per share of the Common Stock to be sold in such offering, the managing underwriter, at its sole discretion, may exclude some or all Registrable Securities from such registration and underwriting, and the Company shall include in such registration (i) first, the shares of Common Stock that the Company proposes to sell; and (ii) second, the shares of Common Stock requested to be included therein by the holders of Registrable Securities and holders of Common Stock other than holders of Registrable Securities, allocated pro rata among all such holders on the basis of the number of Registrable Securities and the number of shares of Common Stock other than Registrable Securities (on a fully diluted, as converted basis), as applicable, owned by all such holders or in such manner as they may otherwise agree.

(c) If a Piggyback Registration is initiated as an underwritten offering on behalf of a holder of Common Stock other than Registrable Securities, and the managing underwriter advises the Company in writing that in its reasonable and good faith opinion the number of shares of Common Stock proposed to be included in such registration, including all Registrable Securities and all other shares of Common Stock proposed to be included in such underwritten offering, exceeds the number of shares of Common Stock which can be sold in such offering and/or that the number of shares of Common Stock proposed to be included in any such registration would adversely affect the price per share of the Common Stock to be sold in such offering, the Company shall include in such registration (i) first, the shares of Common Stock requested to be included therein by the holder(s) requesting such registration and by the holders of Registrable Securities, allocated pro rata among all such holders on the basis of the number of shares of Common Stock other than the Registrable Securities (on a fully diluted, as converted basis) and the number of Registrable Securities, as applicable, owned by all such holders or in such manner as they may otherwise agree; and (ii) second, the shares of Common Stock requested to be included therein by other holders of Common Stock, allocated among such holders in such manner as they may agree.

(d) If any Piggyback Registration is initiated as a primary underwritten offering on behalf of the Company, the Company shall select the investment banking firm or firms to act as the managing underwriter or underwriters in connection with such offering.

(e) Obligations of the Holder.

a. In connection with each registration hereunder, the Holder shall furnish to the Company in writing such information with respect to it and the securities held by it and the proposed distribution by it, as shall be reasonably requested by the Company in order to assure compliance with applicable federal and state securities laws as a condition precedent to including the Holder's Registrable Securities in a Piggyback Registration Statement. Each Holder shall also promptly notify the Company in writing of any changes in such information included in a Piggyback Registration Statement as a result of which there is an untrue statement of material fact or an omission to state any material fact required or necessary to be stated therein in order to make the statements contained therein not misleading in light of the circumstances under which they were made.

b. In connection with the filing of a Piggyback Registration Statement, the Holder shall furnish to the Company in writing such information and affidavits as the Company reasonably requests for use in connection with such a Piggyback Registration Statement. A form of Selling Stockholder Questionnaire may be provided to the Holder for such purposes.

c. In connection with each registration pursuant to this Section 10, the Holder agrees that it will not effect sales of any Registrable Securities until notified by the Company of the effectiveness of a Piggyback Registration Statement, and thereafter will suspend such sales after receipt of notice from the Company to suspend sales to permit the Company to correct or update a Piggyback Registration Statement or upon receipt by the Company of a threat by the SEC or state securities commission to undertake a stop order with respect to sales under a Piggyback Registration Statement. At the end of any period during which the Company is obligated to keep a Piggyback Registration Statement current, the Holder shall discontinue sales of Registrable Securities pursuant to such Piggyback Registration Statement upon receipt of notice from the Company of its intention to remove from registration the Registrable Securities covered by such Piggyback Registration Statement which remains unsold, and each Purchaser shall notify the Company in writing of the number of shares registered which remain unsold immediately upon receipt of such notice from the Company.

11. NOTICES

All notices, consents, waivers, and other communications under this Warrant must be in writing and will be deemed given to a party when (a) delivered to the appropriate address by hand or by nationally recognized overnight courier service (costs prepaid); (b) sent by facsimile or e-mail with confirmation of transmission by the transmitting equipment; (c) received or rejected by the addressee, if sent by certified mail, return receipt requested, if to the registered Holder hereof; or (d) seven days after the placement of the notice into the mails (first class postage prepaid), to the Holder at the address, facsimile number, or e-mail address furnished by the registered Holder to the Company from time to time, or if to the Company, to it at 150 Union Square Drive, New Hope, PA 18938, Attn: Mark Pomeranz (or to such other address, facsimile number, or e-mail address as the Holder or the Company as a party may designate by notice the other party).

12. SEVERABILITY

If a court of competent jurisdiction holds any provision of this Warrant invalid or unenforceable, the other provisions of this Warrant will remain in full force and effect. Any provision of this Warrant held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

13. BINDING EFFECT

This Warrant shall be binding upon and inure to the sole and exclusive benefit of the Company, its successors and assigns, the registered Holder or Holders from time to time of this Warrant and the Warrant Shares.

14. SURVIVAL OF RIGHTS AND DUTIES

This Warrant shall terminate and be of no further force and effect on the earlier of 5:00 P.M., Eastern Time, on the Expiration Date or the date on which this Warrant has been exercised in full.

15. GOVERNING LAW

This Warrant will be governed by and construed under the laws of the State of New York without regard to conflicts of laws principles that would require the application of any other law.

16. DISPUTE RESOLUTION

In the case of a dispute as to the determination of the Exercise Price or the arithmetic calculation of the Warrant Shares, the Company shall submit the disputed determinations or arithmetic calculations via facsimile within two Business Days of receipt of the Notice of Exercise giving rise to such dispute, as the case may be, to the Holder. If the Holder and the Company are unable to agree upon such determination or calculation of the Exercise Price or the Warrant Shares within three Business Days of such disputed determination or arithmetic calculation being submitted to the Holder, then the Company shall, within two Business Days, submit via facsimile (a) the disputed determination of the Exercise Price to an independent, reputable investment bank selected by the Company and approved by the Holder or (b) the disputed arithmetic calculation of the Warrant Shares to the Company's independent, outside accountant. The Company shall cause at its expense the investment bank or the accountant, as the case may be, to perform the determinations or calculations and notify the Company and the Holder of the results no later than ten (10) Business Days from the time it receives the disputed determinations or calculations. Such investment bank's or accountant's determination or calculation, as the case may be, shall be binding upon all parties absent demonstrable error.

17. NOTICES OF RECORD DATE

Upon (a) any establishment by the Company of a record date of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution, or right or option to acquire securities of the Company, or any other right, or (b) any capital reorganization, reclassification, recapitalization, merger or consolidation of the Company with or into any other corporation, any transfer of all or substantially all the assets of the Company, or any voluntary or involuntary dissolution, liquidation or winding up of the Company, or the sale, in a single transaction, of a majority of the Company's voting stock (whether newly issued, or from treasury, or previously issued and then outstanding, or any combination thereof), the Company shall mail to the Holder at least ten (10) Business Days, or such longer period as may be required by law, prior to the record date specified therein, a notice specifying (i) the date established as the record date for the purpose of such dividend, distribution, option or right and a description of such dividend, option or right, (ii) the date on which any such reorganization, reclassification, transfer, consolidation, merger, dissolution, liquidation or winding up, or sale is expected to become effective and (iii) the date, if any, fixed as to when the holders of record of Common Stock shall be entitled to exchange their shares of Common Stock for securities or other property deliverable upon such reorganization, reclassification, transfer, consolation, merger, dissolution, liquidation or winding up.

18. RESERVATION OF SHARES

The Company shall reserve and keep available out of its authorized but unissued shares of Common Stock for issuance upon the exercise of this Warrant, free from pre-emptive rights, such number of shares of Common Stock for which this Warrant shall from time to time be exercisable. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation. Without limiting the generality of the foregoing, the Company covenants that it will use commercially reasonable efforts to take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant and use commercially reasonable efforts to obtain all such authorizations, exemptions or consents, including but not limited to consents from the Company's stockholders or Board of Directors or any public regulatory body, as may be necessary to enable the Company to perform its obligations under this Warrant.

19. NO THIRD PARTY RIGHTS

This Warrant is not intended, and will not be construed, to create any rights in any parties other than the Company and the Holder, and no person or entity may assert any rights as third-party beneficiary hereunder.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed as of the date first set forth above.

MOTUS GI HOLDINGS, INC.

By: _____
Name: Mark Pomeranz
Title: Chief Executive Officer

[*Signature Page to Warrant*]

EXHIBIT A

NOTICE OF EXERCISE

(To be executed by the Holder of Warrant if such Holder desires to exercise Warrant)

To Motus GI Holdings, Inc.:

The undersigned hereby irrevocably elects to exercise this Warrant and to purchase thereunder, _____ full shares of Motus GI Holdings, Inc. common stock issuable upon exercise of the Warrant and delivery of:

(1) $_____ (in cash as provided for in the foregoing Warrant) and any applicable taxes payable by the undersigned pursuant to such Warrant; and

(2) _____ shares of Common Stock (pursuant to a Cashless Exercise in accordance with Section 1(b)(ii) of the Warrant) (check here if the undersigned desires to deliver an unspecified number of shares equal the number sufficient to effect a Cashless Exercise [___]).

The undersigned requests that certificates for such shares be issued in the name of:

_____

(Please print name, address and social security or federal employer identification number (if applicable))

_____

_____

The undersigned hereby affirms that the undersigned is an accredited investor as defined under Rule 501 of Regulation D of the Securities Act of 1933. If the Holder cannot make the foregoing affirmation because it is factually incorrect, it shall be a condition to the exercise of the Warrant that the Company receive such other representations as the Company considers necessary, acting reasonably, to assure the Company that the issuance of securities upon exercise of this Warrant shall not violate any United States or other applicable securities laws.

If the shares issuable upon this exercise of the Warrant are not all of the Warrant Shares which the Holder is entitled to acquire upon the exercise of the Warrant, the undersigned requests that a new Warrant evidencing the rights not so exercised be issued in the name of and delivered to:

_____

(Please print name, address and social security or federal employer identification number (if applicable))

_____

_____

Name of Holder (print): _____
(Signature): _____
(By:) _____
(Title:) _____
Dated: _____

EXHIBIT B

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, _____ hereby sells, assigns and transfers to each assignee set forth below all of the rights of the undersigned under the Warrant (as defined in and evidenced by the attached Warrant) to acquire the number of Warrant Shares set opposite the name of such assignee below and in and to the foregoing Warrant with respect to said acquisition rights and the shares issuable upon exercise of the Warrant:

Name of Assignee	Address	Number of Shares

If the total of the Warrant Shares are not all of the Warrant Shares evidenced by the foregoing Warrant, the undersigned requests that a new Warrant evidencing the right to acquire the Warrant Shares not so assigned be issued in the name of and delivered to the undersigned.

Name of Holder (print): _____
(Signature): _____
(By:) _____
(Title:) _____
Dated: _____

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY STATE SECURITIES LAWS. THESE SECURITIES, AND ANY INTEREST THEREIN, MAY NOT BE OFFERED, SOLD, ASSIGNED, OR OTHERWISE TRANSFERRED UNLESS (1) A REGISTRATION STATEMENT WITH RESPECT THERETO IS EFFECTIVE UNDER THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR (2) AN EXEMPTION FROM SUCH REGISTRATION EXISTS AND THE COMPANY RECEIVES AN OPINION OF COUNSEL TO THE HOLDER OF SUCH SECURITIES, WHICH COUNSEL AND OPINION ARE SATISFACTORY TO THE COMPANY, THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED, ASSIGNED OR TRANSFERRED IN THE MANNER CONTEMPLATED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR APPLICABLE STATE SECURITIES LAWS.

Effective Date: December 22, 2016

MOTUS GI HOLDINGS, INC.

PAYMENT RIGHTS CERTIFICATE

Motus GI Holdings, Inc., a Delaware corporation (the "**Company**"), for value received on December 22, 2016 (the "**Effective Date**"), hereby issues to [●] (the "**Certificate Holder**") this Payment Rights Certificate (the "**Certificate**") to receive [●]% of the aggregate Royalty Amount payable from time to time to the Holders of the Royalty Payment Rights (the "**Certificate Payment**"). This Certificate is one of a series of payment right certificates of like tenor that have been issued to the Placement Agent or its designees (the "**Placement Agent Royalty Payment Rights Certificates**") in connection with the Company's private offering of securities pursuant to the terms of that certain Confidential Private Placement Memorandum of the Company dated December 1, 2016, as the same may have been amended and supplemented from time to time, and the Placement Agency Agreement dated December 1, 2016, as the same may have been amended from time to time. The Placement Agent Royalty Payment Rights Certificates provide for an aggregate payment to all holders of such Placement Agent Royalty Payment Rights Certificates equal to 10% of the aggregate Royalty Amount paid from time to time to the Holders of the Royalty Payment Rights. All capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such terms in **Exhibit A**, attached hereto.

1. DURATION OF CERTIFICATE

(a) Timing of Payments to Certificate Holder. The Certificate Holder will be entitled to receive the Certificate Payments at the same time and in the same fashion as payments are made to the Holders of the Royalty Payment Rights, as described in Section (c) of **Exhibit A**, attached hereto.

(b) Royalty Period. This Certificate shall become void and of no value upon the expiration of the Royalty Term.

2. ISSUANCE OF CERTIFICATE

The Company shall register this Certificate upon records to be maintained by the Company for that purpose in the name of the record holder of such Certificate from time to time. The Company may deem and treat the registered Certificate Holder of this Certificate as the absolute owner thereof for the purpose of any Certificate Payments to the Certificate Holder thereof and for all other purposes.

3. TRANSFERS AND EXCHANGES OF CERTIFICATE

(a) Registration of Transfers and Exchanges. Subject to Section 3(b), upon the Certificate Holder's surrender of this Certificate, with a duly executed copy of the Form of Assignment attached as **Exhibit B** and a written opinion of legal counsel addressed to the Company that the proposed transfer of the Certificate may be effected without registration under the Securities Act, which opinion will be in form and from counsel reasonably satisfactory to the Company, to the Secretary of the Company at its principal offices or at such other office or agency as the Company may specify in writing to the Certificate Holder, the Company shall register the transfer of all or any portion of this Certificate. Upon such registration of transfer, the Company shall issue a new Certificate, in substantially the form of this Certificate, evidencing the acquisition rights transferred to the transferee and a new Certificate, in similar form, evidencing the remaining acquisition rights not transferred, to the Certificate Holder requesting the transfer.

(b) Certificate Exchangeable for Different Denominations. The Certificate Holder may exchange this Certificate for a new Certificate or Certificates, in substantially the form of this Certificate, evidencing in the aggregate the right to receive the Certificate Payment which may then be received hereunder, each of such new Certificates to be dated the date of such exchange and to represent the right to receive such percentage of Certificate Payments as shall be designated by the Certificate Holder. The Certificate Holder shall surrender this Certificate with duly executed instructions regarding such re-certification of this Certificate to the Secretary of the Company at its principal offices or at such other office or agency as the Company may specify in writing to the Certificate Holder.

(c) Restrictions on Transfers. This Certificate may not be transferred at any time without (i) registration under the Securities Act of 1933, as amended (the "**Securities Act**") or (ii) an exemption from such registration and a written opinion of legal counsel addressed to the Company that the proposed transfer of the Certificate may be effected without registration under the Securities Act, which opinion will be in form and from counsel reasonably satisfactory to the Company.

(d) Permitted Transfers and Assignments. Notwithstanding any provision to the contrary in this Section 3, the Certificate Holder may transfer, with or without consideration, this Certificate (or a portion thereof) to the Certificate Holder's Affiliates (as such term is defined under Rule 144 of the Securities Act) without obtaining the opinion from counsel that may be required by Section 3(c)(ii), provided, that the Certificate Holder delivers to the Company and its counsel certification, documentation, and other assurances reasonably required by the Company's counsel to enable the Company's counsel to render an opinion to the Company's Transfer Agent that such transfer does not violate applicable securities laws.

4. MUTILATED OR MISSING CERTIFICATE

If this Certificate is mutilated, lost, stolen or destroyed, upon request by the Certificate Holder, the Company will, at its expense, issue, in exchange for and upon cancellation of the mutilated Certificate, or in substitution for the lost, stolen or destroyed Certificate, a new Certificate, in substantially the form of this Certificate, representing the right to acquire the equivalent amount of Certificate Payments; provided, that, as a prerequisite to the issuance of a substitute Certificate, the Company may require satisfactory evidence of loss, theft or destruction as well as an indemnity from the Certificate Holder of a lost, stolen or destroyed Certificate.

5. NO RIGHTS IN COMPANY'S SECURITIES

No holder of this Certificate, as such, shall be entitled to vote or be deemed the holder of any other securities of the Company, nor shall anything contained herein be construed to confer upon the holder of this Certificate, as such, the rights of a stockholder of the Company or the right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or give or withhold consent to any corporate action or to receive notice of meetings or other actions affecting stockholders (except as provided herein), or to receive dividends or subscription rights or otherwise.

6. NOTICES

All notices, consents, waivers, and other communications under this Certificate must be in writing and will be deemed given to a party when (a) delivered to the appropriate address by hand or by nationally recognized overnight courier service (costs prepaid); (b) sent by facsimile or e-mail with confirmation of transmission by the transmitting equipment; (c) received or rejected by the addressee, if sent by certified mail, return receipt requested, if to the registered Certificate Holder hereof; or (d) seven days after the placement of the notice into the mails (first class postage prepaid), to the Certificate Holder at the address, facsimile number, or e-mail address furnished by the registered Certificate Holder to the Company, or if to the Company, to it at 150 Union Square Drive, New Hope, PA 18938, Attn: James Martin, CFO (or to such other address, facsimile number, or e-mail address as the Certificate Holder or the Company as a party may designate by notice to the other party).

7. SEVERABILITY

If a court of competent jurisdiction holds any provision of this Certificate invalid or unenforceable, the other provisions of this Certificate will remain in full force and effect. Any provision of this Certificate held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

8. BINDING EFFECT

This Certificate shall be binding upon and inure to the sole and exclusive benefit of the Company, its successors and assigns, the registered Certificate Holder or Certificate Holders from time to time of this Certificate.

9. GOVERNING LAW

This Certificate will be governed by and construed under the laws of the State of New York without regard to conflicts of laws principles that would require the application of any other law.

10. DISPUTE RESOLUTION

In the case of a dispute as to the arithmetic calculation of the Royalty Amount and/or the Certificate Payment, the Company shall submit the disputed arithmetic calculation(s) via facsimile within two Business Days of receipt of a written notice from the Certificate Holder giving rise to such dispute, to the Certificate Holder. If the Certificate Holder and the Company are unable to agree upon such calculation of the Royalty Amount and/or the Certificate Payment within three Business Days of such disputed arithmetic calculation being submitted to the Certificate Holder, then the Company shall, within two Business Days, submit via facsimile the disputed arithmetic calculation of the Royalty Amount and/or the Certificate Payment to the Company's independent, outside accountant. The Company shall cause at its expense the accountant to perform the calculation(s) and notify the Company and the Certificate Holder of the results no later than ten (10) Business Days from the time it receives the disputed arithmetic calculation(s). Such accountant's calculation(s) shall be binding upon all parties absent demonstrable error.

11. NO THIRD PARTY RIGHTS

This Certificate is not intended, and will not be construed, to create any rights in any parties other than the Company and the Certificate Holder, and no person or entity may assert any rights as third-party beneficiary hereunder.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Company has caused this Certificate to be duly executed as of the date first set forth above.

MOTUS GI HOLDINGS, INC.

By: _____
Name:
Title:

[*Signature Page to Placement Agent Royalty Payment Rights Certificate*]

EXHIBIT A

ROYALTY PAYMENT RIGHTS

The Holders of the Series A Convertible Preferred Stock of Motus GI Holdings, Inc. (the " **Company**") have the royalty payment rights (the "**Royalty Payment Rights**"), as set forth in and subject to the terms and conditions of the Company's Certificate of Designation, and as reproduced in this **Exhibit A** to this Payment Rights Certificate. Upon the Mandatory Conversion Date, any Holder of the Series A Convertible Preferred Stock will no longer be entitled to Royalty Payment Rights by virtue of owning shares of Series A Convertible Preferred Stock and instead the Company shall issue to each Holder a Royalty Payment Rights certificate, evidencing such Royalty Payment Rights, which certificate shall contain in all material respects the Royalty Payment Rights set forth in the Company's Certificate of Designation.

Section (a) Definitions. For purposes of this **Exhibit A**, the following terms have the following meanings:

"**Affiliate**" means any person controlled directly or indirectly through one or more intermediaries, by the Company. A Person shall be regarded as in control of the Company if the Company owns or directly or indirectly controls more than fifty percent (50%) of the voting stock or other ownership interest of the other person, or if it possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such person.

"**Business Day**" means any day except Saturday, Sunday, and any day which shall be a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close. Whenever any payment or other obligation hereunder shall be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day.

"**Certificate of Designation**" means the Company's Certificate of Designation of Preferences, Rights and Limitations of Series A Convertible Preferred Stock, as filed with the Secretary of State of the State of Delaware on December 20, 2016.

"**Common Stock**" means the common stock of the Company, par value $0.0001 per share, including any securities issued or issuable with respect thereto or into which or for which such shares may be exchanged for, or converted into, pursuant to any stock dividend, stock split, stock combination, recapitalization, reclassification, reorganization or other similar event

"**Company Conversion Notice**" means a notice delivered by the Company to effect a Mandatory Conversion of all the outstanding Series A Convertible Preferred Stock, provided that the effective date of such Mandatory Conversion shall be no less than ten Business Days following delivery of such notice.

"**Conversion Price**" means $5.00, subject to adjustment as set forth in the Certificate of Designation.

"**First Commercial Sale**" means, on a country by country basis, with respect to a Product, the first *bona fide* sale of such Product to a third party by or on behalf of the Company or its Affiliates in a country after Regulatory Approval has been achieved for such Product in such country. For greater certainty, sales for test marketing, sampling and promotional uses, clinical trial purposes or compassionate or similar use shall not be considered to constitute a First Commercial Sale, so long as the Product is provided free of charge, or at or below cost.

"**Holder**" shall mean the owner of the Series A Convertible Preferred Stock.

"**Investor**" mean the holder of Participating Royalty Interests.

"**Licensing Proceeds**" means all cash received by the Company and its Affiliates from third party licensees or partners with respect to licensing or partnering arrangements with respect to a Product, including, without limitation, (i) royalties based on sales of Products by third party licensees or their sublicensees; (ii) any licensing fees (including, without limitation, upfront fees) for rights to develop or commercialize Products, or other payments in connection with the licensing of rights with respect to Products; (iii) milestone payments (including without limitation, those based on development, regulatory or commercialization milestones for Products); and (iv) research and development funding.

"**Mandatory Conversion**" means the event, on the Mandatory Conversion Date, pursuant to which each outstanding share of Series A Convertible Preferred Stock will automatically convert into such number of fully paid and non-assessable shares of Common Stock as is determined by dividing the Stated Value by the Conversion Price in effect on the Mandatory Conversion Date.

"**Mandatory Conversion Date**" means the sooner to occur of (i) December 19, 2019 or (ii) the effective date set forth in the Company Conversion Notice.

"**Net Sales**" means for any period, the gross amount invoiced by the Company and its Affiliates for the sale of Products, (including, without limitation, third party agents, distributors and wholesalers), less the total of the following, to the extent applicable:

(i) trade, cash and/or quantity discounts not already reflected in the amount invoiced;

(ii) all excise, sales and other consumption taxes (including VAT) and custom duties, whether or not specifically identified as such in the invoice to the third party;

(iii) freight, distribution, insurance and other transportation charges, whether or not specifically identified as such in the invoice to the third party;

(iv) amounts repaid or credited by reason of rejections, defects or returns or because of chargebacks, retroactive price reductions, refunds or billing errors;

(v) any royalty amounts or license fees payable by the Company to a non-Affiliate third party for access to, or licensing in of, such non-Affiliate third party's intellectual property rights for use or exploitation of the Products; and

(vi) rebates and similar payments made with respect to sales paid for or reimbursed by any governmental or regulatory authority such as, by way of illustration, United States Federal or state Medicaid, Medicare or similar state program or equivalent foreign governmental program.

For purposes of determining Net Sales, "sale" will not include transfers or dispositions for charitable, promotional, pre-clinical, clinical, regulatory or governmental purposes. "Net Sales" also excludes all Licensing Proceeds received by the Company and its Affiliates from third party licensees to the extent that a royalty payment has otherwise been made with respect to such Licensing Proceeds.

"**Participating Royalty Interests**" shall mean (i) for each Holder the number of shares of Series A Convertible Preferred Stock held on the applicable Record Date, and (ii) for all Holders in the aggregate the number of shares of Series A Convertible Preferred Stock held by all Holders on the applicable Record Date.

"Patent" shall mean all national, regional, and international (a) issued patents, including without limitation utility patents, design patents, and utility models; (b) pending patent applications (whether provisional or non-provisional); (c) divisionals, continuations, continuations-in-part, substitutions, reissues, reexaminations, extensions, or restorations of any of the foregoing, and patents resulting from any opposition or post-grant proceedings, including without limitation post-grant review, covered business method patent review, inter partes review, and derivation proceedings; and (d) any other forms of governmental authority issued rights substantially similar to any of the foregoing.

"**Person**" means an individual, entity, corporation, partnership, association, limited liability company, limited liability partnership, joint-stock company, trust or unincorporated organization.

"**Preferred Stock**" means the Company's preferred stock, par value $0.0001 per share, and stock of any other class of securities into which such securities may hereafter be reclassified or changed into.

"**Private Placement Offering**" means only that private placement offering of Units conducted pursuant to the Confidential Private Placement Memorandum of the Company, dated November 30, 2016.

"**Product**" means either (i) the Pure-Vu system, including disposables, parts, and services or (ii) any other system or device that is covered by a Patent issued to or issuable to the Company as of December 20, 2016 (the date the Company's Certificate of Designation was filed with the Secretary of State of the State of Delaware).

"**Record Date**" means the third Business Day prior to the applicable date, as determined in Section (c) of this Exhibit A, on which a Royalty Amount is payable by the Company.

"**Regulatory Approval**" means the approval of the Company's Pure-Vu system product candidate by the U.S. Food and **Drug** Administration or the European Medicines Agency.

"**Royalty Amount**" shall have the meaning set forth in Section (b) of this Exhibit A.

"**Royalty Amount Per Share**" shall be expressed as a dollar amount and shall be equal to the Royalty Amount divided by the aggregate Participating Royalty Interests on the applicable Record Date.

"**Royalty Term**" means, with respect to each Product, on a country by country basis in each country, commencing on the First Commercial Sale of the Product, if the Company is commercializing the Product directly, or the date the Company enters into a licensing agreement or partnering agreement for such Product until the last of:

(i) the expiration of the last to expire of the Valid Claims covering such Product in such country; or

(ii) the expiration of any regulatory exclusivity period covering such Product in such country.

For clarity, by way of example, the Royalty Term in the United States extends to October 2026 as of the effective date of the Certificate of Designation, which period may be altered by the prosecution of the Company's patent claims and new patent filings from time-to-time.

"**Series A Convertible Preferred Stock**" means the series of Preferred Stock, $0.0001 par value per share, designated by the Company's Certificate of Designation, as filed with the Secretary of State of the State of Delaware on December 20, 2016.

"**Stated Value**" means $5.00 per share.

"**Units**" means the units consisting of (i) three-quarter (3/4) of a share of Common Stock, and (ii) one-quarter (1/4) a share of Series A Convertible Preferred Stock offered pursuant to the Private Placement Offering.

"**Valid Claim**" means a claim (i) of an issued and unexpired United States Patent that has not been revoked or held permanently unenforceable or invalid by a decision of a court or other governmental agency of competent jurisdiction, unappealable or unappealed within the time allowed for appeal, and which has not been admitted to be invalid or unenforceable through re-issue or disclaimer or otherwise, or (ii) of any patent application included that has not been cancelled, withdrawn or abandoned or been pending for more than six (6) years.

Section (b) Royalties. During the Royalty Term, the Company will pay to the Holders, with the allocation between Holders determined as set forth in Section (e) of this Exhibit A, in aggregate, a royalty in an amount (referred to as the "**Royalty Amount**") equal to:

Company Commercializes Product Directly	**The Rights to Commercialize the Product is Sublicensed by Company to a third-party**
3.0% of Net Sales, subject in all cases for all Products in any calendar year up to $30,000,000.	5.0% of any Licensing Proceeds, subject in all cases for all Products in any calendar year up to $30,000,000.

Section (c) Timing of Royalty Payments. With respect to Products that the Company commercializes directly, royalty payments, if any, will be paid annually 15 Business Days after the issuance of the Company's audited financial statements for the prior year. With respect to Products that the Company sublicenses or otherwise disposes of to a third-party, royalty payments, if any, will be paid 10 business days after the end of the applicable quarter in which such Licensing Proceeds were received by the Company. However, all royalty payments shall be accrued by the Company until 15 Business Days after the issuance of the Company's audited financial statements for the earlier of (i) the calendar year in which Net Sales exceed $15 million or Licensing Proceeds exceed $2.5 million, or (ii) the year ended December 31, 2019, at which time all accrued royalties shall be paid in a lump sum along with the regular royalty payments and subsequent royalty payments will be made irrespective of the amount of annual Net Sales or Licensing Proceeds.

Section (d) Vesting. The shares of Series A Convertible Preferred Stock will be immediately vested upon issuance. If a Holder elects to convert all of its Series A Convertible Preferred Stock into Common Stock, pursuant to Section (a) of this Exhibit A, prior to the Mandatory Conversion Date, the Holder will forfeit any and all rights to future Royalty Payment Rights, if any. If a Holder elects to convert a portion but not all of its Series A Convertible Preferred Stock into Common Stock at any time prior to the Mandatory Conversion Date, such Holder will forfeit any rights to future Royalty Payment Rights, if any, with respect to such converted shares.

Section (e) Allocation of Royalty Payment. Once the Royalty Amount has been calculated as set forth in Section (b) of this Exhibit A, the royalty payable to each Investor shall be calculated as follows:

(i) Prior to the three year anniversary of the effective date of the Certificate of Designation, the royalty payable to each Investor will be equal to the Royalty Amount Per Share *multiplied by* the number of Participating Royalty Interests held by Investor on the applicable Record Date

(ii) On or after the three year anniversary of the effective date of the Certificate of Designation, the royalty payable to each Investor will be calculated by multiplying the Royalty Amount by the percentage set forth in each Investor's Royalty Payment Rights certificate. The percentage set forth in each Royalty Payment Rights certificate will be calculated as follows:

$$\frac{\text{Number of Participating Royalty Interests Held by Investor after the three year anniversary of the effective date of the Certificate of Designation}}{\text{Total Participating Royalty Interests after the three year anniversary of the effective date of the Certificate of Designation}}$$

Section (f) Separability/Effect of Transfer. The Royalty Payment Rights may not be transferred separate from the shares of Series A Convertible Preferred Stock until after the three year anniversary of the effective date of the Certificate of Designation. Upon the three year anniversary of the effective date of the Certificate of Designation, the Company will issue a certificate representing the Royalty Payment Rights to each Holder of shares of Series A Convertible Preferred Stock at such date. Such Royalty Payment Rights certificate shall set forth the applicable percentage of any Royalty Amounts payable by the Company on or after the date of issuance of such Royalty Payment Rights certificate and the other applicable terms for such Royalty Payment Rights. Following the issuance of Royalty Payment Rights certificate, the Holders of shares of Series A Convertible Preferred Stock will not have any Royalty Payment Rights resulting from their ownership of such shares of Series A Convertible Preferred Stock and the Royalty Payment Rights shall soley be evidenced by the Royalty Payment Rights certificate and may be transferred, subject to the availability of an exemption from registration under applicable state and federal securities laws, separately from the shares of Series A Convertible Preferred Stock. For all transfers made prior to the three year anniversary of effective date of the Certificate of Designation, the Royalty Payment Rights will follow any transfer of the shares of Series A Convertible Preferred Stock. If a Holder transfers any of its shares of Series A Convertible Preferred Stock prior to the three year anniversary of the effective date of the Certificate of Designation, the transferee of such shares will have thereafter the Royalty Payment Rights related to the shares of Series A Convertible Preferred Stock it receives, and the transferring Holder will thereafter no longer have any Royalty Payment Rights in respect of the shares of Series A Convertible Preferred Stock it transferred.

Section (g) Unsecured Obligations. The Royalty Payment Rights are unsecured obligations of the Company.

Section (h) Amendments, Modifications and Waivers. Prior to the Mandatory Conversion Date, all modifications, amendments or waivers to the Royalty Payment Rights shall require the written consent of the Company and the Holders of the majority of the then outstanding shares of Series A Convertible Preferred Stock. Following the issuance of the Royalty Payment Rights certificate, all modifications, amendments or waivers to the Royalty Payment Rights shall require the written consent of the Company and the holders of Royalty Payment Rights certificates representing, in the aggregate, the right to receive at least 50% of any Royalty Amount payable by the Company.

EXHIBIT B

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, _____ hereby sells, assigns and transfers to each assignee set forth below all of the rights of the undersigned under the Certificate (as defined in and evidenced by the attached Certificate) to acquire the percentage of the Certificate Payment set opposite the name of such assignee below and in and to the foregoing Certificate with respect to said acquisition rights:

Name of Assignee	Address	Certificate Payment Percentage

If the total above does not represent all of the Certificate Payment evidenced by the foregoing Certificate, the undersigned requests that a new Certificate evidencing the right to acquire the remaining portion of the Certificate Payment not so assigned by issued in the name of and delivered to the undersigned.

Name of Holder (print): _____
(Signature):_____
(By:) _____
(Title:) _____
Dated: _____

EXECUTION VERSION

PLACEMENT AGENCY AGREEMENT

December 1, 2016

Aegis Capital Corp.
810 Seventh Ave, 18th Floor
New York, NY 10019

Re: Motus GI Medical Technologies Ltd. and Motus GI Holdings, Inc.

Ladies and Gentlemen:

This Placement Agency Agreement ("**Agreement**") sets forth the terms upon which Aegis Capital Corp., a New York corporation ("**Aegis**" or "**Placement Agent**"), a registered broker-dealer and member of the Financial Industry Regulatory Authority ("**FINRA**"), shall be engaged by Motus GI Medical Technologies Ltd., an Israeli corporation ("**OPCO**"), and Motus GI Holdings, Inc., a Delaware corporation ("**Issuer**"), to act as exclusive Placement Agent in connection with the private placement (the "**Offering**") of units ("**Units**") of securities of Issuer, with each Unit consisting of (i) three-quarter (3/4) of a share of common stock, par value $0.0001 per share (the **"Common Stock"**), of Issuer (the "**Shares**") and (ii) one-quarter (1/4) of a share of Series A Convertible Preferred Stock, par value $0.0001 per share (the "**Preferred Shares**"). Each holder of Preferred Shares shall be entitled to "**Royalty Payment Rights**" as defined in the Certificate of Designations of the Issuer.

The Offering will consist of a minimum of 4,000,000 Units ($20,000,000) (the "**Minimum Amount**") and a maximum of 5,000,000 Units ($25,000,000) (the "**Maximum Amount**"). As part of the Offering, holders of OPCO's outstanding convertible notes (the "**Convertible Notes**") in the aggregate principal amount of $13,746,017, together with accrued and unpaid interest thereon at the rate of ten percent (10%) per annum, accrued through the date of the First Closing, will be exchanging principal and accrued interest thereon for a quantity of Units equal to the principal amount of their Convertible Notes, plus accrued interest through the First Closing, divided by the Unit price of $4.50. Such exchange of Convertible Notes into Units shall be included in the calculations of whether the Minimum Amount, Maximum Amount or Over-allotment of the Offering has been reached. In addition, holders of certain warrants to purchase shares of OPCO common stock that were issued in connection with the Convertible Notes will be exchanging such warrants for 5-year warrants to purchase shares of Issuer's Common Stock at an exercise price of $5.00 per share (the "**Exchange Warrants**") in a quantity equal to thirty-three percent (33%) of the principal amount of such Convertible Notes divided by $5.00.

In the event the Offering is oversubscribed, Issuer and the Placement Agent may, in their mutual discretion, have Issuer sell up to 1,000,000 additional Units for an additional aggregate purchase price of $5,000,000 (the **"Over-allotment**").

Concurrently with the initial closing of the Offering (the "**First Closing**"), Issuer will issue shares of its Common Stock (currently estimated to be 4,000,000 in total) to OPCO's then-existing stockholders and Issuer will issue options to purchase shares of its Common Stock (currently estimated to be 125,731 in total) to OPCO's then-existing holders of options to purchase shares of OPCO's common stock (the "**Share Exchange**"), pursuant to the terms of that certain Share Exchange Agreement dated on or about the date hereof by and among OPCO, Issuer, the Stockholders of OPCO and Orchestra Medical Ventures II, L.P. as Stockholder Representative (the "**Share Exchange Agreement**"). Pursuant to the Share Exchange Agreement, all then-existing OPCO warrants (other than the warrants to be exchanged for Exchange Warrants) will be exercised by the holders of such warrants, or if not exercised, be deemed automatically exercised, for shares of OPCO's common stock, which shall be exchanged for Issuer's Common Stock. As a result thereof, OPCO will become a wholly-owned subsidiary of Issuer and continue as an Israeli corporation, and will continue its existing operations. As used in this Agreement, unless the context otherwise requires, the term **"Company"** refers to Issuer and OPCO on a combined basis after giving effect to the Offering and the Share Exchange.

The purchase price for the Units will be $5.00 per Unit (the "**Offering Price**"), with a minimum investment of $250,000; *provided, however*, that subscriptions for lesser amounts may be accepted in the Issuer's, OPCO's and Placement Agent's joint discretion; provided, however, that in no event shall the Issuer be required to issue any fractional Shares or Preferred Shares and any fractional Shares or Preferred Shares shall be rounded up to the nearest whole share The Placement Agent shall accept subscriptions only from persons or entities who qualify as "accredited investors," as such term is defined in Rule 501 of Regulation D ("**Regulation D**") as promulgated by the United States Securities and Exchange Commission (the "**SEC**") under Section 4(a)(2) of the Securities Act of 1933, as amended (the "**Act**"). The Units will be offered until the earlier of (i) the termination of the Offering as provided herein, (ii) the time that all Units offered in the Offering are sold or (iii) March 1, 2016 ("**Initial Offering Period**"), which date may be extended by Aegis on behalf of the Placement Agent and OPCO in their joint discretion until May 1, 2017 (this additional period and the Initial Offering Period shall be referred to as the "**Offering Period**"). The date on which the Offering expires or is terminated shall be referred to as the "**Termination Date.**"

With respect to the Offering, OPCO and Issuer shall provide the Placement Agent, on terms set forth herein, the right to offer and sell all of the Units being offered. Purchases of Units may be made by the Placement Agent and its officers, directors, employees and affiliates. All such purchases, together with purchases by officers, directors, employees and affiliates of OPCO or Issuer, may be used to satisfy the Minimum Amount. It is understood that no sale shall be regarded as effective unless and until accepted by the Issuer and OPCO. The Issuer and OPCO may, in their joint discretion, accept or reject, in whole or in part, any prospective investment in the Units. The Issuer, OPCO and the Placement Agent shall mutually agree with respect to allotting any prospective subscriber less than the number of Units that such subscriber desires to purchase.

The Offering will be made by Issuer solely pursuant to the Memorandum (as defined below), which at all times will be in form and substance reasonably acceptable to Issuer, OPCO, the Placement Agent and their respective counsel and contain such legends and other information as Issuer, OPCO, the Placement Agent and their respective counsel, may, from time to time, deem necessary and desirable to be set forth therein. "**Memorandum**" as used in this Agreement means Issuer's Confidential Private Placement Memorandum dated on or about December 1, 2016, inclusive of all annexes, and all amendments, supplements and appendices thereto.

1. Appointment of Placement Agent. On the basis of the representations and warranties provided herein, and subject to the terms and conditions set forth herein, the Placement Agent is appointed as exclusive Placement Agent for OPCO and Issuer during the Offering Period to assist OPCO and Issuer in finding qualified subscribers for the Offering. The Placement Agent may sell Units through other broker-dealers who are Financial Industry Regulatory Authority ("**FINRA**") members and may reallow all or a portion of the Agent Compensation (as defined in Section 3(b) below) it receives to such other broker-dealers. On the basis of such representations and warranties and subject to such terms and conditions, the Placement Agent hereby accepts such appointment and agrees to perform its services hereunder diligently and in good faith and in a professional and businesslike manner and to use its reasonable efforts to assist OPCO and Issuer in (A) finding subscribers of Units who qualify as "accredited investors," as such term is defined in Rule 501 of Regulation D, and (B) completing the Offering. The Placement Agent has no obligation to purchase any of the Units. Unless sooner terminated in accordance with this Agreement, the engagement of the Placement Agent hereunder shall continue until the later of the Termination Date or the Final Closing (as defined below).

2. Representations, Warranties and Covenants of OPCO. Except as set forth on Schedule A hereto, or in the Memorandum, the representations and warranties of OPCO (as used in this Section 2, "**OPCO**" refers to Motus GI Medical Technologies, Ltd. and its subsidiaries, if any) contained in this Section 2 are true and correct as of the date of this Agreement

(a) The Memorandum has been prepared by OPCO in compliance in all material respects with Regulation D and Section 4(a)(2) of the Act and the requirements of all other rules and regulations (together, the "**Regulations**") relating to offerings of the type contemplated by the Offering, and the applicable securities laws and the rules and regulations of those jurisdictions wherein the Placement Agent notifies OPCO that the Units are to be offered and sold.. The Units will be offered and sold pursuant to the registration exemptions provided by Regulation D and Section 4(a)(2) of the Act as a transaction not involving a public offering and the requirements of any other applicable state securities laws and the respective rules and regulations thereunder in those United States jurisdictions in which the Placement Agent notifies OPCO that the Units are being offered for sale. None of OPCO, its affiliates, or any person acting on its or their behalf (other than the Placement Agent, its affiliates or any person acting on its behalf, in respect of which no representation is made) has taken nor will it take any action that conflicts with the conditions and requirements of, or that would make unavailable with respect to the Offering, the exemption(s) from registration available pursuant to Rule 506(b) of Regulation D or Section 4(a)(2) of the Act, or knows of any reason why any such exemption would be otherwise unavailable to it. None of OPCO, its predecessors or affiliates has been subject to any order, judgment or decree of any court of competent jurisdiction temporarily, preliminarily or permanently enjoining such person for failing to comply with Section 503 of Regulation D. Except as set forth in the Memorandum, OPCO has not, for a period of six months prior to the commencement of the offering of Units, sold, offered for sale or solicited any offer to buy any of its securities in a manner that would be integrated with the offer and sale of the Units pursuant to this Agreement and would cause the exemption from registration set forth in Rule 506(b) of Regulation D to become unavailable with respect to the offer and sale of the Units pursuant to this Agreement in the United States.

(b) As to OPCO only, the Memorandum does not include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, the foregoing does not apply to any statements or omissions made solely in reliance on and in conformity with written information furnished to OPCO by Issuer or the Placement Agent specifically for use in the preparation thereof. To the knowledge of OPCO, none of the statements, documents, certificates or other items made, prepared or supplied by OPCO with respect to the transactions contemplated hereby contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements contained therein not misleading in light of the circumstances in which they were made. There is no fact which OPCO has not disclosed in the Memorandum and of which OPCO is aware that materially adversely affects or that could reasonably be expected to have a material adverse effect on the (i) assets, liabilities, results of operations, condition (financial or otherwise), business of OPCO or (ii) the ability of OPCO to perform its obligations under this Agreement. To the knowledge of OPCO, there are no facts, circumstances or conditions that could reasonably be expected to have an OPCO Material Adverse Effect (as hereinafter defined) that have not been fully disclosed in the Memorandum. Notwithstanding anything to the contrary herein, OPCO makes no representation or warranty with respect to any estimates, projections and other forecasts and plans (including the reasonableness of the assumptions underlying such estimates, projections and other forecasts and plans) that may have been delivered to the Placement Agent or its representatives or that are contained in the Memorandum, except that such estimates, projections and other forecasts and plans have been prepared in good faith on the basis of assumptions stated therein, which assumptions were believed to be reasonable at the time of such preparation.

(c) OPCO is duly organized and validly existing in good standing under the laws of the jurisdiction in which it was formed, and has the requisite power and authority to own its properties and to carry on its business as now being conducted. Except for Motus GI, Inc., a Delaware corporation and wholly owned subsidiary of OPCO, OPCO is not a participant in any joint venture, partnership or similar arrangement and does not directly or indirectly own any subsidiaries or otherwise own or hold capital stock or an equity or similar interest in any entity. OPCO is duly qualified as a foreign entity to do business and is in good standing in every jurisdiction in which its ownership of property or the nature of the business conducted by it makes such qualification necessary, except to the extent that the failure to be so qualified or be in good standing would not have a OPCO Material Adverse Effect. As used in this Agreement, " **OPCO Material Adverse Effect"** means any material adverse effect on the business, properties, assets, operations, results of operations or condition (financial or otherwise) of OPCO, taken as a whole, or on the transactions contemplated hereby and the other OPCO Transaction Documents (as defined below) or by the agreements and instruments to be entered into in connection herewith or therewith, or on the authority or ability of OPCO to perform its obligations under the OPCO Transaction Documents (as defined below).

(d) OPCO has all requisite corporate power and authority to conduct its business as presently conducted and as proposed to be conducted (as described in the Memorandum), to enter into and perform its obligations under this Agreement, the Subscription Agreement substantially in the form of Annex A to the Memorandum (the "**Subscription Agreement**"), the Registration Rights Agreement substantially in the form of Annex B to the Memorandum (the "**Registration Rights Agreement**"), the Share Exchange Agreement, the Escrow Agreement (as hereinafter defined) and the other agreements contemplated hereby (this Agreement, the Subscription Agreement, the Registration Rights Agreement, the Share Exchange Agreement ,the Escrow Agreement (as hereinafter defined) and the other agreements contemplated hereby that OPCO is executing and delivering hereunder are collectively referred to herein as the "**OPCO Transaction Documents**"). Prior to the First Closing, each of the OPCO Transaction Documents (other than this Agreement, which has already been authorized) will have been duly authorized. This Agreement has been duly authorized, executed and delivered and constitutes, and each of the other OPCO Transaction Documents, upon due execution and delivery, will constitute, valid and binding obligations of OPCO, enforceable against OPCO in accordance with their respective terms (i) except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect related to laws affecting creditors' rights generally, including the effect of statutory and other laws regarding fraudulent conveyances and preferential transfers, and except that no representation is made herein regarding the enforceability of OPCO's obligations to provide indemnification and contribution remedies under the securities laws and (ii) subject to the limitations imposed by general equitable principles (regardless of whether such enforceability is considered in a proceeding at law or in equity).

(e) None of the execution and delivery of or performance by OPCO under this Agreement or any of the other OPCO Transaction Documents or the consummation of the transactions herein or therein contemplated conflicts with or violates, or will result in the creation or imposition of, any lien, charge or other encumbrance upon any of the assets of OPCO under any agreement or other instrument to which OPCO is a party or by which OPCO or its assets may be bound, or any term of the certificate of incorporation or by-laws of OPCO, or any license, permit, judgment, decree, order, statute, rule or regulation applicable to OPCO or any of its assets, except in the case of a conflict, violation, lien, charge or other encumbrance (except with respect to OPCO's certificate of incorporation or by-laws) which would not reasonably be expected to have a OPCO Material Adverse Effect.

(f) [Reserved]

(g) OPCO's financial statements, together with the related notes, if any, included in the Memorandum, present fairly, in all material respects, the financial condition of OPCO as of the dates specified and the results of operations for the periods covered thereby. Such financial statements and related notes were prepared to conform with United States generally accepted accounting principles ("GAAP") applied on a consistent basis throughout the periods indicated, and were audited in accordance with Israeli audit standards. Except as set forth in such financial statements or otherwise disclosed in the Memorandum, OPCO has no known material liabilities of any kind, whether accrued, absolute or contingent, or otherwise, and subsequent to the date of the Memorandum and prior to the date of the First Closing it shall not enter into any material transactions or commitments without promptly thereafter notifying the Placement Agent in writing of any such material transaction or commitment. The other financial and statistical information with respect to OPCO and any pro forma information and related notes included in the Memorandum present fairly in all material respects the information shown therein on a basis consistent with the financial statements of OPCO included in the Memorandum.

(h) Since the date of OPCO's most recent financial statements contained in the Memorandum, there has been no OPCO Material Adverse Effect. Except as disclosed in the Memorandum, since the date of OPCO's most recent financial statements contained in the Memorandum, OPCO has not (i) declared or paid any dividends, (ii) sold any assets, individually or in the aggregate, in excess of $75,000 outside of the ordinary course of business or (iii) had capital expenditures, individually or in the aggregate, in excess of $75,000. OPCO has not taken any steps to seek protection pursuant to any bankruptcy law nor does OPCO have any actual knowledge or reason to believe that its creditors intend to initiate involuntary bankruptcy proceedings or any actual knowledge of any fact which would reasonably lead a creditor to do so.

(i) Except as described in the Memorandum, and except for intercompany indebtedness between Issuer and OPCO with respect to the Convertible Notes, OPCO has no outstanding Indebtedness (as defined below) in excess of $50,000 and is not in violation of any term of or in default under any contract, agreement or instrument relating to any Indebtedness, except where such violations or defaults would not result, individually or in the aggregate, in an OPCO Material Adverse Effect. For purposes of this Agreement: (i) "**Indebtedness**" of any Person (as defined below) means without duplication, (A) all indebtedness for borrowed money, (B) all obligations issued, undertaken or assumed as the deferred purchase price of property or services including (without limitation) "Capital Leases" (as defined under GAAP) (other than trade payables entered into in the ordinary course of business), (C) all reimbursement or payment obligations with respect to letters of credit, surety bonds and other similar instruments, (D) all obligations evidenced by notes, bonds, debentures or similar instruments, including obligations so evidenced incurred in connection with the acquisition of property, assets or businesses, (E) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to any property or assets acquired with the proceeds of such indebtedness (even though the rights and remedies of the seller or bank under such agreement in the event of default are limited to repossession or sale of such property), (F) all monetary obligations under any leasing or similar arrangement which, in connection with GAAP, consistently applied for the periods covered thereby, is classified as a Capital Lease, (G) all indebtedness referred to in clauses (A) through (F) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any mortgage, lien, pledge, charge, security interest or other encumbrance upon or in any property or assets (including accounts and contract rights) owned by any Person, even though the Person which owns such assets or property has not assumed or become liable for the payment of such indebtedness, and (H) except for obligations owed to service providers of OPCO in connection with this Offering, all Contingent Obligations (as defined below) in respect of indebtedness or obligations of others of the kinds referred to in clauses (A) through (G) above of at least $50,000; (y) "**Contingent Obligation**" means, as to any Person, any direct or indirect liability, contingent or otherwise, of that Person with respect to any indebtedness, lease, dividend or other obligation of another Person if the primary purpose or intent of the Person incurring such liability, or the primary effect thereof, is to provide assurance to the obligee of such liability that such liability will be paid or discharged, or that any agreements relating thereto will be complied with, or that the holders of such liability will be protected (in whole or in part) against loss with respect thereto; and (z) "**Person**" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization and a government or any department or agency thereof.

(j) The conduct of business by OPCO as presently and proposed to be conducted is not subject to continuing oversight, supervision, regulation or examination by any governmental official or body of the United States, or any other jurisdiction wherein OPCO currently conducts such business, except as described in the Memorandum. .

(k) OPCO has obtained all material licenses, permits and other governmental authorizations necessary to conduct its business as presently conducted. OPCO has not received any written notice of any violation of, or noncompliance with, any federal, state, local or foreign laws, ordinances, regulations and orders (including, without limitation, those relating to environmental protection, occupational safety and health, securities laws, equal employment opportunity, consumer protection, credit reporting, "truth-in-lending", and warranties and trade practices) applicable to its business, the violation of, or noncompliance with, would have an OPCO Material Adverse Effect (as defined below), and OPCO knows of no facts or set of circumstances which could give rise to such a notice.

(l) No default by OPCO or, to the knowledge of OPCO, any other party, exists in the due performance under any material agreement to which OPCO is a party or to which any of its assets is subject (collectively, the "**OPCO Agreements**"). The OPCO Agreements disclosed in the Memorandum are the only material agreements to which OPCO is bound or by which its assets are subject, are accurately described in the Memorandum and are in full force and effect in accordance with their respective terms, subject to any applicable bankruptcy, insolvency or other laws affecting the rights of creditors generally and to general equitable principles and the availability of specific performance.

(m) Except as described in the Memorandum, OPCO owns all right, title and interest in, or possesses enforceable rights to use, all patents, patent applications, trademarks, service marks, copyrights, rights, licenses, franchises, trade secrets, confidential information, processes and formulations necessary for the conduct of its business as now conducted (collectively, the "**Intangibles**"). To the knowledge of OPCO, OPCO has not infringed upon the rights of others with respect to the Intangibles and, except as disclosed in the Memorandum, OPCO has not received notice that it has or may have infringed or is infringing upon the rights of others with respect to the Intangibles, or any written notice of conflict with the asserted rights of others with respect to the Intangibles. To the knowledge of OPCO, all such Intangibles are enforceable and no others have infringed upon the rights of OPCO with respect to the Intangibles. None of OPCO's Intangibles have expired or terminated, or are expected to expire or terminate, within three years from the date of this Agreement. A ll current officers, employees, consultants and independent contractors of OPCO having access to proprietary information of Company, its customers or business partners and inventions owned by Company have executed and delivered to Company an agreement regarding the protection of such proprietary information. OPCO has secured, by valid written assignments from all of Company's current and former consultants, independent contractors and employees who were involved in, or who contributed to, the creation or development of any Intangibles, unencumbered and unrestricted exclusive ownership of each such third party's Intangibles in their respective contributions. To knowledge of OPCO, no current or former employee, officer, director, consultant or independent contractor of Company has any right, license, claim or interest whatsoever in or with respect to any Intangibles.

(n) OPCO is not a party to any collective bargaining agreement nor does it employ any member of a union. No executive officer of OPCO (as defined in Rule 501(f) of the Act) has notified OPCO that such officer intends to leave OPCO or otherwise terminate such officer's employment with OPCO. No executive officer of OPCO, to the knowledge of OPCO, is in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement, non-competition agreement, or any other contract or agreement or any restrictive covenant, and the continued employment of each such executive officer does not subject OPCO to any liability with respect to any of the foregoing matters. OPCO is in compliance with all federal, state, local and foreign laws and regulations respecting labor, employment and employment practices and benefits, terms and conditions of employment and wages and hours, except where failure to be in compliance would not, either individually or in the aggregate, reasonably be expected to result in an OPCO Material Adverse Effect.

(o) As to OPCO only, no consent, authorization or filing of or with any court or governmental authority is required in connection with the consummation of the transactions contemplated herein, or in the other OPCO Transaction Documents, except for a required notice to the Office of the Chief Scientist of Israel and required filings with the Israeli Companies Registrar, the SEC and the applicable state securities commissions relating specifically to the Offering (all of which filings will be duly made), other than those which are required to be made after the First Closing (all of which will be duly made on a timely basis).

(p) Subsequent to the respective dates as of which information is given in the Memorandum, OPCO has operated its business in the ordinary course and, except as may otherwise be set forth in the Memorandum, there has been no: (i) OPCO Material Adverse Effect; (ii) transaction otherwise than in the ordinary course of business consistent with past practice; (iii) issuance of any securities (debt or equity) or any rights to acquire any such securities other than pursuant to equity incentive plans approved by its Board of Directors; (iv) damage, loss or destruction, whether or not covered by insurance, with respect to any asset or property of OPCO; or (v) agreement to permit any of the foregoing.

(q) Except as set forth in the Memorandum, there are no actions, suits, claims, hearings or proceedings pending before any court or governmental authority or, to the knowledge of OPCO, threatened, against OPCO, or involving its assets or any of its officers or directors (in their capacity as such) which, if determined adversely to OPCO or such officer or director, could reasonably be expected to have an OPCO Material Adverse Effect or adversely affect the transactions contemplated by this Agreement or the Share Exchange Agreement or the enforceability thereof.

(r) OPCO is not: (i) in violation of its Fourth Amended and Restated Articles of Incorporation; (ii) in default of any indenture, mortgage, deed of trust, note or other agreement or instrument to which OPCO is a party or by which it is or may be bound or to which any of its assets may be subject, the default of which could reasonably be expected to have an OPCO Material Adverse Effect; (iii) in violation of any statute, rule or regulation applicable to OPCO, the violation of which would have an OPCO Material Adverse Effect; or (iv) in violation of any judgment, decree or order of any court or governmental body having jurisdiction over OPCO and specifically naming OPCO, which violation or violations individually, or in the aggregate, could reasonably be expected to have an OPCO Material Adverse Effect.

(s) Except as disclosed in the Memorandum, as of the date of this Agreement, no current or former stockholder, director, officer or employee of OPCO, nor, to the knowledge of OPCO, any affiliate of any such person is presently, directly or indirectly through his affiliation with any other person or entity, a party to any loan from OPCO or any other transaction (other than as an employee) with OPCO providing for the furnishing of services by, or rental of any personal property from, or otherwise requiring cash payments to any such person.

(t) OPCO has filed, on a timely basis, each federal, state, local and foreign tax return, report and declarations that were required to be filed, or has requested an extension therefor and has paid all taxes and all related assessments, charges, penalties and interest to the extent that the same have become due. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of OPCO know of no basis for any such claim. OPCO has not executed a waiver with respect to the statute of limitations relating to the assessment or collection of any foreign, federal, state or local tax. To OPCO' knowledge, none of OPCO' tax returns is presently being audited by any taxing authority. No liens have been filed and no claims are being asserted by or against OPCO with respect to any taxes (other than liens for taxes not yet due and payable). OPCO has not received notice of assessment or proposed assessment of any taxes claimed to be owed by it or any other Person on its behalf. OPCO is not a party to any tax sharing or tax indemnity agreement or any other agreement of a similar nature that remains in effect. OPCO has complied in all material respects with all applicable legal requirements relating to the payment and withholding of taxes and, within the time and in the manner prescribed by law, has withheld from wages, fees and other payments and paid over to the proper governmental or regulatory authorities all amounts required.

(u) Neither OPCO, nor any director, officer, agent, employee or other Person acting on behalf of OPCO has, in the course of its actions for, or on behalf of, OPCO (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended; or (iv) made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any foreign or domestic government official or employee.

(v) Except as set forth on Schedule A attached hereto, OPCO is not obligated to pay, and has not obligated the Placement Agent to pay, a finder's or origination fee in connection with the Offering (other than to the Placement Agent), and hereby agrees to indemnify the Placement Agent from any such claim made by any other person, as more fully set forth in Section 8 hereof. Except as set forth in the Memorandum, OPCO has not offered for sale or solicited offers to purchase the Units except for negotiations with the Placement Agent.

(w) Neither the sale of the Units by the Issuer nor the Company's use of the proceeds thereof will violate the Trading with the Enemy Act, as amended, or any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto. Without limiting the foregoing, OPCO is not (a) a person whose property or interests in property are blocked pursuant to Section 1 of Executive Order 13224 of September 23, 2001 Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)) or (b) a person who engages in any dealings or transactions, or be otherwise associated, with any such person. OPCO is in compliance, in all material respects, with the USA Patriot Act of 2001 (signed into law October 26, 2001).

(x) Until the Termination Date, OPCO will not issue any press release, grant any interview, or otherwise communicate with the media in any manner whatsoever with respect to the Offering without the Placement Agent's prior consent, which consent will not unreasonably be withheld, delayed or conditioned.

(y) Neither OPCO nor any OPCO Related Persons (as defined below) are subject to any of the disqualifications set forth in Rule 506(d) of Regulation D (each a "**Disqualification Event**"). OPCO has exercised reasonable care to determine whether any OPCO Related Person (as defined below) is subject to a Disqualification Event. The Memorandum contains a true and complete description of the matters required to be disclosed with respect to OPCO and OPCO Related Persons pursuant to the disclosure requirements of Rule 506(e) of Regulation D, to the extent applicable. As used herein, "**OPCO Related Persons**" means any predecessor of OPCO, any affiliated issuer, any director, executive officer, other officer of OPCO participating in the Offering, any general partner or managing member of OPCO, any beneficial owner of 20% or more of OPCO's outstanding voting equity securities, calculated on the basis of voting power, and any "promoter" (as defined in Rule 405 under the Act) connected with OPCO in any capacity. OPCO agrees to promptly notify the Placement Agent in writing of (i) any Disqualification Event relating to any OPCO Related Person and (ii) any event that would, with the passage of time, become a Disqualification Event relating to any OPCO Related Person.

(z) Incorporation by Reference. For the benefit of the Placement Agent, OPCO hereby incorporates by reference all of the representations and warranties contained in Article II, and its covenants contained in Article V, of the Share Exchange Agreement, in each case with the same force and effect as if specifically set forth herein.

(aa) Disclosure. No representation or warranty contained in Section 2 of this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements herein not misleading in the context of such representations and warranties.

2A. Representations, Warranties and Covenants of Issuer. The representations and warranties of Issuer (as used in this Section 2A, "**Issuer**" refers to Motus GI Holdings, Inc. and its subsidiaries) to the Placement Agent contained in this Section 2A are true and correct as of the date of this Agreement.

(a) The Memorandum has been prepared in conformity with all applicable laws, and is in compliance in all material respects with Regulation D, the Act and the requirements of all other Regulations of the SEC relating to offerings of the type contemplated by the Offering, and the applicable securities laws and the rules and regulations of those jurisdictions wherein the Placement Agent notifies Issuer that the Units are to be offered and sold. The Units will be offered and sold pursuant to the registration exemptions provided by Regulation D and Section 4(a)(2) of the Act as a transaction not involving a public offering and the requirements of any other applicable state securities laws and the respective rules and regulations thereunder in those United States jurisdictions in which the Placement Agent notifies Issuer that the Units are being offered for sale. None of Issuer, its affiliates, or any person acting on its or their behalf (other than the Placement Agent, its affiliates or any person acting on its behalf, in respect of which no representation is made) has taken nor will it take any action that conflicts with the conditions and requirements of, or that would make unavailable with respect to the Offering, the exemption(s) from registration available pursuant to Rule 506(b) of Regulation D or Section 4(a)(2) of the Act, or knows of any reason why any such exemption would be otherwise unavailable to it. None of Issuer, its predecessors or affiliates has been subject to any order, judgment or decree of any court of competent jurisdiction temporarily, preliminarily or permanently enjoining such person for failing to comply with Section 503 of Regulation D. Issuer has not, for a period of six months prior to the commencement of the offering of Units, sold, offered for sale or solicited any offer to buy any of its securities in a manner that would be integrated with the offer and sale of the Units pursuant to this Agreement, would cause the exemption from registration set forth in Rule 506(b) of Regulation D to become unavailable with respect to the offer and sale of the Units pursuant to this Agreement in the United States.

(b) Issuer is duly organized and validly existing in good standing under the laws of the jurisdiction in which it was formed, and has the requisite power and authority to own its properties and to carry on its business as now being conducted. Issuer is not a participant in any joint venture, partnership or similar arrangement and does not directly or indirectly own any subsidiaries or otherwise own or hold capital stock or an equity or similar interest in any entity. Issuer is duly qualified as a foreign entity to do business and is in good standing in every jurisdiction in which its ownership of property or the nature of the business conducted by it makes such qualification necessary, except to the extent that the failure to be so qualified or be in good standing would not have an Issuer Material Adverse Effect (as defined below). As used in this Agreement, "**Issuer Material Adverse Effect"** means any material adverse effect on the business, properties, assets, operations, results of operations or condition (financial or otherwise) of Issuer, taken as a whole, or on the transactions contemplated hereby and the other Issuer Transaction Documents (as defined below) or by the agreements and instruments to be entered into in connection herewith or therewith, or on the authority or ability of Issuer to perform its obligations under the Issuer Transaction Documents (as defined below).

(c) As to Issuer only, the Memorandum does not include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading: provided, however, the foregoing does not apply to any statements or omissions made solely in reliance on and in conformity with written information furnished to Issuer by OPCO or the Placement Agent specifically for use in the preparation thereof. To the knowledge of Issuer, none of the statements, documents, certificates or other items made, prepared or supplied by Issuer with respect to the transactions contemplated hereby contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements contained therein not misleading in light of the circumstances in which they were made. There are no facts, circumstances or conditions which Issuer has not disclosed in the Memorandum and of which Issuer is aware that could reasonably be expected to have an Issuer Material Adverse Effect. Notwithstanding anything to the contrary herein, Issuer makes no representation or warranty with respect to any estimates, projections and other forecasts and plans (including the reasonableness of the assumptions underlying such estimates, projections and other forecasts and plans) that may have been delivered to the Placement Agent or its representatives by Issuer, except that such estimates, projections and other forecasts and plans have been prepared in good faith on the basis of assumptions stated therein, which assumptions were believed to be reasonable at the time of such preparation.

(d) Issuer has all requisite corporate power and authority to conduct its business as presently conducted and as proposed to be conducted (as described in the Memorandum), to enter into and perform its obligations under this Agreement, the Subscription Agreement, the Registration Rights Agreement, the Share Exchange Agreement, the Escrow Agreement (as hereinafter defined) and the other agreements contemplated hereby (this Agreement, the Subscription Agreement, the Registration Rights Agreement, the Share Exchange Agreement, the Escrow Agreement (as hereinafter defined) and the other agreements contemplated hereby that Issuer is executing and delivering hereunder are collectively referred to herein as the "**Issuer Transaction Documents**"), and subject to necessary Board and stockholder approvals, to issue, sell and deliver the Units, the shares of Common Stock and Preferred Shares underlying the Units, and the shares of Common Stock issuable upon conversion of the Preferred Shares (the "**Conversion Shares**"), exercise of the Exchange Warrants (the "Exchange **Warrant Shares**"), the Agent Warrants (as defined in Section 3(b)) and the Agent Warrant Shares (as defined in Section 3(b)). Prior to the First Closing, each of the Issuer Transaction Documents (other than this Agreement, which has already been authorized) will have been duly authorized. This Agreement has been duly authorized, executed and delivered and constitutes, and each of the other Issuer Transaction Documents, upon due execution and delivery, will constitute, valid and binding obligations of Issuer, enforceable against Issuer in accordance with their respective terms (i) except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect related to laws affecting creditors' rights generally, including the effect of statutory and other laws regarding fraudulent conveyances and preferential transfers, and except that no representation is made herein regarding the enforceability of Issuer's obligations to provide indemnification and contribution remedies under the securities laws and (ii) subject to the limitations imposed by general equitable principles (regardless of whether such enforceability is considered in a proceeding at law or in equity).

(e) None of the execution and delivery of, or performance by Issuer under this Agreement or any of the other Issuer Transaction Documents or the consummation of the transactions herein or therein contemplated conflicts with or violates, or will result in the creation or imposition of, any lien, charge or other encumbrance upon any of the assets of Issuer under any agreement or other instrument to which Issuer is a party or by which Issuer or its assets may be bound, or any term of the certificate of incorporation or by-laws of Issuer, or any license, permit, judgment, decree, order, statute, rule or regulation applicable to Issuer or any of its assets, except in the case of a conflict, violation, lien, charge or other encumbrance (except with respect to Issuer's certificate of incorporation or by-laws) which would not, or could not reasonably be expected to, have an Issuer Material Adverse Effect.

(f) As of the date of the First Closing, Issuer will have the authorized and outstanding capital stock as set forth under the heading "Capitalization" in the Memorandum. All outstanding shares of capital stock of Issuer are duly authorized, validly issued, fully paid and nonassessable. Except as described in the Memorandum, as of the date of the First Closing: (i) there will be no outstanding options, stock subscription agreements, warrants or other rights permitting or requiring Issuer or others to purchase or acquire any shares of capital stock or other equity securities of Issuer or to pay any dividend or make any other distribution in respect thereof; (ii) there will be no securities issued or outstanding which are convertible into or exchangeable for any of the foregoing and there are no contracts, commitments or understandings, whether or not in writing, to issue or grant any such option, warrant, right or convertible or exchangeable security; (iii) no shares of stock or other securities of Issuer are reserved for issuance for any purpose; (iv) there will be no voting trusts or other contracts, commitments, understandings, arrangements or restrictions of any kind with respect to the ownership, voting or transfer of shares of stock or other securities of Issuer, including, without limitation, any preemptive rights, rights of first refusal, proxies or similar rights, and (v) no person holds a right to require Issuer to register any securities of Issuer under the Act or to participate in any such registration. As of the date of the First Closing, the issued and outstanding shares of capital stock of Issuer will conform in all material respects to all statements in relation thereto contained in the Memorandum and the Memorandum describes all material terms and conditions thereof. All issuances by Issuer of its securities have been, at the times of their issuance, exempt from registration under the Act and any applicable state securities laws.

(g) Immediately prior to the First Closing, the Shares and Preferred Shares underlying the Units, the Conversion Shares, the Exchange Warrants, the Exchange Warrant Shares, the Agent Warrants (as defined in section 3(b)) and the Agent Warrant Shares (as defined in section 3(b)) will have been duly authorized and, when issued and delivered against payment therefor as provided in the Issuer Transaction Documents, the Shares, the Preferred Shares, the Conversion Shares, the Exchange Warrant Shares and the Agent Warrant Shares will be validly issued, fully paid and nonassessable. No holder of any of the Shares or Preferred Shares underlying the Units, the Conversion Shares, the Exchange Warrants, the Exchange Warrant Shares, the Agent Warrants or the Agent Warrant Shares will be subject to personal liability solely by reason of being such a holder, and, except as described in the Memorandum, none of the Shares or Preferred Shares underlying the Units, the Conversion Shares, the Exchange Warrants, the Exchange Warrant Shares, the Agent Warrants or the Agent Warrant Shares are subject to preemptive or similar rights of any stockholder or security holder of Issuer or an adjustment under the antidilution or exercise rights of any holders of any outstanding shares of capital stock, options, warrants or other rights to acquire any securities of Issuer. Immediately prior to the First Closing, a sufficient number of authorized but unissued shares of Common Stock will have been reserved for issuance upon the conversion of the Preferred Shares and the exercise of the Exchange Warrants and the Agent Warrants.

(h) No consent, authorization or filing of or with any court or governmental authority is required in connection with the issuance or the consummation of the transactions contemplated herein or in the other Issuer Transaction Documents, except for required filings with the SEC and the applicable state securities commissions relating specifically to the Offering (all of which filings will be duly made by, or on behalf of, Issuer), other than those which are required to be made after the First Closing (all of which will be duly made on a timely basis).

(i) Subsequent to the respective dates as of which information is given in the Memorandum, Issuer has operated its business in the ordinary course and, except as may otherwise be set forth in the Memorandum, there has been no: (i) Issuer Material Adverse Effect; (ii) transaction otherwise than in the ordinary course of business consistent with past practice; (iii) issuance of any securities (debt or equity) or any rights to acquire any such securities other than pursuant to equity incentive plans approved by its Board of Directors; (iv) damage, loss or destruction, whether or not covered by insurance, with respect to any asset or property of Issuer; or (v) agreement to permit any of the foregoing.

(j) Except as set forth in the Memorandum, there are no actions, suits, claims, hearings or proceedings pending before any court or governmental authority or, to the knowledge of Issuer, threatened, against Issuer, or involving its assets or any of its officers or directors (in their capacity as such) which, if determined adversely to Issuer or such officer or director, could reasonably be expected to have an Issuer Material Adverse Effect or adversely affect the transactions contemplated by this Agreement or the Share Exchange Agreement or the enforceability thereof.

(k) Other than as set forth on Schedule A attached hereto, Issuer is not obligated to pay, and has not obligated the Placement Agent to pay, a finder's or origination fee in connection with the Offering (other than to the Placement Agent), and hereby agrees to indemnify the Placement Agent from any such claim made by any other person, as more fully set forth in Section 8 hereof. Issuer has not offered for sale or solicited offers to purchase the Units except for negotiations with the Placement Agent. Except as set forth in the Memorandum and as previously disclosed to the Placement Agent, no other person has any right to participate in any offer, sale or distribution of Issuer's securities to which the Placement Agent's rights, described herein, shall apply.

(l) Neither the sale of the Units by Issuer nor its use of the proceeds thereof will violate the Trading with the Enemy Act, as amended, or any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto. Without limiting the foregoing, Issuer is not (a) a person whose property or interests in property are blocked pursuant to Section 1 of Executive Order 13224 of September 23, 2001 Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)) or (b) a person who engages in any dealings or transactions, or be otherwise associated, with any such person. Issuer and its subsidiaries, if any, are in compliance, in all material respects, with the USA Patriot Act of 2001 (signed into law October 26, 2001).

(m) Until the earlier of (i) the Termination Date and (ii) the Final Closing (as defined below), Issuer will not issue any press release, grant any interview, or otherwise communicate with the media in any manner whatsoever with respect to the Offering without the Placement Agent's prior consent, which consent will not unreasonably be withheld, delayed or conditioned.

(n) Subsequent to the Share Exchange Transaction, the Issuer shall establish internal accounting controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(o) Subsequent to the Share Exchange Transaction, the Issuer shall establish "disclosure controls and procedures" (as such term is defined in Rule 13a-15I and 15d-15I under the Securities Exchange Act of 1934, as amended, (the "**Exchange Act**")), which (i) are designed to ensure that material information relating to Issuer is made known to Issuer's principal executive officer and its principal financial officer by others within those entities, particularly during the periods in which the periodic reports required under the Exchange Act are being prepared, and (ii) such disclosure controls and procedures are effective to perform the functions for which they were established. Issuer is not aware of any fraud, whether or not material, that involves management or other employees who have a role in Issuer's internal controls.

(p) Neither Issuer nor any Issuer Related Persons (as defined below) are subject to any Disqualification Event. Issuer has exercised reasonable care to determine whether any Issuer Covered Person is subject to a Disqualification Event. The Memorandum contains a true and complete description of the matters required to be disclosed with respect to Issuer and Issuer Related Persons (as defined below) pursuant to the disclosure requirements of Rule 506I of Regulation D, to the extent applicable. As used herein, "**Issuer Related Persons**" means any predecessor of Issuer, any affiliated issuer, any director, executive officer, other officer of Issuer participating in the Offering, any general partner or managing member of Issuer, any beneficial owner of 20% or more of Issuer's outstanding voting equity securities, calculated on the basis of voting power, and any "promoter" (as defined in Rule 405 under the Act) connected with Issuer in any capacity. Issuer agrees to promptly notify the Placement Agent in writing of (i) any Disqualification Event relating to any Issuer Related Person and (ii) any event that would, with the passage of time, become a Disqualification Event relating to any Issuer Related Person.

(q) Incorporation by Reference. For the benefit of the Placement Agent, Issuer hereby incorporates by reference all of the representations and warranties contained in Article III, and its covenants contained in Article V, of the Share Exchange Agreement, in each case with the same force and effect as if specifically set forth herein.

(r) Disclosure. No representation or warranty contained in Section 2A of this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements herein not misleading in the context of such representations and warranties.

2B. Representations, Warranties and Covenants of Placement Agent . The Placement Agent represents and warrants to OPCO and Issuer that the following representations and warranties are true and correct as of the date of this Agreement:

(a) Aegis is a corporation duly organized, validly existing and in good standing under the laws of the State of New York and has all requisite corporate power and authority to enter into this Agreement and to carry out and perform its obligations under the terms of this Agreement.

(b) This Agreement has been duly authorized, executed and delivered by the Placement Agent, and upon due execution and delivery by OPCO and Issuer, this Agreement will be a valid and binding agreement of the Placement Agent enforceable against it in accordance with its terms, except as may be limited by principles of public policy and, as to enforceability, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws relating to or affecting creditor's rights from time to time in effect and subject to general equity principles.

(c) None of the execution and delivery of or performance by Placement Agent under this Agreement or any other agreement or document entered into by Placement Agent in connection herewith or the consummation of the transactions herein or therein contemplated conflicts with or violates, any agreement or other instrument to which the Placement Agent is a party or by which its assets may be bound, or any term of its certificate of incorporation or by-laws, or any license, permit, judgment, decree, order, statute, rule or regulation applicable to Placement Agent or any of its assets, except in each case as would not have a material adverse effect on the transactions contemplated hereby.

(d) The Placement Agent is a member in good standing of FINRA and is registered as a broker-dealer under the Exchange Act, and under the securities acts of each state into which it is making offers or sales of the Units. The Placement Agent is in compliance with all applicable rules and regulations of the SEC and FINRA, except to the extent that such noncompliance would not have a material adverse effect on the transactions contemplated hereby. None of the Placement Agent or its affiliates, or any person acting on behalf of the foregoing (other than Issuer, OPCO, its or their affiliates or any person acting on its or their behalf, in respect of which no representation is made) has taken nor will it take any action that conflicts with the conditions and requirements of, or that would make unavailable with respect to the Offering, the exemption(s) from registration available pursuant to Rule 506 of Regulation D or Section 4(a)(2) of the Act, or knows of any reason why any such exemption would be otherwise unavailable to it.

(e) Neither Placement Agent nor any Placement Agent Related Persons (as defined below) are subject to any Disqualification Event as of the date hereof. Placement Agent has exercised reasonable care to determine whether any Placement Agent Related Person (as defined below) is subject to such a Disqualification Event. The Memorandum contains a true and complete description of the matters required to be disclosed with respect to Placement Agent and Placement Agent Related Persons (as defined below) pursuant to the disclosure requirements of Rule 506I of Regulation D, to the extent applicable. As used herein, "**Placement Agent Related Persons**" means any predecessor of Placement Agent, any affiliated issuer, any director, executive officer, other officer of Placement Agent participating in the Offering, any general partner or managing member of Issuer, any beneficial owner of 20% or more of Placement Agent's outstanding voting equity securities, calculated on the basis of voting power, and any "promoter" (as defined in Rule 405 under the Act) connected with Placement Agent in any capacity. Placement Agent agrees to promptly notify OPCO and Issuer in writing of (i) any Disqualification Event relating to any Placement Agent Related Person and (ii) any event that would, with the passage of time, become a Disqualification Event relating to any Placement Agent Related Person.

(f) Disclosure. As to Placement Agent only, the Memorandum does not include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, the foregoing does not apply to any statements or omissions made solely in reliance on and in conformity with written information furnished to Placement Agent by OPCO or Issuer specifically for use in the preparation thereof.

(g) Litigation. There are no actions, suits, claims, hearings or proceedings pending before any court or governmental authority or, to the knowledge of Placement Agent, threatened, against Placement Agent or involving its assets or to the knowledge of Placement Agent, any of its officers or directors (in their capacity as such) which, if determined adversely to Placement Agent or such officer or director, could reasonably be expected to adversely affect Placement Agent's ability to perform its obligations hereunder.

3. Placement Agent Compensation.

(a) In connection with the Offering, the Issuer will pay at each Closing (as defined in Section 4I below) a cash fee (the "**Agent Cash Fee**") to the Placement Agent equal to 10% of the gross proceeds from the sale of the Units consummated at such Closing (subject to reduction at the sole discretion of the Placement Agent; provided, however, that no cash commission shall be paid with respect to (i) the exchange for Units of Convertible Notes issued to the holders before November 7, 2016 and Perceptive Advisors (collectively, the "**Old Notes**") and any Convertible Notes for which the Placement Agent was previously paid a cash commission and (ii) investments in the Offering made by (x) current shareholders of OPCO, (y) Perceptive Advisors and (z) certain other investors as set forth on Schedule B1 and B2 hereto. The Placement Agent will also receive the right for designees of the Placement Agent to receive payments from the Issuer aggregating 10% of the amount of payments paid to the holders of the Preferred Shares sold in this Offering as a result of such holders' Royalty Payment Rights, such payments to be made at the same time as payments are made to the holders of the Royalty Payment Rights.

(b) As additional compensation, at or within ten (10) business days following the Final Closing, the Issuer will issue to the Placement Agent (or its designee(s)) for nominal consideration, warrants (the "**Agent Warrants**") to purchase shares of Common Stock (the shares of Common Stock issuable upon exercise of the Agent Warrants are hereinafter referred to as the " **Agent Warrant Shares**"). The Agent Warrants shall be exercisable for that number of shares of Common Stock equaling 10% of the number of shares of Common Stock (i) included in the Units sold or exchanged at all closings (excluding all Units exchanged for Old Notes), and (ii) underlying the Preferred Shares included in the Units sold or exchanged at all Closings (as defined below) (excluding all Units exchanged for Old Notes), at an exercise price of $5.00 per share. There will be no Agent Warrants issued with respect to any Units purchased by any of the investors set forth on Schedule B1 and B2 hereto; provided, however, that Agent Warrants shall be issued in connection with the Units purchased by Perceptive Advisors in the Offering as agreed to by the Issuer and the Placement Agent. The Agent's Warrants shall be exercisable until the date that is five (5) years after the First Closing, shall contain immediate cashless exercise provisions and shall not be callable by the Issuer. The Agent Cash Fee and Agent Warrants are sometimes referred to herein collectively as " **Agent Compensation.**" The Agent Warrants will be in such authorized denominations and will be registered in such names as the Placement Agent shall request in an instruction letter (the "**Agent Warrant Instruction Letter**") to be delivered to the Issuer following the Final Closing and the Issuer shall deliver such Agent Warrants to the Placement Agent within ten (10) business days following the delivery of the Agent Warrant Instruction Letter.

(c) At each Closing (as defined in section 4I below), the Issuer will pay Aegis a non-accountable expense allowance equal to 3% of the gross proceeds from the sale of the Units consummated at such Closing (the **"Agent Expense Allowance"**), provided that the Agent Expense Allowance shall be reduced to 1.5% with respect to investments made by existing stockholders of OPCO, Perceptive Advisors, and certain other institutional investors as agreed by the Company and Aegis as set forth on Schedules B1 and B2 hereto provided further that no expense allowance shall be paid with respect to the exchange for Units of the Convertible Notes. The Placement Agent will not bear any of Issuer's or OPCO's respective legal, accounting, printing or other expenses in connection with any transaction contemplated hereby. Aegis will pay for its own expenses, including its legal fees and expenses, from the Agent Expense Allowance. The Agent Expense Allowance will be reduced by the $25,000 paid by OPCO to the Placement Agent's counsel upon the execution and delivery of the term sheet with respect to the Share Exchange and the Offering.

(d) The Issuer shall also pay and issue to the Placement Agent the Agent Compensation calculated according to the percentages set forth in Sections 3(a) and (b) of this Agreement, if any person or entity contacted by the Placement Agent and provided with a Memorandum during the Offering Period (other than existing shareholders of OPCO and the investors set forth on Schedules B1 and B2 hereto) and with whom the Placement Agent has discussions regarding a potential investment in the Offering, invests in the Issuer (other than through open market purchases or securities purchased in any underwritten public offering) and irrespective of whether such potential investor purchased Units in the Offering (the "**Tail Investors**") at any time prior to the earlier of the date that is twelve (12) months after the Termination Date or the Final Closing ("**Tail Period**"), whichever is applicable; provided, however, that the Tail Period shall terminate immediately in the event that Adam K. Stern is no longer employed by the Placement Agent at any time during the Tail Period. The names of Tail Investors shall be provided in writing by the Placement Agent to the Issuer upon written request within 10 days following the Termination Date or the Final Closing, as the case may be (the "**Tail Investor List**"); provided, that such Tail Investor List shall include persons or entities that actually received a copy of the Memorandum. The Company acknowledges and agrees that the Tail Investor List is proprietary to the Placement Agent, shall be maintained in strict confidence by the Company and those persons/entities on such list shall not be contacted by the Company without the Placement Agent's prior written consent; provided, however, that such restrictions shall not apply to ordinary course stockholder communications by the Company to its stockholders, including those Tail Investors that are stockholders of the Company. In the event the Placement Agent exercises its ROFR (as defined below) with respect to an offering pursuant to the provisions of Section 3(f), the specific compensation terms to the Placement Agent that are negotiated in such offering shall govern and the provisions of this Section 3(d) will not be operative with respect to such offering.

(e) [Reserved]

(f) Effective as of the First Closing, the Issuer hereby grants to Aegis, subject to Adam K. Stern's continued employment by Aegis during the ROFR Term (as hereinafter defined), for a period of twelve (12) months following the Final Closing (the "**ROFR Term**"), the irrevocable preferential right of first refusal ("**ROFR**") solely to act as lead placement agent for any proposed private placement pursuant to Regulation D of the Issuer's securities (equity or debt, but excluding any institutional bank debt and any securities sold directly to investors without the assistance of a registered broker-dealer); provided, that such ROFR shall not apply to any offering of securities registered with the SEC and that the ROFR Term will terminate immediately in the event that Adam K. Stern is no longer employed by the Placement Agent at any time during the ROFR Term. In that regard, it is understood that if the Issuer determines to pursue a private placement financing pursuant to Regulation D during the ROFR Term in which a third party placement agent will be engaged, the Issuer shall promptly provide Aegis with a written notice of such intention and statement of terms (the "**Notice**"). If, within ten (10) business days of the receipt of the Notice, Aegis does not accept in writing such offer to act as lead placement agent with respect to such private placement upon the terms proposed, then the Issuer shall be entitled to engage a placement agent other than Aegis; provided that the terms of the compensation to be paid to such other placement agent are not materially less favorable to the Issuer than the terms included in the Notice. Aegis's failure to exercise these preferential rights in any situation shall not affect its preferential rights to any subsequent private placement during the ROFR Term. Each of OPCO and the Issuer represent and warrant that no other person has any right to participate in any offer, sale or distribution of OPCO's or the Issuer's securities to which Aegis's preferential rights shall apply.

(g) At the First Closing, the Issuer and the Placement Agent shall enter into a non-exclusive Finder's Fee Agreement (the "**Finder's Agreement**"), which will provide that, during the three (3) year period following the later of the Termination Date or the First Closing, if the Company or any of its affiliates shall enter into any of the transactions enumerated in the Finder's Agreement (such transactions to include business combinations, joint ventures, license agreements and related transactions) with any party introduced to the Company by the Placement Agent, then the Company shall pay or cause to be paid to the Placement Agent a cash finder's fee (the "**Finder's Fee**") payable in cash at the closing of such transaction, equal to 5% of the first $1 million of consideration paid by or to the Company, plus 4% of the next $1 million of consideration paid by or to the Company, plus 3% of the next $5 million of the consideration paid by or to the Company, plus 2.5% of any consideration paid by or to the Company in excess of $7 million; provided, however, that the Placement Agent will not be entitled to a finder's fee entered into with any party with whom the Company had a pre-existing relationship prior to the date of the specific introduction (including situations where the Company had previously been introduced to such party by someone other than the Placement Agent or a party with whom the Company had already commenced discussions).

(h) The Company hereby grants the Placement Agent the right to appoint one (1) member of the Company's board of directors (the "**Aegis Director**") effective as of the First Closing of the Offering. The initial Aegis Director shall be Samuel Nussbaum, with any successor Aegis Director chosen by the Placement Agent to be subject to the reasonable approval of the Company. The Aegis Director shall be entitled to (i) the same indemnification protections afforded to other directors of the Company, including the Company's continued maintenance of an insurance policy providing liability insurance for directors and officers of the Company, and (ii) cash and equity compensation in amounts to be determined based on the amounts made available to other non-employee directors of the Company. This provision shall terminate two years from the Final Closing.

(i) Notwithstanding any other provision of this Section 3, in no event shall the Placement Agent contact any of the investors set forth on Schedule B2 hereto for the purpose of (i) subscribing for Units in this Offering or (ii) any other investment in Issuer within twelve (12) months from the date of this Agreement (but the Placement Agent may contact such investors for purposes not relating to sub-clause (i) or (ii)) as a third-party has the right to receive commissions from OPCO in the event that such investors invest in the OPCO for any reason during a certain period of time, all of which has been previously disclosed to the Placement Agent. In the event any investor on Schedule B2 acquires Units in this Offering, any fee, cash or otherwise, payable to the Placement Agent hereunder shall be reduced by any payment paid by OPCO or the Company to such third party.

4. Subscription and Closing Procedures.

(a) OPCO and Issuer shall cause to be delivered to the Placement Agent copies of the Memorandum and have each consented, and hereby consent, to the use of such copies for the purposes permitted by the Act and applicable securities laws and in accordance with the terms and conditions of this Agreement, and hereby each authorize the Placement Agent and its agents and employees to use the Memorandum in connection with the offering of the Units until the earlier of (i) the Termination Date or (ii) the Final Closing, and no person or entity is or will be authorized to give any information or make any representations other than those contained in the Memorandum or to use any offering materials other than those contained in the Memorandum in connection with the sale of the Units.

(b) During the Offering Period, OPCO and Issuer shall make available to the Placement Agent and its representatives such information as may be reasonably requested in making a reasonable investigation of OPCO and Issuer and their respective affairs and shall provide access to such employees during normal business hours as shall be reasonably requested by the Placement Agent.

(c) Each prospective purchaser will be required to complete and execute an original omnibus signature page, for each of the Subscription Agreement and the Registration Rights Agreement (the "**Subscription Documents**"), which will be forwarded or delivered to the Placement Agent at the Placement Agent's offices at the address set forth in Section 12 hereof, together with the subscriber's wire transfer in the full amount of the purchase price for the number of Units desired to be purchased, subject to the Escrow Agent's (as defined below) right to accept a check in lieu of a wire transfer.

(d) All funds for subscriptions received by the Placement Agent from the Offering (not otherwise wired directly to the Escrow Agent) will be promptly forwarded by the Placement Agent and deposited into a non-interest bearing escrow account (the "**Escrow Account**") established for such purpose with Signature Bank (the "**Escrow Agent**"). All such funds for subscriptions will be held in the Escrow Account pursuant to the terms of an escrow agreement among Issuer, OPCO**,** the Placement Agent and the Escrow Agent. The Company will pay all fees related to the establishment and maintenance of the Escrow Account. Subject to the receipt of subscriptions for the Minimum Amount, the Company will either accept or reject, for any or no reason, the Subscription Documents in a timely fashion and at each Closing, Issuer and OPCO will countersign the Subscription Documents and provide duplicate copies of such documents to the Placement Agent for distribution to the subscribers. The Placement Agent on the Company's behalf, will promptly return to subscribers incomplete, improperly completed, improperly executed and rejected subscriptions.

(e) If subscriptions for at least the Minimum Amount have been accepted prior to the Termination Date, which calculation shall include the exchange of the Convertible Notes for Units, the funds therefor have been collected by the Escrow Agent and all of the conditions set forth elsewhere in this Agreement are fulfilled, the First Closing shall be held promptly with respect to Units sold. Thereafter remaining Units will continue to be offered and sold until the Termination Date and additional closings (each a "**Closing**") may from time to time be conducted at times mutually agreed to between the Placement Agent and the Company with respect to additional Units sold, with the final closing ("**Final Closing**") to occur within ten (10) days after the earlier of the Termination Date and the date on which the all Units has been fully subscribed for. Delivery of payment for the accepted subscriptions for Units from funds held in the Escrow Account will be made at each Closing against delivery of the Shares and Preferred Shares by the Company. Executed certificates for the Common Stock and Warrants will be made available to the Placement Agent for checking and packaging at least one business day prior to each Closing. The Company's transfer agent, to be engaged prior to the First Closing, shall be instructed by the Company to deliver such Common Stock certificates and Warrants within a commercially reasonable time after each Closing.

(f) If Subscription Documents for the Minimum Amount have not been received and accepted by the Company on or before the Termination Date for any reason, the Offering will be terminated, no Units will be sold, and the Escrow Agent will, at the request of the Placement Agent, cause all monies received from subscribers for the Units to be promptly returned to such subscribers without interest, penalty, expense or deduction.

5. Further Covenants. OPCO and Issuer hereby covenant and agree that:

(a) Except upon prior written notice to the Placement Agent, neither OPCO nor Issuer shall, at any time prior to the Final Closing, knowingly take any action which would cause any of the representations and warranties made by it in this Agreement not to be complete and correct in all material respects on and as of the date of each Closing with the same force and effect as if such representations and warranties had been made on and as of each such date (except to the extent any representation or warranty relates to an earlier date).

(b) If, at any time prior to the Final Closing, any event shall occur that causes (i) an OPCO Material Adverse Effect or (ii) an Issuer Material Adverse Effect, either of which as a result it becomes necessary to amend or supplement the Memorandum so that the representations and warranties herein remain true and correct in all material respects, or in case it shall be necessary to amend or supplement the Memorandum to comply with Regulation D or any other applicable securities laws or regulations, either OPCO or Issuer, as applicable, will promptly notify the Placement Agent and shall, at its sole cost, prepare and furnish to the Placement Agent copies of appropriate amendments and/or supplements in such quantities as the Placement Agent may reasonably request for delivery by the Placement Agent to potential subscribers. Neither OPCO nor Issuer will at any time before the Final Closing prepare or use any amendment or supplement to the Memorandum of which the Placement Agent will not previously have been advised and furnished with a copy, or which is not in compliance in all material respects with the Act and other applicable securities laws. As soon as OPCO or Issuer is advised thereof, OPCO or Issuer, as applicable, will advise the Placement Agent and its counsel, and confirm the advice in writing, of any order preventing or suspending the use of the Memorandum, or the suspension of any exemption for such qualification or registration thereof for offering in any jurisdiction, or of the institution or threatened institution of any proceedings for any of such purposes, and OPCO and Issuer, as applicable, will use their reasonable best efforts to prevent the issuance of any such order and, if issued, to obtain as soon as reasonably possible the lifting thereof.

(c) OPCO and Issuer shall comply with the Act, the Exchange Act and the rules and regulations thereunder, all applicable state securities laws and the rules and regulations thereunder in the states in which OPCO's Blue Sky counsel has advised the Placement Agent, OPCO and/or Issuer that the Units are qualified or registered for sale or exempt from such qualification or registration, so as to permit the continuance of the sales of the Units, and will file or cause to be filed with the SEC, and shall promptly thereafter forward or cause to be forwarded to the Placement Agent, any and all reports on Form D as are required.

(d) Issuer shall use best efforts to qualify the Units for sale under the securities laws of such jurisdictions in the United States as may be mutually agreed to by OPCO, Issuer and the Placement Agent, and Issuer will make or cause to be made such applications and furnish information as may be required for such purposes, provided that Issuer will not be required to qualify as a foreign corporation in any jurisdiction or execute a general consent to service of process. Issuer will, from time to time, prepare and file such statements and reports as are or may be required to continue such qualifications in effect for so long a period as the Placement Agent may reasonably request with respect to the Offering.

(e) The Issuer shall place a legend on the certificates representing the Shares, the Preferred Shares, the Conversion Shares, the Exchange Warrants and the Agent Warrants that the securities evidenced thereby have not been registered under the Act or applicable state securities laws, setting forth or referring to the applicable restrictions on transferability and sale of such securities under the Act and applicable state laws.

(f) The Company shall apply the net proceeds from the sale of the Units for the purposes substantially as described under the "Use of Proceeds" section of the Memorandum. Except as set forth in the Memorandum, the Company shall not use any of the net proceeds of the Offering to repay indebtedness to officers (other than accrued salaries incurred in the ordinary course of business), directors or stockholders of the Company without the prior written consent of the Placement Agent.

(g) During the Offering Period OPCO or Issuer, as applicable, shall afford each prospective purchaser of Units the opportunity to ask questions of and receive answers from an officer of OPCO or Issuer concerning the terms and conditions of the Offering and the opportunity to obtain such other additional information necessary to verify the accuracy of the Memorandum to the extent OPCO or Issuer possesses such information or can acquire it without unreasonable expense.

(h) Except with the prior written consent of Aegis, which consent shall not be unreasonably withheld, OPCO and Issuer shall not, at any time prior to the earlier of the Final Closing or the Termination Date, except as contemplated by the Memorandum (i) engage in or commit to engage in any transaction outside the ordinary course of business as described in the Memorandum, (ii) issue, agree to issue or set aside for issuance any securities (debt or equity) or any rights to acquire any such securities; provided that the Company shall be permitted to issue stock options and/or restricted stock units to officers, directors and employees of the Company as described in the Memorandum; and it being acknowledged and agreed that after the Final Closing or Termination Date, the Issuer may issue, in its sole discretion, a number of stock options and/or restricted units in the aggregate in an amount of up to 15% of the fully diluted outstanding shares of the Issuer pursuant to the Issuer's 2016 Equity Incentive Plan (the "**Plan**"), (iii) incur, outside the ordinary course of business, any material indebtedness, (iv) dispose of any material assets, (v) make any acquisition or (vi) change its business or operations.

(i) OPCO or the Issuer, as applicable, shall pay all reasonable expenses incurred in connection with the preparation and printing of all necessary offering documents and instruments related to the Offering and the issuance of the Shares, the Preferred Shares, the Conversion Shares, the Exchange Warrants and the Agent Warrants and will also pay OPCO's and the Issuer's own expenses for accounting fees, legal fees and other costs involved with the Offering (provided that OPCO shall not be responsible for the legal fees of Issuer for the period prior to the First Closing other than the $25,000 previously paid to the Placement Agent's counsel). OPCO will provide at its own expense such quantities of the Memorandum and other documents and instruments relating to the Offering as the Placement Agent may reasonably request**.** All Blue Sky filings related to this Offering shall be prepared by OPCO's counsel, on behalf of the Issuer, at OPCO's expense, with copies of all filings to be promptly forwarded to the Placement Agent. Further, as promptly as practicable after the Final Closing, the Company shall prepare, at its own expense, velobound "closing binders" relating to the Offering and will distribute one such binder to each of the Placement Agent and its counsel.

(j) Until the earlier of the Termination Date or the Final Closing, neither OPCO nor Issuer nor any person or entity acting on such persons' behalf will negotiate with any other placement agent or underwriter with respect to a private offering of such entity's debt or equity securities. Neither OPCO nor Issuer nor anyone acting on such persons' behalf will, until the earlier of the Termination Date or the Final Closing, without the prior written consent of the Placement Agent, offer for sale to, or solicit offers to subscribe for Units from, or otherwise approach or negotiate in respect thereof with, any other person.

5A. Placement Agent Further Covenants.

The Placement Agent shall not, at any time during the Offering Period, knowingly take any action which would cause any of the representations and warranties made by it in this Agreement not to be complete and correct in all material respects on and as of each Closing Date with the same force and effect as if such representations and warranties had been made on and as of each such date (except to the extent any representation or warranty relates to an earlier date).

6. Conditions of Placement Agent's Obligations . The obligations of the Placement Agent hereunder to effect a Closing are subject to the fulfillment, at or before each Closing, of the following additional conditions:

(a) Each of the representations and warranties made by OPCO and Issuer qualified as to materiality shall be true and correct in all material respects at all times prior to and on each Closing Date, except to the extent any such representation or warranty expressly speaks as of an earlier date, in which case such representation or warranty shall be true and correct in all material respects as of such earlier date, and the representations and warranties made by OPCO and Issuer not qualified as to materiality shall be true and correct in all material respects at all times prior to and on each Closing Date, except to the extent any such representation or warranty expressly speaks as of an earlier date, in which case such representation or warranty shall be true and correct in all material respects as of such earlier date.

(b) OPCO and Issuer (and the Company following the First Closing) shall have performed and complied in all material respects with all agreements, covenants and conditions required to be performed and complied with by them at or before the Closing.

(c) The Memorandum did not, and as of the date of any amendment or supplement thereto will not, include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

(d) The Company shall have obtained all consents, waivers and approvals required to be obtained by the Company in connection with the consummation of the transactions contemplated hereby.

(e) No order suspending the use of the Memorandum or enjoining the Offering or sale of the Units shall have been issued, and no proceedings for that purpose or a similar purpose shall have been initiated or pending, or, to OPCO's and Issuer's knowledge, threatened.

(f) The Placement Agent shall have received a certificate of the Chief Executive Officer of each of OPCO and Issuer, dated as of the date of the First Closing (Issuer only for subsequent Closings), certifying, as to the fulfillment of the conditions set forth in subparagraphs (a), (b), (c) and (d) above.

(g) OPCO and Issuer shall have delivered to the Placement Agent: (i) a certified charter document and good standing certificate, each dated as of a date within ten (10) days prior to the First Closing from the secretary of state of its jurisdiction of incorporation; and (ii) resolutions of OPCO's and Issuer's Board of Directors approving this Agreement and the transactions and agreements contemplated by this Agreement, the Share Exchange Agreement and the transactions contemplated by the Share Exchange Agreement, and the Memorandum, certified by the Chief Executive Officer of OPCO and Issuer.

(h) At each Closing, the Company shall pay and/or issue to the Placement Agent the Agent Cash Fee and Agent Expense Allowance earned in such Closing. Agent Warrants shall be delivered to the Placement Agent in accordance with Section 3(b) hereto.

(i) At the First Closing, (i) OPCO shall deliver to the Placement Agent a signed opinion of Lowenstein Sandler LLP and Fischer Behar Chen Well Orion & Co., **Israeli** counsel to OPCO, dated as of the Closing Date, in form and substance reasonably satisfactory to the Placement Agent and its counsel, and (ii) Issuer shall deliver to the Placement Agent a signed opinion of Littman Krooks LLP, counsel to Issuer, dated as of the Closing Date in form and substance reasonably satisfactory to the Placement Agent and its counsel. At all subsequent Closings, the Issuer shall deliver to the Placement Agent a signed opinion of Lowenstein Sandler LLP and Fischer Behar Chen Well Orion & Co., counsel to the Company following the First Closing, dated as of the Closing Date, in form and substance reasonably satisfactory to the Placement Agent.

(j) All proceedings taken at or prior to any Closing in connection with the authorization, issuance and sale of the Shares, the Preferred Shares, the Exchange Warrants and the Agent Warrants will be reasonably satisfactory in form and substance to the Placement Agent and its counsel, and such counsel shall have been furnished with all such documents, certificates and opinions as it may reasonably request upon reasonable prior notice in connection with the transactions contemplated hereby.

(k) With respect to the First Closing, the Share Exchange per the terms of the Share Exchange Agreement shall have been consummated.

(l) Lock-up agreements with all of the Company's officers, directors and stockholders owning in the aggregate 5% or more of the capital stock of the Company immediately prior to the time of the First Closing, in form and substance reasonably acceptable to the Placement Agent and consistent with the terms set forth in the Memorandum, shall have been executed and delivered to the Placement Agent.

(m) Employment agreements with Mark Pomeranz, and James Martin in form and substance acceptable to the Placement Agent and as described in the Memorandum shall be entered into by and between the Issuer and each of Mark Pomeranz and James Martin.

7. Conditions of Issuer's and OPCO's Obligations. The obligations of Issuer and OPCO hereunder to effect the First Closing and the obligations of the Company to effect all subsequent Closings are subject to the fulfillment, at or before each Closing, of the following additional conditions or subject to the waiver of such condition or conditions by OPCO in which case the Issuer shall not be permitted to fail to close as a result of non-satisfaction of such condition or conditions that have been waived by OPCO:

(a) Each of the representations and warranties made by the Placement Agent shall be true and correct at all times prior to and on each Closing Date.

(b) The Placement Agent shall have performed and complied in all material respects with all agreements, covenants and conditions required to be performed and complied with by it at or before the Closing.

(c) The Company shall have received a certificate of an officer of the Placement Agent, dated as of the Closing Date, certifying, as to the fulfillment of the conditions set forth in subparagraphs (a) and (b) above.

(d) No order suspending the use of the Memorandum or enjoining the Offering or sale of the Units shall have been issued, and no proceedings for that purpose or a similar purpose shall have been initiated or pending, or, to the Company's knowledge, be contemplated or threatened.

(e) Lock-up agreements with all stockholders of Issuer pre-Share Exchange, which include but are not limited to employees and affiliates of the Placement Agent in form and substance reasonably acceptable to OPCO and consistent with the terms set forth in the Memorandum, shall have been executed and delivered to OPCO and Issuer.

8. Indemnification.

(a) Issuer and OPCO severally if the Share Exchange does not occur, and jointly and severally following the consummation of the Share Exchange, will: (i) indemnify and hold harmless the Placement Agent, their agents and their respective officers, directors, employees, selected dealers and each person, if any, who controls the Placement Agent within the meaning of the Section 15 of the Act or Section 20(a) of the Exchange Act and such selected dealers (each an "**Indemnitee**" or a "**Placement Agent Party**") against, and pay or reimburse each Indemnitee for, any and all losses, claims, damages, liabilities or expenses whatsoever (or actions or proceedings or investigations in respect thereof), joint or several (which will, for all purposes of this Agreement, include, but not be limited to, all reasonable costs of defense and investigation and all reasonable attorneys' fees, including appeals), to which any Indemnitee may become subject (x) under the Act or otherwise, in connection with the offer and sale of the Units and (y) as a result of the breach of any representation, warranty or covenant made by either OPCO or Issuer herein, regardless of whether such losses, claims, damages, liabilities or expenses shall result from any claim by any Indemnitee or by any third party; and (ii) reimburse each Indemnitee for any legal or other expenses reasonably incurred in connection with investigating or defending against any such loss, claim, action, proceeding or investigation; provided, however, that Issuer and OPCO will not be liable in any such case to the extent that any such claim, damage or liability is finally judicially determined to have resulted primarily from (A) an untrue statement or alleged untrue statement of a material fact made in the Memorandum, or an omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, made solely in reliance upon and in conformity with written information furnished to Issuer and/or OPCO by the Placement Agent specifically for use in the Memorandum, (B) any violations by the Placement Agent of the Act, state securities laws or any rules or regulations of FINRA, which does not result from a violation thereof by OPCO, Issuer, or any of their respective affiliates or (C) the Placement Agent's willful misconduct or gross negligence. In addition to the foregoing agreement to indemnify and reimburse, Issuer and OPCO jointly and severally will indemnify and hold harmless each Indemnitee against any and all losses, claims, damages, liabilities or expenses whatsoever (or actions or proceedings or investigations in respect thereof), joint or several (which shall, for all purposes of this Agreement, include, but not be limited to, all reasonable costs of defense and investigation and all reasonable attorneys' fees, including appeals) to which any Indemnitee may become subject insofar as such costs, expenses, losses, claims, damages or liabilities arise out of or are based upon the claim of any person or entity that he or it is entitled to broker's or finder's fees from any Indemnitee in connection with the Offering, other than fees due to the Placement Agent. The foregoing indemnity agreements will be in addition to any liability Issuer and OPCO may otherwise have.

(b) The Placement Agent will indemnify and hold harmless Issuer and OPCO, their respective officers, directors, and each person, if any, who controls such entity within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act against, and pay or reimburse any such person for, any and all losses, claims, damages, liabilities or expenses whatsoever (or actions, proceedings or investigations in respect thereof) to which Issuer or OPCO or any such person may become subject under the Act or otherwise, whether such losses, claims, damages, liabilities or expenses shall result from any claim of Issuer, OPCO or any such person who controls Issuer or OPCO within the meaning of the Act or by any third party, but only to the extent that such losses, claims, damages or liabilities results from (i) any untrue statement or alleged untrue statement of any material fact contained in the Memorandum made in reliance upon and in conformity with information contained in the Memorandum relating to the Placement Agent, or an omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in either case, if made or omitted in reliance upon and in conformity with written information furnished to Issuer or OPCO by the Placement Agent, specifically for use in the preparation thereof or (ii) any violations by the Placement Agent of the Act or state securities laws which does not result from a violation thereof by OPCO, Issuer or any of their respective affiliates. The Placement Agent will reimburse the Company or any such person for any legal or other expenses reasonably incurred in connection with investigating or defending against any such loss, claim, damage, liability or action, proceeding or investigation to which such indemnity obligation applies. The foregoing indemnity agreements are in addition to any liability which the Placement Agent may otherwise have. Notwithstanding the foregoing, in no event (except in the event of gross negligence or willful misconduct by the Placement Agent to the extent and only to the extent if found in a final judgment by a court of competent jurisdiction) shall the Placement Agent's indemnification obligation hereunder exceed the amount of Agent Cash Fees actually received by the Placement Agent.

(c) Promptly after receipt by an indemnified party under this Section 8 of notice of the commencement of any action, claim, proceeding or investigation (the "**Action**"), such indemnified party, if a claim in respect thereof is to be made against the indemnifying party under this Section 8, will notify the indemnifying party of the commencement thereof, but the omission to so notify the indemnifying party will not relieve it from any liability that it may have to any indemnified party under this Section 8 unless the indemnifying party has been substantially prejudiced by such omission. The indemnifying party will be entitled to participate in and, to the extent that it may wish, jointly with any other indemnifying party, to assume the defense thereof subject to the provisions herein stated, with counsel reasonably satisfactory to such indemnified party. The indemnified party will have the right to employ separate counsel in any such Action and to participate in the defense thereof, but the fees and expenses of such counsel will not be at the expense of the indemnifying party if the indemnifying party has assumed the defense of the Action with counsel reasonably satisfactory to the indemnified party, provided, however, that if the indemnified party shall be requested by the indemnifying party to participate in the defense thereof or shall have concluded in good faith and specifically notified the indemnifying party either that there may be specific defenses available to it that are different from or additional to those available to the indemnifying party or that such Action involves or could have a material adverse effect upon it with respect to matters beyond the scope of the indemnity agreements contained in this Agreement, then the counsel representing it, to the extent made necessary by such defenses, shall have the right to direct such defenses of such Action on its behalf and in such case the reasonable fees and expenses of such counsel in connection with any such participation or defenses shall be paid by the indemnifying party. No settlement of any Action against an indemnified party will be made without the consent of the indemnifying party and the indemnified party, which consent shall not be unreasonably withheld, delayed or conditioned in light of all factors of importance to such party, and no indemnifying party shall be liable to indemnify any person for any settlement of any such claim effected without such indemnifying party's consent.

9. Contribution. To provide for just and equitable contribution, if: (i) an indemnified party makes a claim for indemnification pursuant to Section 8 hereof and it is finally determined, by a judgment, order or decree not subject to further appeal that such claims for indemnification may not be enforced, even though this Agreement expressly provides for indemnification in such case; or (ii) any indemnified or indemnifying party seeks contribution under the Act, the Exchange Act, or otherwise, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company on the one hand and the Placement Agent on the other in connection with the statements or omissions which resulted in such losses, claims, damages, liabilities or expenses (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Placement Agent on the other shall be deemed to be in the same proportion as the total net proceeds from the Offering (before deducting expenses) received by the Company bear to the total Agent Cash Fees received by the Placement Agent. The relative fault, in the case of an untrue statement, alleged untrue statement, omission or alleged omission will be determined by, among other things, whether such statement, alleged statement, omission or alleged omission relates to information supplied by the Company or by the Placement Agent, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement, alleged statement, omission or alleged omission. The Company and the Placement Agent agree that it would be unjust and inequitable if the respective obligations of the Company and the Placement Agent for contribution were determined by *pro rata* allocation of the aggregate losses, liabilities, claims, damages and expenses or by any other method or allocation that does not reflect the equitable considerations referred to in this Section 9. No person guilty of a fraudulent misrepresentation (within the meaning of Section 10(f) of the Act) will be entitled to contribution from any person who is not guilty of such fraudulent misrepresentation. For purposes of this Section 9, each person, if any, who controls the Placement Agent within the meaning of the Act will have the same rights to contribution as the Placement Agent, and each person, if any, who controls the Company within the meaning of the Act will have the same rights to contribution as the Company, subject in each case to the provisions of this Section 9. Anything in this Section 9 to the contrary notwithstanding, no party will be liable for contribution with respect to the settlement of any claim or action effected without its written consent. This Section 9 is intended to supersede, to the extent permitted by law, any right to contribution under the Act, the Exchange Act or otherwise available.

10. Termination.

(a) The Offering may be terminated by the Placement Agent at any time prior to the expiration of the Offering Period in the event that: (i) any of the representations, warranties or covenants of OPCO contained herein or in the Memorandum shall prove to have been false or misleading in any material respect when actually made; (ii) OPCO shall have failed to perform any of its material obligations hereunder or under any other OPCO Transaction Document, Issuer Transaction Document or any other transaction document; (iii) there shall occur any event that could reasonably be expected to result in an OPCO Material Adverse Effect; or (iv) the Placement Agent determines that it is reasonably likely that any of the conditions to Closing set forth herein will not, or cannot, be satisfied. In the event of any such termination by the Placement Agent pursuant to clauses (i), (ii) or (iii) of this Section 10(a), the Placement Agent shall be entitled to retain any Agent Compensation already earned (if any, at such point in time) and receive from OPCO and/or the Issuer, within five (5) business days of the Termination Date, in addition to other rights and remedies it may have hereunder, at law or otherwise, an amount equal to the sum of $100,000, which shall be offset by the $25,000 the Company advanced to legal counsel for the Placement Agent if such termination occurs prior to the First Closing (the "**Termination Amount**") and the provisions of Section 3(d) shall survive in full force and effect. In the event of a termination by the Placement Agent under Section 10(a)(iv) that occurs prior to the First Closing, the Placement Agent shall not be entitled to any further compensation pursuant to these termination provisions, except for reimbursement of its out-of-pocket legal expenses incurred in connection with the Offering (not to exceed $50,000 (inclusive of the $25,000 previously paid)) and the provisions of Section 3(d) shall survive in full force and effect.

(b) This Offering may be terminated by OPCO or the Issuer at any time prior to the expiration of the Offering Period (i) in the event that the Placement Agent shall have failed to perform any of its material obligations hereunder or (ii) on account of the Placement Agent's fraud, willful misconduct or gross negligence. In the event of any such termination pursuant to this Section 10(b), the Placement Agent shall not be entitled to any further compensation pursuant to these termination provisions.

(c) In the event OPCO or the Issuer unilaterally decides for any reason (other than pursuant to Section 10(b) above or Section 10(d) below) to terminate the Offering at any time prior to the First Closing (the "**Unilateral Termination**"), the Placement Agent shall be entitled to receive from OPCO $100,000 plus the Placement Agent's out-of-pocket legal expenses not to exceed $50,000 in connection with the Offering (inclusive of the $25,000 previously paid) (the "**Unilateral Termination Amount** "). In addition, if within twelve (12) months after the Unilateral Termination, the Company conducts a public or private offering of its securities or enters into a letter of intent with respect to the foregoing, then upon the closing of any such transaction, the terminating party shall pay the Placement Agent in cash, within five (5) business days of the closing of any such transaction an amount equal to 2% of the gross proceeds from such private or public offering (the "**Additional Unilateral Termination Amount** "), provided that such percentage shall be the applicable percentages set forth in section 3(d) hereto with respect to any gross proceeds from Tail Investors.

(d) This Offering may be terminated upon mutual agreement of Issuer, OPCO and Aegis, on behalf of the Placement Agent, at any time prior to the expiration of the Offering Period on terms to be negotiated at such time. In addition, upon the expiration of the Offering Period, the Offering shall terminate without any further action of the parties hereto. If the Offering is terminated pursuant to this Section 10(d), then in cases in which no Closing had been theretofore consummated, each party shall pay its own respective expenses, provided that the $25,000 previously advanced to Aegis's counsel toward the Expense Allowance shall be retained by Aegis.

(e) Before any termination by the Placement Agent under Section 10(a) or by OPCO or the Company under Section 10(b) shall become effective, the terminating party shall give written notice to the other party of its intention to terminate the Offering, which shall set forth the specific grounds for the proposed termination (the "**Termination Notice**"). If the specified grounds for termination, or their resulting adverse effect on the transactions contemplated hereby, are curable, then the other party shall have ten (10) days from the Termination Notice within which to remove such grounds or to eliminate all of their material adverse effects on the transactions contemplated hereby; otherwise, the Offering shall terminate.

(f) In the event that a majority of OPCO's capital stock or assets is sold, or OPCO is merged with or merges with or into another entity or otherwise combined with or acquired, or enters into a letter of intent or memorandum of understanding with respect to any of the foregoing, within one year following a Unilateral Termination, then upon the closing of any such transaction, OPCO, the Company or their successor shall pay the Placement Agent in cash, within five (5) business days of the closing of any such transaction, an amount equal to 2% of the total consideration received or receivable by OPCO, or any of its officers, directors or stockholders in connection with such transaction. Notwithstanding the foregoing, however, if an event or transaction shall occur that would entitle the Placement Agent to receive both the Additional Unilateral Termination Amount and the Finder's Fee, then Aegis, on behalf of the Placement Agent may elect which of the two such fees, but may elect only one of such fees, it shall collect from OPCO, the Company or their successor. In the event that the Placement Agent has elected to receive the Additional Unilateral Termination Amount in accordance with this Section 10, and subsequently an event or transaction occurs that would have entitled the Placement Agent to receive a Finder's Fee in excess of such Additional Unilateral Termination Amount, then the Placement Agent may require OPCO or the Company to pay it the difference between the Additional Unilateral Termination Amount already paid and the amount of the Finder's Fee to which it otherwise would have been entitled to receive from OPCO or the Company.

(g) Upon any termination pursuant to this Section 10, the applicable parties to this Agreement will instruct Escrow Agent to cause all monies received with respect to the subscriptions for Units not closed upon to be promptly returned to such subscribers without interest, penalty or deduction.

11. Survival.

(a) The obligations of the parties to pay any costs and expenses hereunder and to provide indemnification and contribution as provided herein shall survive any termination hereunder. In addition, the provisions of Sections 3(d), 3(f) (only following a termination after the First Closing) and 8 through 16 shall survive the sale of the Units or any termination of the Offering hereunder.

(b) The respective indemnities, covenants, representations, warranties and other statements of Issuer, OPCO and the Placement Agent set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation made by or on behalf of, and regardless of any access to information by, Issuer, OPCO or the Placement Agent, or any of their officers or directors or any controlling person thereof, and will survive the sale of the Units or any termination of the Offering hereunder for a period of two (2) years from the earlier to occur of the Final Closing or the termination of the Offering.

12. Notices. All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made as of the date delivered personally, or the date mailed if mailed by registered or certified mail (postage prepaid, return receipt requested) to the parties at the following addresses (or at such other address for a party as shall be specified by like changes of address which shall be effective upon receipt) or sent by facsimile transmission, with confirmation received, or by electronic mail submission on the date sent, if sent to the Placement Agent, will be mailed, delivered or telefaxed and confirmed or e-mailed to Aegis Capital Corp., 810 Seventh Ave, 11th Floor, New York, New York 10019, Attention: Adam K. Stern, telefax number (646) 390-9122, adam@sternaeigs.com, with a copy (which shall not constitute notice) to: Duane Morris LLP, 1540 Broadway, 14th Floor, New York, NY 10036 Attention: Nanette C. Heide, Esq., telefax number (212) 202-5334, ncheide@duanemorris.com, if sent to OPCO, will be mailed, delivered, telefaxed and confirmed or emailed to Motus GI Medical Technologies Ltd., 150 Union Square Drive, New Hope, PA 18938, Attention: Mark Pomeranz, CEO, mark@motusgi.com, with a copy (which shall not constitute notice) to: Lowenstein Sandler LLP, 1251 Avenue of the Americas, New York, NY 10020, Attn: Steven M. Skolnick, Esq., telefax number (973) 597 2477, sskolnick@lowenstein.com, and if sent to Issuer, will be mailed, delivered or telefaxed and confirmed or e-mailed to Motus GI Holdings, Inc., 142 West 57th St. Suite 4A, New York, NY 10019, Attn: Todd Van Emburgh, President, vanemburghtodd@yahoo.com, with a copy (which shall not constitute notice) to: Littman Krooks LLP, 655 Third Avenue, 20th floor, New York, NY 10017 Attention: Steven Uslaner, Esq., telefax number (212) 490-2990, suslaner@littmankrooks.com; provided, however, that from and after the First Closing, notices to Issuer shall be sent in the same manner, and to the same address, as notices to OPCO, with a copy (which shall not constitute notice) to: Lowenstein Sandler LLP, 1251 Avenue of the Americas, New York, NY 10020, Attn: Steven M. Skolnick, Esq., telefax number (973) 597-2477, sskolnick@lowenstein.com.

13. Governing Law, Jurisdiction. This Agreement shall be deemed to have been made and delivered in New York City and shall be governed as to validity, interpretation, construction, affect and in all other respects by the internal laws of the State of New York. **THE PARTIES AGREE THAT ANY DISPUTE, CLAIM OR CONTROVERSY DIRECTLY OR INDIRECTLY RELATING TO OR ARISING OUT OF THIS AGREEMENT, THE TERMINATION OR VALIDITY HEREOF, ANY ALLEGED BREACH OF THIS AGREEMENT OR THE ENGAGEMENT CONTEMPLATED HEREBY (ANY OF THE FOREGOING, A "CLAIM") SHALL BE SUBMITTED TO THE JUDICIAL ARBITRATION AND MEDIATION SERVICES, INC ("JAMS"), OR ITS SUCCESSOR, IN NEW YORK, FOR FINAL AND BINDING ARBITRATION IN FRONT OF A PANEL OF THREE ARBITRATORS WITH JAMS IN NEW YORK, NEW YORK UNDER THE JAMS COMPREHENSIVE ARBITRATION RULES AND PROCEDURES (WITH EACH OF THE PLACEMENT AGENT AND OPCO CHOOSING ONE ARBITRATOR, AND THE CHOSEN ARBITRATORS CHOOSING THE THIRD ARBITRATOR). THE ARBITRATORS SHALL, IN THEIR AWARD, ALLOCATE ALL OF THE COSTS OF THE ARBITRATION, INCLUDING THE FEES OF THE ARBITRATORS AND THE REASONABLE ATTORNEYS' FEES OF THE PREVAILING PARTY, AGAINST THE PARTY WHO DID NOT PREVAIL. THE AWARD IN THE ARBITRATION SHALL BE FINAL AND BINDING. THE ARBITRATION SHALL BE GOVERNED BY THE FEDERAL ARBITRATION ACT, 9 U.S.C. SEC. 1-16, AND THE JUDGMENT UPON THE AWARD RENDERED BY THE ARBITRATORS MAY BE ENTERED BY ANY COURT HAVING JURISDICTION THEREOF. OPCO AND THE PLACEMENT AGENT AGREE AND CONSENT TO PERSONAL JURISDICTION, SERVICE OF PROCESS AND VENUE IN ANY FEDERAL OR STATE COURT WITHIN THE STATE AND COUNTY OF NEW YORK IN CONNECTION WITH ANY ACTION BROUGHT TO ENFORCE AN AWARD IN ARBITRATION.**

14. Miscellaneous. No provision of this Agreement may be changed or terminated except by a writing signed by the party or parties to be charged therewith. Unless expressly so provided, no party to this Agreement will be liable for the performance of any other party's obligations hereunder. Either party hereto may waive compliance by the other with any of the terms, provisions and conditions set forth herein; provided, however, that any such waiver shall be in writing specifically setting forth those provisions waived thereby. No such waiver shall be deemed to constitute or imply waiver of any other term, provision or condition of this Agreement. Neither party may assign its rights or obligations under this Agreement to any other person or entity without the prior written consent of the other party.

15. Entire Agreement; Severability. This Agreement together with any other agreement referred to herein supersedes all prior understandings and written or oral agreements between the parties with respect to the Offering and the subject matter hereof. If any portion of this Agreement shall be held invalid or unenforceable, then so far as is reasonable and possible (i) the remainder of this Agreement shall be considered valid and enforceable and (ii) effect shall be given to the intent manifested by the portion held invalid or unenforceable.

16. Counterparts. This Agreement may be executed in multiple counterparts, each of which may be executed by less than all of the parties and shall be deemed to be an original instrument which shall be enforceable against the parties actually executing such counterparts and all of which together shall constitute one and the same instrument. The exchange of copies of this Agreement and of signature pages by facsimile transmission shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes. Signatures of the parties transmitted by facsimile shall be deemed to be their original signatures for all purposes.

[Signatures on following page.]

If the foregoing is in accordance with your understanding of the agreement among Issuer, OPCO and the Placement Agent, kindly sign and return this Agreement, whereupon it will become a binding agreement among Issuer, OPCO and the Placement Agent in accordance with its terms.

MOTUS GI MEDICAL TECHNOLOGIES LTD.

By: */s/ Mark Pomeranz*
Name: Mark Pomeranz
Title: Chief Executive Officer

MOTUS GI HOLDINGS, INC.

By: */s/ Todd Van Emburgh*
Name: Todd Van Emburgh
Title: President

Accepted and agreed to this
1st day of December, 2016:

AEGIS CAPITAL CORP.

By: */s/ Adam K. Stern*
Name: Adam K. Stern
Title: Head of Private Equity Banking

[Signature Page to Placement Agency Agreement]

SCHEDULE A

Engagement Letter dated November 23, 2015 and subsequent letter dated November 15, 2016 between Motus GI Medical Technologies Ltd. and Leerink Partners LLC ("Leerink") pursuant to which Leerink was engaged as the exclusive financial advisor in connection with a possible Financing, Sale Transaction or Strategic Alliance.

SCHEDULE B-1

Cormorant Asset Management
Perceptive Life Sciences
Ghost Tree Capital
Great Point Partners
HIG Capital
New Enterprise Associates
Cowen Group
JW Partners

SCHEDULE B-2

Ally-Bridge
Apple Tree Partners
Arboretum Ventures
Ascension Health Ventures
Baird Capital
Canaan Partners
Domain Associates
Edmond de Rothchild
Endeavour Vision
Essex Woodlands
F-Prime Capital
HBM Healthcare Investments
HealthQuest
HillHouse Capital
Kofa Capital
Lightstone Capital
Longitude
Lumira Capital
Majalin Capital
MVM Life Science Partners
Norwest Venture Partners
Novartis Venture Funds
Novo Ventures
Orbimed Advisors
Pappas Ventures
Pentax Medical
RA Capital Management
Redmile Group
Relativity
Sailing Capital
Sectoral Asset Mgmt
Signet Healthcare Partners
Summation Capital (Cedars)
WuXi Ventures
Boston Scientific
Hoya and Affiliates
Medtronic
Nestle Ventures
Olympus

SUBSCRIPTION AGREEMENT

Motus GI Holdings, Inc.
Motus GI Medical Technology Ltd.
150 Union Square Drive
New Hope, PA 18938

Ladies and Gentlemen:

1. **Subscription.** The undersigned (the "Purchaser"), intending to be legally bound, hereby irrevocably agrees to purchase from Motus GI Holdings, Inc., a Delaware corporation (the "Company"), the number of units (the "Units") set forth on the signature page hereof at a purchase price of $5.00 per Unit. Each Unit consists of (i) three-quarter (3/4) share of the Company's common stock, par value $0.0001 per share (the "Common Stock"), and (ii) one-quarter (1/4) share of the Company's Series A Convertible Preferred Stock, par value $0.0001 per share (the "Series A Stock"), with a minimum investment amount of $250,000, provided a lower subscription amount may be accepted at the discretion of the Company and the Placement Agent (as defined below). The Units are being sold in the Offering (as defined below), the initial closing of which will close contemporaneously with the share exchange transaction whereby the stockholders of Motus GI Medical Technology Ltd. ("Motus") will receive shares of the Company's common stock in consideration for shares and/or warrants of Motus held by them at the effective time of the Share Exchange Transaction as contemplated by the Share Exchange Agreement, as more fully described in the Memorandum (as defined below). This Subscription Agreement (this "Subscription Agreement") is one in a series of similar subscription agreements (collectively, the "Subscription Agreements") entered into pursuant to the Offering.

2. **The Offering**. This subscription is submitted to you in accordance with and subject to the terms and conditions described in this Subscription Agreement and the Confidential Private Placement Memorandum of the Company dated December 1, 2016, as amended or supplemented from time to time, including all attachments, schedules and exhibits thereto (the "Memorandum"), relating to the offering (the "Offering") by the Company of a minimum of 4,000,000 Units ($20,000,000) ("Minimum Offering Amount"), and up to a maximum of 5,000,000 Units ($25,000,000) ("Maximum Offering Amount"). In the event the Maximum Offering Amount is sold, the Placement Agent (as defined below) and the Company shall have the right to sell up to an additional 1,000,000 Units ($5,000,000) to cover over-allotments. Aegis Capital Corp. has been engaged as exclusive placement agent in connection with the Offering ("Aegis" or the "Placement Agent"). The terms of the Offering are more completely described in the Memorandum and such terms are incorporated herein in their entirety.

3. **Deliveries and Payment; Escrow of Funds**. Simultaneously with the execution hereof, the Purchaser shall: (a) deliver to Aegis, in accordance with the Subscription Instructions attached hereto, (i) one (1) completed and executed omnibus signature page to this Subscription Agreement and the Registration Rights Agreement (page 14), (ii) a completed Accredited Investor Certification (pages 15-16), (iii) a completed Investor Profile (page 17), (iv) one (1) completed and executed Tax Certification for U.S. Persons or Non-U.S. Persons, as applicable (beginning on page 19) and (v) one (1) completed and executed Selling Stockholder's Questionnaire; and (b) make a wire transfer payment to, "Signature Bank, Escrow Agent for Motus GI Holdings, Inc." in the full amount of the purchase price of the Units being subscribed for in the Offering. Wire transfer instructions are set forth on page 12 hereof under the heading "To subscribe for Units in the private offering of Motus GI Holdings, Inc." Such funds will be held for the Purchaser's benefit in a non-interest-bearing escrow account (the "Escrow Account") until the earliest to occur of (a) a closing of the sale of the Minimum Offering Amount or more (the "First Closing"), (b) the rejection of such subscription, or (c) the termination of the Offering by the Company, Motus or the Placement Agent. The Company, Motus and the Placement Agent may continue to offer and sell the Units and conduct additional closings for the sale of additional Units after the First Closing and until the termination of the Offering.

4. **Acceptance of Subscription.** The Purchaser understands and agrees that the Company and Motus, in their sole discretion, reserve the right to accept or reject this or any other subscription for Units, in whole or in part, notwithstanding prior receipt by the Purchaser of notice of acceptance of this subscription. In furtherance of the foregoing, the Company and Motus shall have the right to require potential subscribers to supply additional information and execute additional documents in a satisfactory manner, which determination shall be at the sole discretion of the Company and Motus, prior to the acceptance of this Subscription Agreement. The Company shall have no obligation hereunder until the Company shall execute and deliver to the Purchaser an executed copy of this Subscription Agreement. If this subscription is rejected in whole, the Offering of Units is terminated or the Minimum Offering Amount is not raised, all funds received from the Purchaser will be returned without interest or offset, and this Subscription Agreement shall thereafter be of no further force or effect. If this subscription is rejected in part, the funds for the rejected portion of this subscription will be returned without interest or offset, and this Subscription Agreement will continue in full force and effect to the extent this subscription was accepted.

5. **Representations and Warranties**.

The Purchaser hereby acknowledges, represents, warrants, and agrees as follows:

(a) None of the shares of Common Stock, Series A Stock or shares of Common Stock underlying the Series A Stock (the "Underlying Common Stock") offered pursuant to the Memorandum are registered under the Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws. The Purchaser understands that the offering and sale of the Units is intended to be exempt from registration under the Securities Act, by virtue of Section 4(a)(2) thereof and the provisions of Regulation D ("Regulation D") as promulgated by the United States Securities and Exchange Commission (the "SEC") thereunder, based, in part, upon the representations, warranties and agreements of the Purchaser contained in this Subscription Agreement;

(b) Prior to the execution of this Subscription Agreement, the Purchaser and the Purchaser's attorney, accountant, purchaser representative and/or tax adviser, if any (collectively, the "Advisers"), have received the Memorandum and all other documents requested by the Purchaser, have carefully reviewed them and understand the information contained therein;

(c) Neither the SEC nor any state securities commission or other regulatory authority has approved the Units, the Common Stock, the Underlying Common Stock or the Series A Stock, or passed upon or endorsed the merits of the Offering or confirmed the accuracy or determined the adequacy of the Memorandum. The Memorandum has not been reviewed by any federal, state or other regulatory authority;

(d) All documents, records, and books pertaining to the investment in the Units (including, without limitation, the Memorandum) have been made available for inspection by such Purchaser and its Advisers, if any;

(e) The Purchaser and its Advisers, if any, have had a reasonable opportunity to ask questions of and receive answers from a person or persons acting on behalf of the Company concerning the offering of the Units and the business, financial condition and results of operations of the Company and Motus, and all such questions have been answered to the full satisfaction of the Purchaser and its Advisers, if any;

(f) In evaluating the suitability of an investment in the Company, the Purchaser has not relied upon any representation or information (oral or written) other than as stated in the Memorandum.

(g) The Purchaser is unaware of, is in no way relying on, and did not become aware of the Offering of the Units through or as a result of, any form of general solicitation or general advertising including, without limitation, any article, notice, advertisement or other communication published in any newspaper, magazine or similar media or broadcast over television, radio or the Internet (including, without limitation, internet "blogs," bulletin boards, discussion groups and social networking sites) in connection with the Offering and sale of the Units and is not subscribing for the Units and did not become aware of the Offering of the Units through or as a result of any seminar or meeting to which the Purchaser was invited by, or any solicitation of a subscription by, a person not previously known to the Purchaser in connection with investments in securities generally;

(h) The Purchaser has taken no action that would give rise to any claim by any person for brokerage commissions, finders' fees or the like relating to this Subscription Agreement or the transactions contemplated hereby (other than commissions to be paid by the Company to the Placement Agent or as otherwise described in the Memorandum);

(i) The Purchaser, together with its Advisers, if any, has such knowledge and experience in financial, tax, and business matters, and, in particular, investments in securities, so as to enable it to utilize the information made available to it in connection with the Offering to evaluate the merits and risks of an investment in the Units and the Company and to make an informed investment decision with respect thereto;

(j) The Purchaser is not relying on the Company, Motus, the Placement Agent or any of their respective employees or agents with respect to the legal, tax, economic and related considerations of an investment in the Units, and the Purchaser has relied on the advice of, or has consulted with, only its own Advisers;

(k) The Purchaser is acquiring the Units solely for such Purchaser's own account for investment purposes only and not with a view to or intent of resale or distribution thereof, in whole or in part. The Purchaser has no agreement or arrangement, formal or informal, with any person to sell or transfer all or any part of the Units, the shares of Common Stock, the Underlying Common Stock or the Series A Stock, and the Purchaser has no plans to enter into any such agreement or arrangement.

(l) The Purchaser must bear the substantial economic risks of the investment in the Units indefinitely because none of the securities included in the Units may be sold, hypothecated or otherwise disposed of unless subsequently registered under the Securities Act and applicable state securities laws or an exemption from such registration is available. Legends shall be placed on the securities included in the Units to the effect that they have not been registered under the Securities Act or applicable state securities laws and appropriate notations thereof will be made in the Company's stock books. Stop transfer instructions will be placed with the transfer agent of the Units. The Company has agreed that purchasers of the Units will have, with respect to the shares of Common Stock and the Underlying Common Stock, the registration rights described in the Registration Rights Agreement. Notwithstanding such registration rights, there can be no assurance that there will be any market for resale of the Units, the Common Stock, the Underlying Common Stock or the Series A Stock, nor can there be any assurance that such securities will be freely transferable at any time in the foreseeable future.

(m) The Purchaser has adequate means of providing for such Purchaser's current financial needs and foreseeable contingencies and has no need for liquidity from its investment in the Units for an indefinite period of time;

(n) The Purchaser is aware that an investment in the Units is high risk, involving a number of very significant risks and has carefully read and considered the matters set forth under the caption "Risk Factors" in the Memorandum, and, in particular, acknowledges that Motus has a limited operating history, significant operating losses since inception, no revenues from operations to date, limited assets and is engaged in a highly competitive business;

(o) The Purchaser meets the requirements of at least one of the suitability standards for an "accredited investor" as that term is defined in Regulation D and as set forth on the Accredited Investor Certification contained herein;

(p) The Purchaser (i) if a natural person, represents that the Purchaser has reached the age of 21 and has full power and authority to execute and deliver this Subscription Agreement and all other related agreements or certificates and to carry out the provisions hereof and thereof; (ii) if a corporation, partnership, or limited liability company or partnership, or association, joint stock company, trust, unincorporated organization or other entity, represents that such entity was not formed for the specific purpose of acquiring the Units, such entity is duly organized, validly existing and in good standing under the laws of the state of its organization, the consummation of the transactions contemplated hereby is authorized by, and will not result in a violation of state law or its charter or other organizational documents, such entity has full power and authority to execute and deliver this Subscription Agreement and all other related agreements or certificates and to carry out the provisions hereof and thereof and to purchase and hold the securities constituting the Units, the execution and delivery of this Subscription Agreement has been duly authorized by all necessary action, this Subscription Agreement has been duly executed and delivered on behalf of such entity and is a legal, valid and binding obligation of such entity; or (iii) if executing this Subscription Agreement in a representative or fiduciary capacity, represents that it has full power and authority to execute and deliver this Subscription Agreement in such capacity and on behalf of the subscribing individual, ward, partnership, trust, estate, corporation, or limited liability company or partnership, or other entity for whom the Purchaser is executing this Subscription Agreement, and such individual, partnership, ward, trust, estate, corporation, or limited liability company or partnership, or other entity has full right and power to perform pursuant to this Subscription Agreement and make an investment in the Company, and represents that this Subscription Agreement constitutes a legal, valid and binding obligation of such entity. The execution and delivery of this Subscription Agreement will not violate or be in conflict with any order, judgment, injunction, agreement or controlling document to which the Purchaser is a party or by which it is bound;

(q) The Purchaser and the Advisers, if any, have had the opportunity to obtain any additional information, to the extent the Company and/or Motus have such information in its possession or could acquire it without unreasonable effort or expense, necessary to verify the accuracy of the information contained in the Memorandum and all documents received or reviewed in connection with the purchase of the Units and have had the opportunity to have representatives of the Company and Motus provide them with such additional information regarding the terms and conditions of this particular investment and the financial condition, results of operations, business of the Company and Motus deemed relevant by the Purchaser or the Advisers, if any, and all such requested information, to the extent the Company or Motus had such information in their possession or could acquire it without unreasonable effort or expense, has been provided to the full satisfaction of the Purchaser and the Advisers, if any;

(r) Any information which the Purchaser has heretofore furnished or is furnishing herewith to the Company, Motus or the Placement Agent is complete and accurate and may be relied upon by the Company, Motus and the Placement Agent in determining the availability of an exemption from registration under federal and state securities laws in connection with the offering of securities as described in the Memorandum. The Purchaser further represents and warrants that it will notify and supply corrective information to the Company, Motus and the Placement Agent immediately upon the occurrence of any change therein occurring prior to the Company's issuance of the securities contained in the Units;

(s) The Purchaser has significant prior investment experience, including investment in non-listed and non-registered securities. The Purchaser is knowledgeable about investment considerations in development-stage companies with limited operating histories. The Purchaser has a sufficient net worth to sustain a loss of its entire investment in the Company in the event such a loss should occur. The Purchaser's overall commitment to investments which are not readily marketable is not excessive in view of the Purchaser's net worth and financial circumstances and the purchase of the Units will not cause such commitment to become excessive. The investment is a suitable one for the Purchaser;

(t) The Purchaser is satisfied that the Purchaser has received adequate information with respect to all matters which it or the Advisers, if any, consider material to its decision to make this investment;

(u) The Purchaser acknowledges that any estimates or forward-looking statements or projections included in the Memorandum were prepared by the Company and Motus in good faith but that the attainment of any such projections, estimates or forward-looking statements cannot be guaranteed by the Company or Motus and should not be relied upon;

(v) No oral or written representations have been made, or oral or written information furnished, to the Purchaser or the Advisers, if any, in connection with the Offering which are in any way inconsistent with the information contained in the Memorandum;

(w) Within five (5) days after receipt of a request from the Company, Motus or any Placement Agent, the Purchaser will provide such information and deliver such documents as may reasonably be necessary to comply with any and all laws and ordinances to which the Company, Motus or the Placement Agent is subject;

(x) The Purchaser's substantive relationship with either Placement Agent or subagent through which the Purchaser is subscribing for Units predates such Placement Agent's or such subagent's contact with the Purchaser regarding an investment in the Units;

(y) THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF SAID ACT AND SUCH LAWS. THE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER SAID ACT AND SUCH LAWS PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. THE SECURITIES HAVE NOT BEEN RECOMMENDED, APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION OR ANY OTHER REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THE MEMORANDUM OR THIS SUBSCRIPTION AGREEMENT. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL;

(z) In making an investment decision investors must rely on their own examination of the Company, Motus and the terms of the Offering, including the merits and risks involved. The Purchaser should be aware that it will be required to bear the financial risks of this investment for an indefinite period of time;

(aa) **(For ERISA plans only)** The fiduciary of the ERISA plan (the "Plan") represents that such fiduciary has been informed of and understands the Company's investment objectives, policies and strategies, and that the decision to invest "plan assets" (as such term is defined in ERISA) in the Company is consistent with the provisions of ERISA that require diversification of plan assets and impose other fiduciary responsibilities. The Purchaser fiduciary or Plan (a) is responsible for the decision to invest in the Company; (b) is independent of the Company or any of its affiliates; (c) is qualified to make such investment decision; and (d) in making such decision, the Purchaser fiduciary or Plan has not relied primarily on any advice or recommendation of the Company or any of its affiliates;

(bb) **The Purchaser should check the Office of Foreign Assets Control ("OFAC") website at <http://www.treas.gov/ofac> before making the following representations**. The Purchaser represents that the amounts invested by it in the Company in the Offering were not and are not directly or indirectly derived from activities that contravene federal, state or international laws and regulations, including anti-money laundering laws and regulations. Federal regulations and Executive Orders administered by OFAC prohibit, among other things, the engagement in transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. The lists of OFAC prohibited countries, territories, persons and entities can be found on the OFAC website at <http://www.treas.gov/ofac>. In addition, the programs administered by OFAC (the "OFAC Programs") prohibit dealing with individuals[1] or entities in certain countries regardless of whether such individuals or entities appear on the OFAC lists;

(cc) To the best of the Purchaser's knowledge, none of: (1) the Purchaser; (2) any person controlling or controlled by the Purchaser; (3) if the Purchaser is a privately-held entity, any person having a beneficial interest in the Purchaser; or (4) any person for whom the Purchaser is acting as agent or nominee in connection with this investment is a country, territory, individual or entity named on an OFAC list, or a person or entity prohibited under the OFAC Programs. Please be advised that the Company may not accept any amounts from a prospective investor if such prospective investor cannot make the representation set forth in the preceding paragraph. The Purchaser agrees to promptly notify the Company, Motus and the Placement Agent should the Purchaser become aware of any change in the information set forth in these representations. The Purchaser understands and acknowledges that, by law, the Company may be obligated to "freeze the account" of the Purchaser, either by prohibiting additional subscriptions from the Purchaser, declining any redemption requests and/or segregating the assets in the account in compliance with governmental regulations, and the Placement Agent may also be required to report such action and to disclose the Purchaser's identity to OFAC. The Purchaser further acknowledges that the Company may, by written notice to the Purchaser, suspend the redemption rights, if any, of the Purchaser if the Company reasonably deems it necessary to do so to comply with anti-money laundering regulations applicable to the Company and the Placement Agent or any of the Company's other service providers. These individuals include specially designated nationals, specially designated narcotics traffickers and other parties subject to OFAC sanctions and embargo programs;

(dd) To the best of the Purchaser's knowledge, none of: (1) the Purchaser; (2) any person controlling or controlled by the Purchaser; (3) if the Purchaser is a privately-held entity, any person having a beneficial interest in the Purchaser; or (4) any person for whom the Purchaser is acting as agent or nominee in connection with this investment is a senior foreign political figure,[2] or any immediate family[3] member or close associate[4] of a senior foreign political figure, as such terms are defined in the footnotes below; and

---

[1] These individuals include specially designated nationals, specially designated narcotics traffickers and other parties subject to OFAC sanctions and embargo programs.

[2] A "senior foreign political figure" is defined as a senior official in the executive, legislative, administrative, military or judicial branches of a foreign government (whether elected or not), a senior official of a major foreign political party, or a senior executive of a foreign government-owned corporation. In addition, a "senior foreign political figure" includes any corporation, business or other entity that has been formed by, or for the benefit of, a senior foreign political figure.

(ee) If the Purchaser is affiliated with a non-U.S. banking institution (a "Foreign Bank"), or if the Purchaser receives deposits from, makes payments on behalf of, or handles other financial transactions related to a Foreign Bank, the Purchaser represents and warrants to the Company that: (1) the Foreign Bank has a fixed address, other than solely an electronic address, in a country in which the Foreign Bank is authorized to conduct banking activities; (2) the Foreign Bank maintains operating records related to its banking activities; (3) the Foreign Bank is subject to inspection by the banking authority that licensed the Foreign Bank to conduct banking activities; and (4) the Foreign Bank does not provide banking services to any other Foreign Bank that does not have a physical presence in any country and that is not a regulated affiliate.

6. **Lockup**. (A) The Purchaser hereby acknowledges and agrees to the contractual restriction on transfer that will be applicable to the shares of Common Stock, the Underlying Common Stock and the Series A Stock as set forth in Section 3(f) of the Registration Rights Agreement, whether or not it becomes a party to the Registration Rights Agreement.

(B) Notwithstanding paragraph (A), if the Purchaser is an affiliate of the Company, Holdings or the Placement Agent (together an "Affiliate Purchaser"), such Affiliate Purchaser acknowledges and agrees that he will not become a party to the Registration Rights Agreement, and that he will be required to execute a Lock Up Agreement on terms to be provided to him.

7. **Indemnification.** The Purchaser agrees to indemnify and hold harmless the Company, Motus, the Placement Agent (including its selected dealers, if any), and their respective officers, directors, employees, agents, control persons and affiliates from and against all losses, liabilities, claims, damages, costs, fees and expenses whatsoever (including, but not limited to, any and all expenses incurred in investigating, preparing or defending against any litigation commenced or threatened) based upon or arising out of any actual or alleged false acknowledgment, representation or warranty, or misrepresentation or omission to state a material fact, or breach by the Purchaser of any covenant or agreement made by the Purchaser herein or in any other document delivered in connection with this Subscription Agreement.

8. **Irrevocability; Binding Effect.** The Purchaser hereby acknowledges and agrees that the subscription hereunder is irrevocable by the Purchaser, except as required by applicable law, and that this Subscription Agreement shall survive the death or disability of the Purchaser and shall be binding upon and inure to the benefit of the parties and their heirs, executors, administrators, successors, legal representatives, and permitted assigns. If the Purchaser is more than one person, the obligations of the Purchaser hereunder shall be joint and several and the agreements, representations, warranties, and acknowledgments herein shall be deemed to be made by and be binding upon each such person and such person's heirs, executors, administrators, successors, legal representatives, and permitted assigns.

[3] "Immediate family" of a senior foreign political figure typically includes the figure's parents, siblings, spouse, children and in-laws.

[4] A "close associate" of a senior foreign political figure is a person who is widely and publicly known to maintain an unusually close relationship with the senior foreign political figure, and includes a person who is in a position to conduct substantial domestic and international financial transactions on behalf of the senior foreign political figure.

9. **Modification.** This Subscription Agreement shall not be modified or waived except by an instrument in writing signed by the party against whom any such modification or waiver is sought.

10. **Immaterial Modifications to the Registration Rights Agreement.** The Company may, at any time prior to the First Closing, modify the Registration Rights Agreement if necessary to clarify any provision therein, without first providing notice or obtaining prior consent of the Subscriber, if, and only if, such modification is not material in any respect.

11. **Notices.** Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party notified, (b) when sent by confirmed email or facsimile if sent during normal business hours of the recipient, or if not confirmed, then on the next business day, (c) five days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. The Company and the Purchaser hereby consent to the delivery of communications and notices to such parties at their respective address, email or facsimile number set forth on the signature page hereto, or to such other address as such party shall have furnished in writing in accordance with the provisions of this Section 11.

12. **Assignability.** This Subscription Agreement and the rights, interests and obligations hereunder are not transferable or assignable by the Purchaser and the transfer or assignment of the shares of Common Stock or the Series A Stock shall be made only in accordance with all applicable laws.

13. **Applicable Law.** This Subscription Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts to be wholly-performed within said State.

14. **Arbitration.** The parties agree to submit all controversies to arbitration in accordance with the provisions set forth below and understand that:

(a) Arbitration is final and binding on the parties.

(b) The parties are waiving their right to seek remedies in court, including the right to a jury trial.

(c) Pre-arbitration discovery is generally more limited and different from court proceedings.

(d) The arbitrator's award is not required to include factual findings or legal reasoning and any party's right to appeal or to seek modification of rulings by arbitrators is strictly limited.

(e) The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.

(f) All controversies which may arise between the parties concerning this Subscription Agreement shall be determined by arbitration pursuant to the rules then pertaining to the Financial Industry Regulatory Authority ("FINRA") in New York City, New York. Judgment on any award of any such arbitration may be entered in the Supreme Court of the State of New York or in any other court having jurisdiction of the person or persons against whom such award is rendered**.** Any notice of such arbitration or for the confirmation of any award in any arbitration shall be sufficient if given in accordance with the provisions of this Agreement. The parties agree that the determination of the arbitrators shall be binding and conclusive upon them.

15. **Blue Sky Qualification.** The purchase of Units under this Subscription Agreement is expressly conditioned upon the exemption from qualification of the offer and sale of the Units from applicable federal and state securities laws. The Company shall not be required to qualify this transaction under the securities laws of any jurisdiction and, should qualification be necessary, the Company shall be released from any and all obligations to maintain its offer, and may rescind any sale contracted, in the jurisdiction.

16. **Use of Pronouns.** All pronouns and any variations thereof used herein shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the person or persons referred to may require.

17. **Confidentiality.** The Purchaser acknowledges and agrees that any information or data the Purchaser has acquired from or about the Company or Motus, not otherwise properly in the public domain, was received in confidence. The Purchaser agrees not to divulge, communicate or disclose, except as may be required by law or for the performance of this Agreement, or use to the detriment of the Company or Motus or for the benefit of any other person or persons, or misuse in any way, any confidential information of the Company or Motus, including any scientific, technical, trade or business secrets of the Company or Motus and any scientific, technical, trade or business materials that are treated by the Company or Motus as confidential or proprietary, including, but not limited to, ideas, discoveries, inventions, developments and improvements belonging to the Company or Motus and confidential information obtained by or given to the Company or Motus about or belonging to third parties.

18. **Miscellaneous**.

(a) This Subscription Agreement, together with the Registration Rights Agreement, constitute the entire agreement between the Purchaser and the Company with respect to the subject matter hereof and supersede all prior oral or written agreements and understandings, if any, relating to the subject matter hereof. The terms and provisions of this Subscription Agreement may be waived, or consent for the departure therefrom granted, only by a written document executed by the party entitled to the benefits of such terms or provisions.

(b) The representations and warranties of the Company and the Purchaser made in this Subscription Agreement shall survive the execution and delivery hereof and delivery of the shares of Common Stock and Series A Stock contained in the Units.

(c) Each of the parties hereto shall pay its own fees and expenses (including the fees of any attorneys, accountants, appraisers or others engaged by such party) in connection with this Subscription Agreement and the transactions contemplated hereby whether or not the transactions contemplated hereby are consummated.

(d) This Subscription Agreement may be executed in one or more counterparts each of which shall be deemed an original, but all of which shall together constitute one and the same instrument.

(e) Each provision of this Subscription Agreement shall be considered separable and, if for any reason any provision or provisions hereof are determined to be invalid or contrary to applicable law, such invalidity or illegality shall not impair the operation of or affect the remaining portions of this Subscription Agreement.

(f) Paragraph titles are for descriptive purposes only and shall not control or alter the meaning of this Subscription Agreement as set forth in the text.

(g) The Purchaser understands and acknowledges that there may be multiple closings for this Offering.

19. **Omnibus Signature Page.** This Subscription Agreement is intended to be read and construed in conjunction with the Registration Rights Agreement pertaining to the issuance by the Company of the shares of Common Stock and Series A Stock to subscribers pursuant to the Memorandum. Accordingly, pursuant to the terms and conditions of this Subscription Agreement and such related agreements it is hereby agreed that the execution by the Purchaser of this Subscription Agreement, in the place set forth herein, shall constitute agreement to be bound by the terms and conditions hereof and the terms and conditions of the Registration Rights Agreement, with the same effect as if each of such separate but related agreement were separately signed.

20. **Book Entry Registration of the Shares.** The Company will issue the Common Stock and Series A Stock (together, the "Shares") by registering the Shares in book entry form with the Company's transfer agent in Investor's name and the applicable restrictions will be noted in the records of the Company's transfer agent and in the book entry system, except for investments made via custodian accounts such as Pensions and IRA's in which case physical certificates evidencing the Shares will be issued.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

PRIVATE PLACEMENT OFFERING OF
MOTUS GI HOLDINGS, INC.

SUBSCRIPTION INSTRUCTIONS

To subscribe for Units in the private offering of Motus GI Holdings, Inc.:

1. **Date and Fill in** the dollar amount of Units being purchased and **Complete and Sign** the Omnibus Signature Page to the Subscription Agreement and the Registration Rights Agreement (page 14).

2. **Initial** the Accredited Investor Certification page attached to the Subscription Agreement (page 15-16).

3. **Complete** and return the Investor Profile (page 17).

4. **Complete and Sign** the Tax Certification for U.S. Persons or Non-U.S. Persons, as applicable (beginning on page 19).

5. **Fax or e-mail** all forms (except the Selling Stockholder Questionnaire noted in Item 7 below) to Tierney S. Picardal at **347-772-3121/Tierney@sternaegis.com** and then send all signed original documents to:

6. **Please wire funds directly to the escrow account pursuant to the following instructions (unless other arrangements have been made); checks cannot be accepted:**

Bank Name: Signature Bank
Bank Address: 950 Third Avenue, 9th Floor, New York, NY 10022, Attn: PCG# 311
ABA Number:
Swift Code (for US Dollars wired outside the USA): SIGNUS33
A/C Name: Signature Bank, as Agent for Motus GI Holdings, Inc.
A/C Number:
FBO: Investor Name_____
SSN/TIN_____
Address_____

7. **Complete** and return the entire Stockholders Questionnaire (pages A-1 through A-20) by fax or email to Robert Bee, Esq. at: **(973)-597-2400/RBee@lowenstein.com** and then send all signed original documents to:

   Lowenstein Sandler LLP
   65 Livingston Avenue
   Roseland, NJ 07068
   Attn: Robert Bee, Esq

ANTI MONEY LAUNDERING REQUIREMENTS

The USA PATRIOT Act

The USA PATRIOT Act is designed to detect, deter, and punish terrorists in the United States and abroad. The Act imposes new anti-money laundering requirements on brokerage firms and financial institutions. Since April 24, 2002 all brokerage firms have been required to have new, comprehensive anti-money laundering programs.

To help you understand these efforts, we want to provide you with some information about money laundering and the Placement Agent's efforts to implement the USA PATRIOT Act.

What is money laundering?

Money laundering is the process of disguising illegally obtained money so that the funds appear to come from legitimate sources or activities. Money laundering occurs in connection with a wide variety of crimes, including illegal arms sales, drug trafficking, robbery, fraud, racketeering, and terrorism.

How big is the problem and why is it important?

The use of the U.S. financial system by criminals to facilitate terrorism or other crimes could well taint our financial markets. According to the U.S. State Department, one recent estimate puts the amount of worldwide money laundering activity at $1 trillion a year.

What each Placement Agent is required to do to help eliminate money laundering?

Under new rules required by the USA PATRIOT Act, the Placement Agent's anti-money laundering program must designate a special compliance officer, set up employee training, conduct independent audits, and establish policies and procedures to detect and report suspicious transaction and ensure compliance with the new laws.

As part of the Placement Agent's required program, it may ask you to provide various identification documents or other information. Until you provide the information or documents that the Placement Agent needs, it may not be able to effect any transactions for you.

MOTUS GI HOLDINGS, INC.
OMNIBUS SIGNATURE PAGE TO THE
SUBSCRIPTION AGREEMENT
AND REGISTRATION RIGHTS AGREEMENT

Subscriber hereby elects to subscribe under the Subscription Agreement for a total of $_____ of Units at a price of $5.00 per Unit (NOTE: to be completed by subscriber) and, by execution and delivery hereof (return one (1) original), Subscriber hereby executes the Subscription Agreement and agrees to be bound by the terms and conditions of the Subscription Agreement and the Registration Rights Agreement.

If the Purchaser is an INDIVIDUAL, and if purchased as JOINT TENANTS, as TENANTS IN COMMON, or as COMMUNITY PROPERTY:

Print Name(s)	**Social Security Number(s)**
Signature(s) of Subscriber(s)	**Signature**
Date	**Address**

If the Purchaser is a PARTNERSHIP, CORPORATION, LIMITED LIABILITY COMPANY, IRA or TRUST:

Name of Entity	**Federal Taxpayer Identification Number**
By: _____ **Name:** **Title:**	**State of Organization**
Date	**Address**
Fax Number	**Email Address**

MOTUS GI HOLDINGS, INC.	**AEGIS CAPITAL CORP.**
By: _____ Authorized Officer	By: _____ Authorized Officer

MOTUS GI MEDICAL TECHNOLOGY LTD.

By: _____
Authorized Officer

MOTUS GI HOLDINGS, INC.
ACCREDITED INVESTOR CERTIFICATION

For Individual Investors Only
(all Individual Investors must *INITIAL* where appropriate):

Initial _____ I have an individual net worth, or joint net worth with my spouse, as of the date hereof in excess of $1 million. For purposes of calculating net worth under this category, (i) the undersigned's primary residence shall not be included as an asset, (ii) indebtedness that is secured by the undersigned's primary residence, up to the estimated fair market value of the primary residence at the time of the sale of securities, shall not be included as a liability, (iii) to the extent that the indebtedness that is secured by the primary residence is in excess of the fair market value of the primary residence, the excess amount shall be included as a liability, and (iv) if the amount of outstanding indebtedness that is secured by the primary residence exceeds the amount outstanding 60 days prior to the execution of this Subscription Agreement, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability.

Initial _____ I have had an annual gross income for the past two years of at least $200,000 (or $300,000 jointly with my spouse) and expect my income (or joint income, as appropriate) to reach the same level in the current year.

Initial _____ I am a director or executive officer of Motus GI Holdings, Inc.

For Non-Individual Investors
(all Non-Individual Investors must *INITIAL* where appropriate):

Initial _____ The investor certifies that it is a partnership, corporation, limited liability company or business trust that is 100% owned by persons who meet at least one of the criteria for Individual Investors set forth above.

Initial _____ The investor certifies that it is a partnership, corporation, limited liability company or any organization described in Section 501(c)(3) of the Internal Revenue Code, Massachusetts or similar business trust that has total assets of at least $5 million and was not formed for the purpose of investing the Company.

Initial _____ The investor certifies that it is an employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, whose investment decision is made by a plan fiduciary (as defined in ERISA §3(21)) that is a bank, savings and loan association, insurance company or registered investment adviser.

Initial _____ The investor certifies that it is an employee benefit plan whose total assets exceed $5,000,000 as of the date of this Agreement.

Initial _____ The undersigned certifies that it is a self-directed employee benefit plan whose investment decisions are made solely by persons who meet either of the criteria for Individual Investors.

Initial _____ The investor certifies that it is a U.S. bank, U.S. savings and loan association or other similar U.S. institution acting in its individual or fiduciary capacity.

Initial _____ The undersigned certifies that it is a broker-dealer registered pursuant to §15 of the Securities Exchange Act of 1934.

Initial _____ The investor certifies that it is an organization described in §501(c)(3) of the Internal Revenue Code with total assets exceeding $5,000,000 and not formed for the specific purpose of investing in the Company.

Initial _____ The investor certifies that it is a trust with total assets of at least $5,000,000, not formed for the specific purpose of investing in the Company, and whose purchase is directed by a person with such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of the prospective investment.

Initial _____ The investor certifies that it is a plan established and maintained by a state or its political subdivisions, or any agency or instrumentality thereof, for the benefit of its employees, and which has total assets in excess of $5,000,000.

Initial _____ The investor certifies that it is an insurance company as defined in §2(13) of the Securities Act, or a registered investment company.

Initial _____ An investment company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of that Act.

Initial _____ A Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958.

Initial _____ A private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940.

MOTUS GI HOLDINGS, INC.
Investor Profile **(*Must be completed by Investor)***

Section A - Personal Investor Information

For All Purchasers

Certificate Title: _____
Individual(s) executing this subscription: _____
Social Security Number(s) / Entity Federal I.D. Number: _____
Date(s) of Birth: _____
Marital Status: _____
Years Investment Experience: _____
Aegis Capital Account Executive or Outside Broker/Dealer: _____/ Aegis Rep 3-Digit I.D._____
Aegis Acct #_____
Check if you are a FINRA member or affiliate of a FINRA member firm: ____
Check Investment Objective(s) (See definitions on following page): ____Preservation of Capital ____Income
____Capital Appreciation ____Trading Profits ____Speculation
____Other (please specify)
The source of funds for this investment is my personal or my entity's assets _____ Yes _____ No
For Purchasers as Individual or as Joint Tenants, Tenants in Common, and Community Property
Annual Income(s): _____
Liquid Net Worth(s): _____
Net Worth(s) (excluding value of primary residence): _____
Select Tax Bracket(s): ____ 15% or below ____ 25% - 27.5% ____ Over 27.5%

For All Purchasers, by the Primary Contact

Home Street Address: _____
Home City, State & Zip Code: _____
Home Phone: _____ Home Fax: _____Home Email: _____

Employer: _____
Type of Business: _____
Employer Street Address: _____
Employer City, State & Zip Code: _____
Bus. Phone: _____Bus. Fax: _____Bus. Email: _____

For All Purchasers

If you are a ***United States citizen***, please list the number and jurisdiction of issuance of any other government-issued document evidencing residence and bearing a photograph or similar safeguard (such as a driver's license or passport), and provide a photocopy of each of the documents you have listed.

If you are ***NOT*** a ***United States citizen***, for each jurisdiction of which you are a citizen or in which you work or reside, please list (i) your passport number and country of issuance or (ii) alien identification card number AND (iii) number and country of issuance of any other government-issued document evidencing nationality or residence and bearing a photograph or similar safeguard, and provide a photocopy of each of these documents you have listed. These photocopies must be certified by a lawyer as to authenticity.

Government-Issued Identification Document Number(s) and Jurisdiction(s):_____

Please provide a legible photocopy of your Identification Document(s) along with your subscription

Section B – Securities Delivery Instructions

____ Please deliver securities to the Employer Address listed in Section A.
____ Please deliver securities to the Home Address listed in Section A.
____ Please deliver securities to the following address: _____

Section C –Wire Transfer Instructions

____ I will wire funds from my outside account according to the "Subscription Instructions" Page.
____ I will wire funds from my Aegis Capital Account.
____The funds for this investment are rolled over, tax deferred from _____ within the allowed 60 day window.

Investor Signature **Date**

Investor Signature **Date**

Investment Objectives: The typical investment listed with each objective are only some examples of the kinds of investments that have historically been consistent with the listed objectives. However, neither Motus GI Holdings, Inc., Motus GI Medical Technology Ltd., nor Aegis Capital Corp. can assure that any investment will achieve your intended objective. You must make your own investment decisions and determine for yourself if the investments you select are appropriate and consistent with your investment objectives.

Neither Motus GI Holdings, Inc., Motus GI Medical Technology Ltd., nor Aegis Capital Corp. assumes responsibility to you for determining if the investments you selected are suitable for you.

Preservation of Capital: An investment objective of *Preservation of Capital* indicates you seek to maintain the principal value of your investments and are interested in investments that have historically demonstrated a very low degree of risk of loss of principal value. Some examples of typical investments might include money market funds and high quality, short-term fixed income products.

Income: An investment objective of *Income* indicates you seek to generate income from investments and are interested in investments that have historically demonstrated a low degree of risk of loss of principal value. Some examples of typical investments might include high quality, short and medium-term fixed income products, short-term bond funds and covered call options.

Capital Appreciation: An investment objective of *Capital Appreciation* indicates you seek to grow the principal value of your investments over time and are willing to invest in securities that have historically demonstrated a moderate to above average degree of risk of loss of principal value to pursue this objective. Some examples of typical investments might include common stocks, lower quality, medium-term fixed income products, equity mutual funds and index funds.

Trading Profits: An investment objective of *Trading Profits* indicates you seek to take advantage of short-term trading opportunities, which may involve establishing and liquidating positions quickly. Some examples of typical investments might include short-term purchases and sales of volatile or low priced common stocks, put or call options, spreads, straddles and/or combinations on equities or indexes. This is a high-risk strategy.

Speculation: An investment objective of *Speculation* indicates you seek a significant increase in the principal value of your investments and are willing to accept a corresponding greater degree of risk by investing in securities that have historically demonstrated a high degree of risk of loss of principal value to pursue this objective. Some examples of typical investments might include lower quality, long-term fixed income products, initial public offerings, volatile or low priced common stocks, the purchase or sale of put or call options, spreads, straddles and/or combinations on equities or indexes, and the use of short-term or day trading strategies.

Other: Please specify.

VOTING AGREEMENT

This **VOTING AGREEMENT** (this "Agreement") is entered into as of December 22, 2016 (the "Effective Date") by and among Motus GI Holdings, Inc., a Delaware corporation (the "Company"), the parties listed as stockholders of Motus GI Medical Technology Ltd. (the "Motus Stockholders") on the signature pages hereto and the parties listed as stockholders of the Company (the "Holdings Stockholders") on the signature pages hereto (each, a "Stockholder" and collectively, the "Stockholders").

W I T N E S E T H:

WHEREAS, as of the date hereof, each Stockholder holds and is entitled to vote (or to direct the voting of) shares of voting common stock, par value $0.0001 per share (the "Voting Common Shares"), of the Company, (such Voting Common Shares, together with any other Voting Common Shares the voting power of which is acquired by such Stockholders during the period from the date hereof through the date on which this Agreement is terminated in accordance with its terms (such period, the "Voting Period"), are collectively referred to herein as the "Subject Shares");

WHEREAS, the Company has entered into a Share Exchange Agreement (the "Share Exchange Agreement") with Motus GI Medical Technology Ltd., an Israeli company ("Motus"), pursuant to which the Motus Stockholders sold and the Company purchased, all of the issued and outstanding shares of the capital stock of Motus in exchange for the Company issuing Voting Common Shares in the Company to the Motus Stockholders (the "Share Exchange");

WHEREAS, simultaneously with the Share Exchange and to provide the capital required by the Company for working capital and other purposes, the Company has closed on, in compliance with Rule 506 of Regulation D of the Securities Act of 1933, as amended, to a private placement transaction (the "PPO") of units ("Units") of its securities, each Unit consisting of three-quarter (3/4) share of Common Stock (the "Investor Shares") and one-quarter (1/4) share of Series A Convertible Preferred Stock, par value $0.0001 per share;

WHEREAS, the initial closing of the PPO and the closing of the Share Exchange have taken place as of the Effective Date; and

WHEREAS, as an inducement to the parties' willingness to consummate the transactions contemplated by the Share Exchange Agreement, the Company and the Stockholders are entering into this Agreement.

NOW, THEREFORE, in consideration of the mutual promises, representations, warranties, covenants, and conditions set forth herein, the parties mutually agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Capitalized Terms. For purposes of this Agreement, capitalized terms used and not defined herein shall have the respective meanings ascribed to them in the Share Exchange Agreement.

ARTICLE II
VOTING AGREEMENT AND IRREVOCABLE PROXY

Section 2.1 Agreement to Vote the Subject Shares. Each Stockholder hereby agrees that, during the Voting Period, at any duly called meeting of the stockholders of the Company (or any adjournment or postponement thereof) or action taken by written consent in lieu of a meeting, each Stockholder shall, if a meeting is held, appear at the meeting, in person or by proxy, or otherwise cause his Subject Shares owned at any time to be counted as present thereat for purposes of establishing a quorum, and he shall vote (or cause to be voted), in person or by proxy, all of his Subject Shares:

(a) to ensure that the size of the Board shall be set and remain at five (5) directors unless increased by the Board.

(b) to ensure that at each annual or special meeting of stockholders at which an election of directors is held or pursuant to any written consent of the Stockholders, the following persons shall be elected to the Board:

(i) One person designated by Aegis Capital Corp. (the "Aegis Designee"), which individual shall initially be Samuel Nussbaum;

(ii) Four people designated by the Motus Stockholders (the "Motus Designees"), which shall initially be Mark Pomeranz, David Hochman, Darren Sherman, and Gary Jacobs; and

(iii) Up to two additional independent persons acceptable to the Aegis Designee and the Motus Designees who shall be independent persons, which individuals shall be determined at such time as the size of the Board is increased.

Section 2.2 Grant of Irrevocable Proxy. If requested by the Company, each Stockholder shall appoint the Company and any designee of the Company, and each of them individually, as each Stockholder's proxy, with full power of substitution and resubstitution, to vote during the Voting Period with respect to any and all of the Subject Shares on the matters and in the manner specified in Section 2.1. Each Stockholder shall take such further action or execute such other instruments as may be reasonably necessary to effectuate the intent of any such proxy. Each Stockholder affirms that any irrevocable proxy given by him with respect to this Agreement and the transactions contemplated hereby shall be given to the Company by such Stockholder to secure the performance of the obligations of the Stockholder under this Agreement. It is agreed that the Company (and its officers on behalf of the Company) will use the irrevocable proxy that may be granted by each Stockholder only in accordance with applicable law and only if such Stockholder fails to comply with Section 2.1 and that, to the extent the Company (and its officers on behalf of the Company) uses any such irrevocable proxy, he will only vote the Subject Shares subject to such irrevocable proxy with respect to the matters specified in, and in accordance with the provisions of, Section 2.1.

Section 2.3 Nature of Irrevocable Proxy. Any proxy granted pursuant to Section 2.2 to the Company by the Stockholders shall be irrevocable during the term of this Agreement, shall be deemed to be coupled with an interest sufficient in law to support an irrevocable proxy and shall revoke any and all prior proxies granted by the Stockholders. Any proxy that may be granted hereunder shall terminate upon the termination of this Agreement.

ARTICLE III
COVENANTS

Section 3.1 Subject Shares.

(a) Each Stockholder agrees that during the Voting Period he shall not, without the Company's prior written consent, grant any proxies or powers of attorney with respect to any or all of the Subject Shares or agree to vote the Subject Shares on any matter inconsistent with the terms described herein; *provided*, *however*, that in the event a Stockholder transfers all or any portion of his Subject Shares such Stockholder shall be permitted to grant stock powers with respect to such transferred Subject Shares.

(b) In the event of a stock dividend or distribution, or any change in the Subject Shares by reason of any stock dividend or distribution, split-up, recapitalization, combination, conversion, exchange of shares or the like, the term "Subject Shares" shall be deemed to refer to and include the Subject Shares as well as all such stock dividends and distributions and any securities into which or for which any or all of the Subject Shares may be changed or exchanged or which are received in such transaction.

Section 3.2 Voting Trusts. Each Stockholder agrees that he will not, nor will he permit any entity under his control to, deposit any of his Subject Shares in a voting trust or subject any of his Subject Shares to any arrangement with respect to the voting of such Subject Shares other than as provided herein. Notwithstanding the foregoing, each Stockholder shall be permitted to transfer all or any portion of his Subject Shares to third parties subject to any contractual restrictions on transfer applicable to his Subject Shares.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF EACH STOCKHOLDER

Each Stockholder hereby represents and warrants to the Company, severally, but not jointly, as follows:

Section 4.1 Authority, etc. The Stockholder (i) if a natural person, represents that the Stockholder has reached the age of 21 and has full power and authority to execute and deliver this Agreement and all other related agreements or certificates and to carry out the provisions hereof and thereof; (ii) if a corporation, partnership, or limited liability company or partnership, or association, joint stock company, trust, unincorporated organization or other entity, represents that such entity was not formed for the specific purpose of acquiring the Units, such entity is duly organized, validly existing and in good standing under the laws of the state of its organization, the consummation of the transactions contemplated hereby is authorized by, and will not result in a violation of state law or its charter or other organizational documents, such entity has full power and authority to execute and deliver this Agreement and all other related agreements or certificates and to carry out the provisions hereof and thereof, the execution and delivery of this Agreement has been duly authorized by all necessary action, this Agreement has been duly executed and delivered on behalf of such entity and is a legal, valid and binding obligation of such entity; or (iii) if executing this Agreement in a representative or fiduciary capacity, represents that it has full power and authority to execute and deliver this Agreement in such capacity and on behalf of the subscribing individual, ward, partnership, trust, estate, corporation, or limited liability company or partnership, or other entity for whom the Stockholder is executing this Agreement, and such individual, partnership, ward, trust, estate, corporation, or limited liability company or partnership, or other entity has full right and power to perform pursuant to this Agreement and represents that this Agreement constitutes a legal, valid and binding obligation of such entity. This Agreement has been duly executed and delivered by each Stockholder and (assuming the due authorization, execution and delivery by the Company) constitutes a valid and binding obligation of such Stockholder, enforceable against such Stockholder in accordance with its terms, except to the extent enforcement is limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and by general equitable principles.

Section 4.2 Ownership of Shares. As of the date hereof, each Stockholder is the lawful owner of the Voting Common Shares owned by such Stockholder and has the sole power to vote or cause to be voted such shares or shares power to vote or cause to be voted such shares solely with one or more other persons. Each Stockholder has good and valid title to the Voting Common Shares owned by each Stockholder, free and clear of any and all pledges, mortgages, liens, charges, proxies, voting agreements, encumbrances, adverse claims, options, security interests and demands of any nature or kind whatsoever, other than (i) those created by this Agreement, or (ii) those existing under applicable securities laws.

Section 4.3 No Conflicts. (a) No authorization, consent or approval of any other person is necessary for the execution of this Agreement by each Stockholder and (b) none of the execution and delivery of this Agreement by each Stockholder, the consummation by each Stockholder of the transactions contemplated hereby or compliance by each Stockholder with any of the provisions hereof shall (i) result in, or give rise to, a violation or breach of or a default under any of the terms of any material contract, understanding, agreement or other instrument or obligation to which each Stockholder is a party or by which each Stockholder or any of the Subject Shares or its assets may be bound or (ii) violate any applicable order, writ, injunction, decree, judgment, statute, rule or regulation, except for any of the foregoing as would not reasonably be expected to materially impair each Stockholder's ability to perform his obligations under this Agreement.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to each Stockholder as follows:

Section 5.1 Due Organization, etc. The Company is a Delaware corporation duly organized and validly existing under the laws of Delaware. The Company has all necessary corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby by the Company have been duly authorized by all necessary corporate action on the part of the Company. This Agreement has been duly executed and delivered by the Company and (assuming the due authorization, execution and delivery by each Stockholder) constitutes a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except to the extent enforcement is limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and by general equitable principles.

Section 5.2 No Conflicts. (a) No authorization, consent or approval of any other person is necessary for the execution of this Agreement by the Company and (b) none of the execution and delivery of this Agreement by the Company, the consummation by the Company of the transactions contemplated hereby or compliance by the Company with any of the provisions hereof shall (i) conflict with or result in any breach of the organizational documents of the Company, (ii) result in, or give rise to, a violation or breach of or a default under any of the terms of any material contract, understanding, agreement or other instrument or obligation to which the Company is a party or by which the Company or any of its assets may be bound or (iii) violate any applicable order, writ, injunction, decree, judgment, statute, rule or regulation, except for any of the foregoing as would not reasonably be expected to materially impair the Company's ability to perform its obligations under this Agreement.

ARTICLE VI
TERMINATION

Section 6.1 Termination. This Agreement shall automatically terminate, and neither the Company nor the Stockholders shall have any rights or obligations hereunder and this Agreement shall become null and void and have no effect upon the earliest to occur of: (a) the approval of the holders of at least 75% of the Subject Shares, (b) the closing of a firm commitment underwritten public offering of the Company's shares of Common Stock resulting in gross proceeds of at least $10 million or (c) the listing of the Common Stock on Nasdaq or the New York Stock Exchange. The termination of this Agreement shall not prevent either party from seeking any remedies (at law or in equity) against the other party or relieve any party from liability for such party's willful and material breach of any terms of this Agreement. Notwithstanding anything to the contrary herein, (i) the provisions of Article VII shall survive the termination of this Agreement and (ii) if a Stockholder effectuates a sale, transfer or other disposition of his Subject Shares to a party that is not a Stockholder following the expiration of any contractual restrictions applicable to such disposition but during the Voting Period, the transferee shall not acquire Subject Shares subject to the terms of this Agreement.

ARTICLE VII
MISCELLANEOUS

Section 7.1 Further Actions. Each of the parties hereto agrees to take any all actions and to do all things reasonably necessary or appropriate to effectuate this Agreement.

Section 7.2 Amendments, Waivers, etc. This Agreement may not be amended, changed, supplemented, waived or otherwise modified, except upon the execution and delivery of a written agreement executed by the holders of at least 75% of the Subject Shares. The failure of any party hereto to exercise any right, power or remedy provided under this Agreement or otherwise available in respect hereof at law or in equity, or to insist upon compliance by any other party hereto with its obligations hereunder, and any custom or practice of the parties at variance with the terms hereof shall not constitute a waiver by such party of its right to exercise any such or other right, power or remedy or to demand such compliance.

Section 7.3 Notices. All notices or other communications which are required or permitted under this Agreement shall be in writing and sufficient if delivered by hand, by facsimile transmission, by registered or certified mail, post pre-paid, or by courier or overnight carrier, to the persons at the addresses set forth below (or at such other address as may be provided hereunder), and shall be deemed to have been delivered as of the date so delivered:

If to the Company to:

Motus GI Holdings, Inc.
150 Union Square Drive
New Hope, PA 18938

with copy to:

Lowenstein Sandler LLP
1251 Avenue of the Americas, 17th Floor
New York, NY 10020
Attn: Steven M. Skolnick, Esq.
Facsimile: (973) 597-2477

If to the Stockholders:

To each Stockholder at the address set forth on the signature page hereto or at such other address as any party shall have furnished to the other parties in writing.

Section 7.4 Headings. Headings of the Articles and Sections of this Agreement are for convenience of the parties only, and shall be given no substantive or interpretive effect whatsoever.

Section 7.5 Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application of such provision to any person or any circumstance, is invalid or unenforceable (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application of such provision, in any other jurisdiction.

Section 7.6 Entire Agreement; Assignment. This Agreement constitutes the entire agreement, and supersedes all other prior agreements and understandings, both written and oral, between the parties, or any of them, with respect to the subject matter hereof. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto (whether by operation of law or otherwise) without the prior written consent of the other parties. Subject to the preceding two sentences, this Agreement will be binding upon, inure to the benefit of and be enforceable by the parties hereto and their respective successors and permitted assigns.

Section 7.7 Parties in Interest. The Company and the Stockholders hereby agree that their respective representations, warranties and covenants set forth herein are solely for the benefit of the other party hereto, in accordance with and subject to the terms of this Agreement, and this Agreement is not intended to, and does not, confer upon any person other than the parties hereto any rights or remedies hereunder, including, without limitation, the right to rely upon the representations and warranties set forth herein. The representations and warranties in this Agreement are the product of negotiations among the parties hereto and are for the sole benefit of the parties hereto. Any inaccuracies in such representations and warranties are subject to waiver by the parties hereto in accordance with Section 7.2 without notice or liability to any other person. In some instances, the representations and warranties in this Agreement may represent an allocation among the parties hereto of risks associated with particular matters regardless of the knowledge of any of the parties hereto. Consequently, persons other than the parties hereto may not rely upon the representations and warranties in this Agreement as characterizations of actual facts or circumstances as of the date of this Agreement or as of any other date.

Section 7.8 Interpretation. When a reference is made in this Agreement to an Article or Section, such reference shall be to an Article or Section of this Agreement unless otherwise indicated. Whenever the words “include,” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation.” The words “hereof,” “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. All terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant thereto unless otherwise defined therein. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such term. Any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time amended, modified or supplemented in accordance with the terms hereof, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and references to all attachments thereto and instruments incorporated therein. References to a person are also to its permitted successors and assigns. Each of the parties has participated in the drafting and negotiation of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement must be construed as if drafted by all the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of authorship of any of the provisions of this Agreement.

Section 7.9 Governing Law. THIS AGREEMENT SHALL BE DEEMED TO BE MADE IN AND IN ALL RESPECTS SHALL BE INTERPRETED, CONSTRUED AND GOVERNED BY AND IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK WITHOUT REGARD TO THE CONFLICTS OF LAW PRINCIPLES THEREOF.

Section 7.10 Specific Performance. The parties acknowledge that any breach of this Agreement would give rise to irreparable harm for which monetary damages would not be an adequate remedy and that, in addition to other rights or remedies, the parties shall be entitled to seek enforcement of any provision of this Agreement by a decree of specific performance and to temporary, preliminary and permanent injunctive relief to prevent breaches or threatened breaches of any of the provisions of this Agreement, without the necessity of proving the inadequacy of monetary damages as a remedy.

Section 7.11 Submission to Jurisdiction. The parties hereby irrevocably submit to the exclusive jurisdiction of the United States District Court for the Southern District of New York located in the borough of Manhattan in the City of New York, or if such court does not have jurisdiction, the Supreme Court of the State of New York, New York County, for the purposes of any suit, action or other proceeding arising out of this Agreement or any transaction contemplated hereby. Each of the parties hereto further agrees that service of any process, summons, notice or document by registered mail to such party's respective address set forth in Section 7.3 (or to such other address for notices as provided by such party pursuant to Section 7.3) or in any other manner permitted by law shall be effective service of process for any action, suit or proceeding in New York with respect to any matters to which it has submitted to jurisdiction as set forth above in the immediately preceding sentence. Each of the parties hereto irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the transactions contemplated hereby in (i) the United States District Court for the Southern District of New York or (ii) the Supreme Court of the State of New York, New York County, and hereby further irrevocably and unconditionally waives and agrees not to please or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

Section 7.12 Waiver of Jury Trial. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (I) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (II) EACH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (III) EACH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (IV) EACH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 7.12.

Section 7.13 Counterparts. This Agreement may be executed in two or more counterparts (including by facsimile or electronic submission via .pdf file), each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument, and shall become effective when one or more counterparts have been signed by each of the parties and delivered (including by facsimile or electronic submission via .pdf file) to the other parties.

[Signature Pages Follow]

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be duly executed as of the day and year first above written.

MOTUS GI HOLDINGS, INC.

By: _____
Name:
Title:

[Signatures Continue on the Next Page]

If Stockholder is an individual:

Print Name

Print Name (if jointly held)

Signature of Stockholder

Signature

Address:

If the Stockholder is an Entity:

Name of Entity

By:

Name:

Title:

Address:

[Signatures Continue on the Next Page]

MOTUS GI HOLDINGS, INC.

2016 EQUITY INCENTIVE PLAN

1. Establishment and Purpose

1.1 The purpose of the Motus GI Holdings, Inc. 2016 Equity Incentive Plan (the "Plan") is to provide a means whereby eligible employees, officers, non-employee directors and other individual service providers develop a sense of proprietorship and personal involvement in the development and financial success of the Company and to encourage them to devote their best efforts to the business of the Company, thereby advancing the interests of the Company and its stockholders. The Company, by means of the Plan, seeks to retain the services of such eligible persons and to provide incentives for such persons to exert maximum efforts for the success of the Company and its Subsidiaries.

1.2 The Plan permits the grant of Nonqualified Stock Options, Incentive Stock Options, Stock Appreciation Rights, Restricted Stock, Stock Units, Performance Shares, Performance Units, Incentive Bonus Awards, Other Cash-Based Awards and Other Stock-Based Awards. This Plan shall become effective upon the date set forth in Section 18.1 hereof.

2. Definitions

Wherever the following capitalized terms are used in the Plan, they shall have the meanings specified below:

2.1 "Affiliate" means, with respect to a Person, a Person that directly or indirectly Controls, or is Controlled by, or is under common Control with, such Person.

2.2 "Applicable Law" means the requirements relating to the administration of equity-based awards or equity compensation plans under U.S. state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws of any foreign country or jurisdiction that applies to Awards or Assumed Options.

2.3 "Assumed Option" means an option granted pursuant to the Prior Plan.

2.4 "Assumed Option Agreement" means an "Option Agreement" (as defined under the Prior Plan) that relates to an Assumed Option.

2.5 "Award" means an award of a Stock Option, Stock Appreciation Right, Restricted Stock, Stock Unit, Performance Share, Performance Unit, Incentive Bonus Award, Other Cash-Based Award and/or Other Stock-Based Award granted under the Plan.

2.6 "Award Agreement" means either (i) a written or electronic agreement entered into between the Company and a Participant setting forth the terms and conditions of an Award including any amendment or modification thereof, or (ii) a written or electronic statement issued by the Company to a Participant describing the terms and provisions of such Award, including any amendment or modification thereof. The Committee may provide for the use of electronic, internet or other non-paper Award Agreements, and the use of electronic, internet or other non-paper means for the acceptance thereof and actions thereunder by a Participant. Each Award Agreement shall be subject to the terms and conditions of the Plan and need not be identical. Unless the context requires otherwise, the term Award Agreement shall include an Assumed Option Agreement.

2.7 "Board" means the Board of Directors of the Company.

2.8 "Cause" means (i) conviction of, or the entry of a plea of guilty or no contest to, a felony or any other crime that causes the Company or its Affiliates public disgrace or disrepute, or materially and adversely affects the Company's or its Affiliates' operations or financial performance or the relationship the Company has with its customers, (ii) gross negligence or willful misconduct with respect to the Company or any of its Affiliates, including, without limitation fraud, embezzlement, theft or proven dishonesty in the course of his or her employment; (iii) refusal to perform any lawful, material obligation or fulfill any duty (other than any duty or obligation of the type described in clause (v) below) to the Company or its Affiliates (other than due to a Disability), which refusal, if curable, is not cured within 10 days after delivery of written notice thereof; (iv) material breach of any agreement with or duty owed to the Company or any of its Affiliates, which breach, if curable, is not cured within 10 days after the delivery of written notice thereof; or (v) any breach of any obligation or duty to the Company or any of its Affiliates (whether arising by statute, common law or agreement) relating to confidentiality, noncompetition, nonsolicitation or proprietary rights. Notwithstanding the foregoing, if a Participant and the Company (or any of its Affiliates) have entered into an employment agreement, consulting agreement or other similar agreement that specifically defines "cause," then with respect to such Participant, "Cause" shall have the meaning defined in that employment agreement, consulting agreement or other agreement.

2.9 "Change in Control" means, unless otherwise provided in an Award Agreement, the occurrence of any one of the following events:

(i) any "person," including a "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act, but excluding the Company, any entity controlling, controlled by or under common control with the Company, any trustee, fiduciary or other person or entity holding securities under any employee benefit plan or trust of the Company or any such entity, and, with respect to any particular Participant, the Participant and any "group" (as such term is used in Section 13(d)(3) of the Exchange Act) of which the Participant is a member), is or becomes the "beneficial owner" (as defined in Rule 13(d)(3) under the Exchange Act), directly or indirectly, of securities of the Company representing 50% or more of either (A) the combined voting power of the Company's then outstanding securities or (B) the then outstanding shares of Common Stock (in either such case other than as a result of an acquisition of securities directly from the Company); or

(ii) any consolidation or merger of the Company where the stockholders of the Company, immediately prior to the consolidation or merger, would not, immediately after the consolidation or merger, beneficially own (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, shares representing in the aggregate 50% or more of the combined voting power of the securities of the corporation issuing cash or securities in the consolidation or merger (or of its ultimate parent corporation, if any); or

(iii) there shall occur (A) any sale, lease, exchange or other transfer (in one transaction or a series of transactions contemplated or arranged by any party as a single plan) of all or substantially all of the assets of the Company, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 50% of the combined voting power of the voting securities of which are owned by "persons" (as defined above) in substantially the same proportion as their ownership of the Company immediately prior to such sale or (B) the approval by stockholders of the Company of any plan or proposal for the liquidation or dissolution of the Company; or

(iv) the members of the Board at the beginning of any consecutive 24-calendar-month period (the "Incumbent Directors") cease for any reason other than due to death to constitute at least a majority of the members of the Board; provided that any Director whose election, or nomination for election by the Company's stockholders, was approved or ratified by a vote of at least a majority of the members of the Board then still in office who were members of the Board at the beginning of such 24-calendar-month period, shall be deemed to be an Incumbent Director.

Notwithstanding the foregoing, no event or condition shall constitute a Change in Control to the extent that, if it were, a 20% tax would be imposed under Section 409A of the Code; provided that, in such a case, the event or condition shall continue to constitute a Change in Control to the maximum extent possible (e.g., if applicable, in respect of vesting without an acceleration of distribution) without causing the imposition of such 20% tax.

2.10 "Code" means the Internal Revenue Code of 1986, as amended. For purposes of this Plan, references to sections of the Code shall be deemed to include references to any applicable regulations thereunder and any successor or similar provision.

2.11 "Committee" means the committee of the Board delegated with the authority to administer the Plan, or the full Board, as provided in Section 3 of the Plan. With respect to any decision involving an Award intended to satisfy the requirements of Section 162(m) of the Code, the Committee shall consist of two or more directors of the Company who are "outside directors" within the meaning of Section 162(m) of the Code. With respect to any decision relating to a Reporting Person, the Committee shall consist solely of two or more directors who are disinterested within the meaning of Rule 16b-3 promulgated under the Exchange Act, as amended from time to time, or any successor provision. The fact that a Committee member shall fail to qualify under any of these requirements shall not invalidate an Award if the Award is otherwise validly made under the Plan. The Board may at any time appoint additional members to the Committee, remove and replace members of the Committee with or without cause, and fill vacancies on the Committee however caused.

2.12 "Common Stock" means the Company's Common Stock, par value $0.0001 per share.

2.13 "Company" means Motus GI Holdings, Inc., a Delaware corporation, and any successor thereto as provided in Section 16.8.

2.14 "Continuous Service" means that the Participant's service with the Company or an Affiliate, whether as an employee, Director or consultant, is not interrupted or terminated. A change in the capacity in which the Participant renders service to the Company or an Affiliate as an employee, Director or consultant or a change in the entity for which the Participant renders such service, provided that there is no interruption or termination of the Participant's service with the Company or an Affiliate, will not terminate a Participant's Continuous Service; provided, however, that if the entity for which a Participant is rendering services ceases to qualify as an Affiliate, as determined by the Committee in its sole discretion, such Participant's Continuous Service will be considered to have terminated on the date such entity ceases to qualify as an Affiliate. For example, a change in status from an employee of the Company to a consultant of an Affiliate or to a director will not constitute an interruption of Continuous Service. To the extent permitted by law, the Committee or the chief executive officer of the Company, in that party's sole discretion, may determine whether Continuous Service will be considered interrupted in the case of (i) any leave of absence approved by the Company or chief executive officer, including sick leave, military leave or any other personal leave, or (ii) transfers between the Company, an Affiliate, or their successors. Notwithstanding the foregoing, a leave of absence will be treated as Continuous Service for purposes of vesting in an Award only to such extent as may be provided in the Company's (or an Affiliate's) leave of absence policy, in the written terms of any leave of absence agreement or policy applicable to the Participant, or as otherwise required by law. Unless the Committee provides otherwise, in its discretion, or as otherwise required by Applicable Law, vesting of Options shall be tolled during any unpaid leave of absence by a Participant.

2.15 "Control" means, as to any Person, the power to direct or cause the direction of the management and policies of such Person, or the power to appoint directors of the Company, whether through the ownership of voting securities, by contract or otherwise (the terms "Controlled by" and "under common Control with" shall have correlative meanings).

2.16 "Date of Grant" means the date on which an Award under the Plan is granted by the Committee, or such later date as the Committee may specify to be the effective date of an Award.

2.17 "Disability" means a Participant being considered "disabled" within the meaning of Section 409A of the Code and Treasury Regulation 1.409A-3(i)(4), as well as any successor regulation or interpretation.

2.18 "Effective Date" means the date set forth in Section 18.1 hereof.

2.19 "Eligible Person" means any person who is an employee, officer, director, consultant, advisor or other individual service provider of the Company or any Subsidiary, or any person who is determined by the Committee to be a prospective employee, officer, director, consultant, advisor or other individual service provider of the Company or any Subsidiary.

2.20 "Exchange Act" means the Securities Exchange Act of 1934, as amended.

2.21 "Fair Market Value" of a share of Common Stock shall be, as applied to a specific date (i) the closing price of a share of Common Stock as of such date on the principal established stock exchange or national market system on which the Common Stock is then traded (or, if there is no trading in the Common Stock as of such date, the closing price of a share of Common Stock on the most recent date preceding such date on which trades of the Common Stock were recorded), or (ii) if the shares of Common Stock are not then traded on an established stock exchange or national market system but are then traded in an over-the-counter market, the average of the closing bid and asked prices for the shares of Common Stock in such over-the-counter market as of such date (or, if there are no closing bid and asked prices for the shares of Common Stock as of such date, the average of the closing bid and the asked prices for the shares of Common Stock on the most recent date preceding such date on which such closing bid and asked prices are available on such over-the-counter market), or (iii) if the shares of Common Stock are not then listed on a national securities exchange or national market system or traded in an over-the-counter market, the price of a share of Common Stock as determined by the Committee in its discretion in a manner consistent with Section 409A of the Code and Treasury Regulation 1.409A-1(b)(5)(iv), as well as any successor regulation or interpretation. Notwithstanding the preceding sentence, if the date for which Fair Market Value is determined is the date on which the final prospectus relating to the Company's Initial Public Offering is filed, the Fair Market Value shall be the "Price to the Public" (or equivalent) set forth on the cover page for the final prospectus relating to the Company's Initial Public Offering.

2.22 "Fully Diluted" means, as applied to a specific date, the total number of shares of Common Stock outstanding as of such date plus the number of shares of Common Stock issuable upon the exercise of outstanding warrants, stock options and other awards exercisable for (or convertible into) Common Stock under an equity compensation plan of the Company, as well as upon the exercise of outstanding warrants that are not part of any equity compensation plan, but excluding shares of Common Stock issuable upon the conversion of any convertible notes.

2.23 "Incentive Bonus Award" means an Award granted under Section 12 of the Plan.

2.24 "Incentive Stock Option" means a Stock Option granted under Section 6 hereof that is intended to meet the requirements of Section 422 of the Code and the regulations promulgated thereunder.

2.25 "Initial Public Offering" means the consummation of the first underwritten, firm commitment public offering pursuant to an effective registration statement under the Securities Act covering the offer and sale by the Company of its equity securities, or such other event as a result of or following which the Common Stock shall be publicly held.

2.26 "Nonqualified Stock Option" means a Stock Option granted under Section 6 hereof that is not an Incentive Stock Option.

2.27 "Other Cash-Based Award" means a contractual right granted to an Eligible Person under Section 13 hereof entitling such Eligible Person to receive a cash payment at such times, and subject to such conditions, as are set forth in the Plan and the applicable Award Agreement.

2.28 "Other Stock-Based Award" means a contractual right granted to an Eligible Person under Section 13 representing a notional unit interest equal in value to a share of Common Stock to be paid and distributed at such times, and subject to such conditions as are set forth in the Plan and the applicable Award Agreement.

2.29 "Participant" means any Eligible Person who holds an outstanding Award or Assumed Option under the Plan.

2.30 "Person" shall mean any individual, partnership, firm, trust, corporation, limited liability company or other similar entity. When two or more Persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of Common Stock, such partnership, limited partnership, syndicate or group shall be deemed a "Person"

2.31 "Performance Goals" shall mean performance goals established by the Committee as contingencies for the grant, exercise, vesting, distribution, payment and/or settlement, as applicable, of Awards.

2.32 "Performance Measures" mean the measures of performance of the Company and its Subsidiaries as more fully described in Section 14 of the Plan and Exhibit A hereto.

2.33 "Performance Shares" means a contractual right granted to an Eligible Person under Section 10 hereof representing a notional unit interest equal in value to a share of Common Stock to be paid and distributed at such times, and subject to such conditions, as are set forth in the Plan and the applicable Award Agreement.

2.34 "Performance Unit" means a contractual right granted to an Eligible Person under Section 11 hereof representing a notional dollar interest as determined by the Committee to be paid and distributed at such times, and subject to such conditions, as are set forth in the Plan and the applicable Award Agreement.

2.35 "Plan" means this Motus GI Holdings, Inc. 2016 Equity Incentive Plan, as it may be amended from time to time.

2.36 "Prior Plan" means the Motus G.I. Medical Technologies LTD Employee Share Option Plan, as in effect immediately prior to the Effective Date.

2.37 Private Placement" means the private placement of units consisting of shares of Common Stock and shares of Series A Convertible Preferred Stock pursuant to the Private Placement Memorandum of the Company dated December 1, 2016.

2.38 "Reporting Person" means an officer, director or greater than ten percent stockholder of the Company within the meaning of Rule 16a-2 under the Exchange Act, who is required to file reports pursuant to Rule 16a-3 under the Exchange Act.

2.39 "Restricted Stock Award" means a grant of shares of Common Stock to an Eligible Person under Section 8 hereof that are issued subject to such vesting and transfer restrictions and such other conditions as are set forth in the Plan and the applicable Award Agreement.

2.40 "Section 162(m) Award" shall mean any Award granted pursuant to the Plan that is intended to qualify for the exception for "qualified performance-based compensation" under Section 162(m) of the Code and the regulations thereunder.

2.41 "Securities Act" means the Securities Act of 1933, as amended.

2.42 "Series A Convertible Preferred Stock" means the Company's Series A Convertible Preferred Stock, par value $0.0001 per share.

2.43 "Stock Appreciation Right" means a contractual right granted to an Eligible Person under Section 7 hereof entitling such Eligible Person to receive a payment, upon the exercise of such right, in such amount and at such time, and subject to such conditions, as are set forth in the Plan and the applicable Award Agreement.

2.44 "Stock Option" means a contractual right granted to an Eligible Person under Section 6 hereof to purchase shares of Common Stock at such time and price, and subject to such conditions, as are set forth in the Plan and the applicable Award Agreement.

2.45 "Stock Unit Award" means a contractual right granted to an Eligible Person under Section 9 hereof representing notional unit interests equal in value to a share of Common Stock to be paid and distributed at such times, and subject to such conditions, as are set forth in the Plan and the applicable Award Agreement.

2.46 "Subsidiary" means an entity (whether or not a corporation) that is wholly or majority owned or controlled, directly or indirectly, by the Company; provided, however, that with respect to Incentive Stock Options, the term "Subsidiary" shall include only an entity that qualifies under section 424(f) of the Code as a "subsidiary corporation" with respect to the Company.

3. Administration

3.1 Committee Members. The Plan shall be administered by the Committee; provided that the entire Board may act in lieu of the Committee on any matter, subject to Code Section 162(m) and 16b-3 Award requirements referred to in Section 2.9 of the Plan. If and to the extent permitted by Applicable Law, the Committee may authorize one or more Reporting Persons (or other officers) to make Awards to Eligible Persons who are not Reporting Persons (or other officers whom the Committee has specifically authorized to make Awards). Subject to Applicable Law and the restrictions set forth in the Plan, the Committee may delegate administrative functions to individuals who are Reporting Persons, officers, or employees of the Company or its Subsidiaries.

3.2 Committee Authority. The Committee shall have such powers and authority as may be necessary or appropriate for the Committee to carry out its functions as described in the Plan. Subject to the express limitations of the Plan, the Committee shall have authority in its discretion to determine the Eligible Persons to whom, and the time or times at which, Awards may be granted, the number of shares, units or other rights subject to each Award, the exercise, base or purchase price of an Award (if any), the time or times at which an Award will become vested, exercisable or payable, the performance criteria, performance goals and other conditions of an Award, the duration of the Award, and all other terms of the Award. Subject to the terms of the Plan, the Committee shall have the authority to amend the terms of an Award or Assumed Option in any manner that is not inconsistent with the Plan (including without limitation to determine, add, cancel, waive, amend or otherwise alter any restrictions, terms or conditions of any Award, extend the post-termination exercisability period of any Stock Option, Assumed Option and/or Stock Appreciation Right, and/or to reduce (reprice) the exercise price of any Stock Option, Assumed Option and/or Stock Appreciation Right that exceeds the Fair Market Value of a share of Common Stock on the date of such repricing), provided that no such action shall materially and adversely affect the rights of a Participant with respect to an outstanding Award or Assumed Option without the Participant's consent. The Committee shall also have discretionary authority to interpret the Plan, to make all factual determinations under the Plan, and to make all other determinations necessary or advisable for Plan administration, including, without limitation, to correct any defect, to supply any omission or to reconcile any inconsistency in the Plan or any Award Agreement or Assumed Option Agreement. The Committee may prescribe, amend, and rescind rules and regulations relating to the Plan. The Committee's determinations under the Plan need not be uniform and may be made by the Committee selectively among Participants and Eligible Persons, whether or not such persons are similarly situated. The Committee shall, in its discretion, consider such factors as it deems relevant in making its interpretations, determinations and actions under the Plan including, without limitation, the recommendations or advice of any officer or employee of the Company or such attorneys, consultants, accountants or other advisors as it may select. All interpretations, determinations, and actions by the Committee shall be final, conclusive, and binding upon all parties.

3.3 No Liability; Indemnification. Neither the Board nor any Committee member, nor any Person acting at the direction of the Board or the Committee, shall be liable for any act, omission, interpretation, construction or determination made in good faith with respect to the Plan or any Award, Award Agreement or Assumed Option Agreement. The Company and its Subsidiaries shall pay or reimburse any member of the Committee, as well as any other Person who takes action on behalf of the Plan, for all reasonable expenses incurred with respect to the Plan, and to the full extent allowable under Applicable Law shall indemnify each and every one of them for any claims, liabilities, and costs (including reasonable attorney's fees) arising out of their good faith performance of duties on behalf of the Company with respect to the Plan. The Company and its Subsidiaries may, but shall not be required to, obtain liability insurance for this purpose.

4. Shares Subject to the Plan

4.1 Share Limitation.

(a) Subject to adjustment pursuant to Section 4.2 and any other applicable provisions hereof, the maximum aggregate number of shares of Common Stock which may be issued under all Awards granted to Participants under the Plan and with respect to Assumed Options initially shall be 2,000,000 shares, which number shall increase to 15% of the total number of shares of the Company outstanding, on a Fully Diluted basis, immediately following the final closing of the Private Placement (at such time as the Board determines that the final closing has occurred). All 2,000,000 of such shares initially available pursuant to this Section 4.1(a) may, but need not, be issued in respect of Incentive Stock Options.

(b) The number of shares of Common Stock available for issuance under the Plan shall automatically increase on January 1st of each year commencing with the January 1 following the Effective Date and on each January 1 thereafter until the Expiration Date (as defined in Section 18.3 of the Plan), in an amount equal to six percent (6%) of the total number of shares of Common Stock outstanding on December 31st of the preceding calendar year. Notwithstanding the foregoing, the Board may act prior to the first day of any calendar year, to provide that there shall be no increase in the share reserve for such calendar year or that the increase in the share reserve for such calendar year shall be a lesser number of shares of Common Stock than would otherwise occur pursuant to the preceding sentence. For avoidance of doubt, none of the shares of Common Stock available for issuance pursuant to this Section 4.1(b) shall be issued in respect of Incentive Stock Options.

(c) Shares of Common Stock issued under the Plan may be either authorized but unissued shares or shares held in the Company's treasury. To the extent that any Award or Assumed Option payable in shares of Common Stock is forfeited, cancelled, returned to the Company for failure to satisfy vesting requirements or upon the occurrence of other forfeiture events, or otherwise terminates without payment being made thereunder, the shares of Common Stock covered thereby will no longer be counted against the foregoing maximum share limitations and may again be made subject to Awards under the Plan pursuant to such limitations. Shares of Common Stock that otherwise would have been issued upon the exercise of a Stock Option or Assumed Option or in payment with respect to any other form of Award, that are surrendered in payment or partial payment of the exercise price thereof and/or taxes withheld with respect to the exercise thereof or the making of such payment, will no longer be counted against the foregoing maximum share limitations and may again be made subject to Awards under the Plan pursuant to such limitations.

4.2 Adjustments. If there shall occur any change with respect to the outstanding shares of Common Stock by reason of any recapitalization, reclassification, stock dividend, extraordinary dividend, stock split, reverse stock split, or other distribution with respect to the shares of Common Stock, or any merger, reorganization, consolidation, combination, spin-off or other similar corporate change, or any other change affecting the Common Stock, the Committee shall, in the manner and to the extent that it deems appropriate and equitable to the Participants and consistent with the terms of the Plan, cause an adjustment to be made in (i) the maximum numbers and kind of shares provided in Section 4.1 hereof, (ii) the numbers and kind of shares of Common Stock, units, or other rights subject to then outstanding Awards and Assumed Options, (iii) the price for each share or unit or other right subject to then outstanding Awards and Assumed Options, (iv) the performance measures or goals relating to the vesting of an Award or Assumed Option and (v) any other terms of an Award or Assumed Option that are affected by the event to prevent dilution or enlargement of a Participant's rights under an Award or Assumed Option. Notwithstanding the foregoing, in the case of Incentive Stock Options, any such adjustments shall, to the extent practicable, be made in a manner consistent with the requirements of Section 424(a) of the Code.

5. Participation and Awards

5.1 Designation of Participants. All Eligible Persons are eligible to be designated by the Committee to receive Awards and become Participants under the Plan. The Committee has the authority, in its discretion, to determine and designate from time to time those Eligible Persons who are to be granted Awards, the types of Awards to be granted and the number of shares of Common Stock or units subject to Awards granted under the Plan. In selecting Eligible Persons to be Participants and in determining the type and amount of Awards to be granted under the Plan, the Committee shall consider any and all factors that it deems relevant or appropriate.

5.2 Determination of Awards. The Committee shall determine the terms and conditions of all Awards granted to Participants in accordance with its authority under Section 3.2 hereof. An Award may consist of one type of right or benefit hereunder or of two or more such rights or benefits granted in tandem or in the alternative. To the extent deemed appropriate by the Committee, an Award shall be evidenced by an Award Agreement as described in Section 16.1 hereof.

5.3 Israeli Sub-Plan. The "2016 Israeli Sub-Plan" annexed hereto as Exhibit A is hereby incorporated herein by reference and shall apply with respect to Awards granted under the Plan to "Israeli Participants" as defined in the 2016 Israeli Sub-Plan.

6. Stock Options

6.1 Grant of Stock Option. A Stock Option may be granted to any Eligible Person selected by the Committee. Subject to the provisions of Section 6.6 hereof and Section 422 of the Code, each Stock Option shall be designated, in the discretion of the Committee, as an Incentive Stock Option or as a Nonqualified Stock Option.

6.2 Exercise Price. The exercise price per share of a Stock Option shall not be less than 100% of the Fair Market Value of a share of Common Stock on the Date of Grant, subject to adjustments as provided for under Section 4.2, provided that the Committee may in its discretion specify for any Stock Option an exercise price per share that is higher than the Fair Market Value on the Date of Grant, and may establish an exercise price that is below Fair Market Value on the Date of Grant for Stock Options granted to Participants who are not residents of the U.S if permitted by applicable law and any applicable rules of the principal established stock exchange or national market system on which the Common Stock is traded.

6.3 Vesting of Stock Options. The Committee shall in its discretion prescribe the time or times at which, or the conditions upon which, a Stock Option or portion thereof shall become vested and/or exercisable. The requirements for vesting and exercisability of a Stock Option may be based on the Continuous Service of the Participant for a specified time period (or periods) and/or on the attainment of a specified performance goal (or goals) established by the Committee in its discretion. The Committee may, in its discretion, accelerate the vesting or exercisability of any Stock Option at any time. The Committee in its sole discretion may allow a Participant to exercise unvested Nonqualified Stock Options, in which case the shares of Common Stock then issued shall be Restricted Stock having analogous vesting restrictions to the unvested Nonqualified Stock Options.

6.4 Term of Stock Options. The Committee shall in its discretion prescribe in an Award Agreement the period during which a vested Stock Option may be exercised, provided that the maximum term of a Stock Option shall be ten (10) years from the Date of Grant. A Stock Option may be earlier terminated as specified by the Committee and set forth in an Award Agreement upon or following the termination of a Participant's Continuous Service for any reason, including by reason of voluntary resignation, death, Disability, termination for Cause or any other reason. Except as otherwise provided in this Section 6 or in an Award Agreement as such agreement may be amended from time to time upon authorization of the Committee, no Stock Option may be exercised at any time during the term thereof unless the Participant is then in Continuous Service. Notwithstanding the foregoing, unless an Award Agreement provides otherwise:

(a) If a Participant's Continuous Service terminates by reason of his or her death, any Stock Option held by such Participant may, to the extent then exercisable, be exercised by such Participant's estate or any person who acquires the right to exercise such Stock Option by bequest or inheritance at any time in accordance with its terms for up to one year after the date of such Participant's death (but in no event after the earlier of the expiration of the term of such Stock Option or such time as the Stock Option is otherwise canceled or terminated in accordance with its terms). Upon expiration of such one-year period, no portion of the Stock Option held by such Participant shall be exercisable and the Stock Option shall be deemed to be canceled, forfeited and of no further force or effect.

(b) If a Participant's Continuous Service terminates by reason of his or her Disability, any Stock Option held by such Participant may, to the extent then exercisable, be exercised by the Participant or his or her personal representative at any time in accordance with its terms for up to one year after the date of such Participant's termination of Continuous Service (but in no event after the earlier of the expiration of the term of such Stock Option or such time as the Stock Option is otherwise canceled or terminated in accordance with its terms). Upon expiration of such one-year period, no portion of the Stock Option held by such Participant shall be exercisable and the Stock Option shall be deemed to be canceled, forfeited and of no further force or effect.

(c) If a Participant's Continuous Service terminates for any reason other than death, Disability or Cause, any Stock Option held by such Participant may, to the extent then exercisable, be exercised by the Participant up until ninety (90) days following such termination of Continuous Service (but in no event after the earlier of the expiration of the term of such Stock Option or such time as the Stock Option is otherwise canceled or terminated in accordance with its terms). Upon expiration of such 90-day period, no portion of the Stock Option held by such Participant shall be exercisable and the Stock Option shall be deemed to be canceled, forfeited and of no further force or effect.

(d) To the extent that a Stock Option of a Participant whose Continuous Service terminates is not exercisable, such Stock Option shall be deemed forfeited and canceled on the ninetieth (90^{th}) day after such termination of Continuous Service or at such earlier time as the Committee may determine.

6.5 Stock Option Exercise. Subject to such terms and conditions as shall be specified in an Award Agreement, a Stock Option or Assumed Option may be exercised in whole or in part at any time during the term thereof by notice in the form required by the Company, and payment of the aggregate exercise price by certified or bank check, or such other means as the Committee may accept. As set forth in an Award Agreement, Assumed Option Agreement or otherwise determined by the Committee, in its sole discretion, at or after grant, payment in full or in part of the exercise price of an Option or Assumed Option may be made: (i) in the form of shares of Common Stock that have been held by the Participant for such period as the Committee may deem appropriate for accounting purposes or otherwise, valued at the Fair Market Value of such shares on the date of exercise; (ii) by surrendering to the Company shares of Common Stock otherwise receivable on exercise of the Option or Assumed Option; (iii) by a cashless exercise program implemented by the Committee in connection with the Plan; and/or (iv) by such other method as may be approved by the Committee and set forth in an Award Agreement or Assumed Option Agreement. Subject to any governing rules or regulations, as soon as practicable after receipt of written notification of exercise and full payment of the exercise price and satisfaction of any applicable tax withholding pursuant to Section 17.5, the Company shall deliver to the Participant evidence of book entry shares of Common Stock, or upon the Participant's request, Common Stock certificates in an appropriate amount based upon the number of shares of Common Stock purchased under the Option or Assumed Option. Unless otherwise determined by the Committee, all payments under all of the methods indicated above shall be paid in United States dollars or shares of Common Stock, as applicable.

6.6 Additional Rules for Incentive Stock Options.

(a) Eligibility. An Incentive Stock Option may only be granted to an Eligible Person who is considered an employee under Treasury Regulation §1.421-7(h) of the Company or any Subsidiary.

(b) Annual Limits. No Incentive Stock Option shall be granted to an Eligible Person as a result of which the aggregate Fair Market Value (determined as of the Date of Grant) of the stock with respect to which Incentive Stock Options are exercisable for the first time in any calendar year under the Plan and any other stock option plans of the Company or any Subsidiary would exceed $100,000, determined in accordance with Section 422(d) of the Code. This limitation shall be applied by taking Incentive Stock Options into account in the order in which granted.

(c) Ten Percent Stockholders. If a Stock Option granted under the Plan is intended to be an Incentive Stock Option, and if the Participant, at the time of grant, owns stock possessing ten percent or more of the total combined voting power of all classes of Common Stock of the Company or any Subsidiary, then (A) the Stock Option exercise price per share shall in no event be less than 110% of the Fair Market Value of the Common Stock on the date of such grant and (B) such Stock Option shall not be exercisable after the expiration of five (5) years following the date such Stock Option is granted.

(d) Termination of Employment. An Award of an Incentive Stock Option shall provide that such Stock Option may be exercised not later than three (3) months following termination of employment of the Participant with the Company and all Subsidiaries, or not later than one (1) year following death or a permanent and total disability within the meaning of Section 22(e)(3) of the Code, as and to the extent determined by the Committee to be necessary to comply with the requirements of Section 422 of the Code.

(e) Disqualifying Dispositions. If shares of Common Stock acquired by exercise of an Incentive Stock Option are disposed of within two (2) years following the Date of Grant or one (1) year following the transfer of such shares to the Participant upon exercise, the Participant shall, promptly following such disposition, notify the Company in writing of the date and terms of such disposition and provide such other information regarding the disposition as the Company may reasonably require.

7. Stock Appreciation Rights

7.1 Grant of Stock Appreciation Rights. A Stock Appreciation Right may be granted to any Eligible Person selected by the Committee. Stock Appreciation Rights may be granted on a basis that allows for the exercise of the right by the Participant or that provides for the automatic payment of the right upon a specified date or event.

7.2 Base Price. The base price of a Stock Appreciation Right shall be determined by the Committee in its sole discretion; provided, however, that the base price for any grant of a Stock Appreciation Right shall not be less than 100% of the Fair Market Value of a share of Common Stock on the Date of Grant, subject to adjustments as provided for under Section 4.2.

7.3 Vesting Stock Appreciation Rights. The Committee shall in its discretion prescribe the time or times at which, or the conditions upon which, a Stock Appreciation Right or portion thereof shall become vested and/or exercisable. The requirements for vesting and exercisability of a Stock Appreciation Right may be based on the Continuous Service of a Participant for a specified time period (or periods) or on the attainment of a specified performance goal (or goals) established by the Committee in its discretion. The Committee may, in its discretion, accelerate the vesting or exercisability of any Stock Appreciation Right at any time.

7.4 Term of Stock Appreciation Rights. The Committee shall in its discretion prescribe in an Award Agreement the period during which a vested Stock Appreciation Right may be exercised, provided that the maximum term of a Stock Appreciation Right shall be ten (10) years from the Date of Grant. A Stock Appreciation Right may be earlier terminated as specified by the Committee and set forth in an Award Agreement upon or following the termination of a Participant's Continuous Service for any reason, including by reason of voluntary resignation, death, Disability, termination for Cause or any other reason. Except as otherwise provided in this Section 7 or in an Award Agreement as such agreement may be amended from time to time upon authorization of the Committee, no Stock Appreciation Right may be exercised at any time during the term thereof unless the Participant is then in Continuous Service.

7.5 Payment of Stock Appreciation Rights. Subject to such terms and conditions as shall be specified in an Award Agreement, a vested Stock Appreciation Right may be exercised in whole or in part at any time during the term thereof by notice in the form required by the Company and payment of any exercise price. Upon the exercise of a Stock Appreciation Right and payment of any applicable exercise price, a Participant shall be entitled to receive an amount determined by multiplying: (i) the excess of the Fair Market Value of a share of Common Stock on the date of exercise of the Stock Appreciation Right over the base price of such Stock Appreciation Right, by (ii) the number of shares as to which such Stock Appreciation Right is exercised. Payment of the amount determined under the immediately preceding sentence may be made, as approved by the Committee and set forth in the Award Agreement, in shares of Common Stock valued at their Fair Market Value on the date of exercise, in cash, or in a combination of shares of Common Stock and cash, subject to applicable tax withholding requirements set forth in Section 17.5. If Stock Appreciation Rights are settled in shares of Common Stock, then as soon as practicable following the date of settlement the Company shall deliver to the Participant evidence of book entry shares of Common Stock, or upon the Participant's request, Common Stock certificates in an appropriate amount.

8. Restricted Stock Awards

8.1 Grant of Restricted Stock Awards. A Restricted Stock Award may be granted to any Eligible Person selected by the Committee. The Committee may require the payment by the Participant of a specified purchase price in connection with any Restricted Stock Award. The Committee may provide in an Award Agreement for the payment of dividends and distributions to the Participant at such times as paid to stockholders generally or at the times of vesting or other payment of the Restricted Stock Award. If any dividends or distributions are paid in stock while a Restricted Stock Award is subject to restrictions under Section 8.3 of the Plan or Code Section 162(m), the dividends or other distributions shares shall be subject to the same restrictions on transferability as the shares of Common Stock to which they were paid unless otherwise set forth in the Award Agreement. The Committee may also subject the grant of any Restricted Stock Award to the execution of a voting agreement with the Company or with any Affiliate of the Company.

8.2 Vesting Requirements. The restrictions imposed on shares of Common Stock granted under a Restricted Stock Award shall lapse in accordance with the vesting requirements specified by the Committee in the Award Agreement. Upon vesting of a Restricted Stock Award, such Award shall be subject to the tax withholding requirement set forth in Section 17.5. The requirements for vesting of a Restricted Stock Award may be based on the Continuous Service of the Participant for a specified time period (or periods) or on the attainment of a specified performance goal (or goals) established by the Committee in its discretion. The Committee may, in its discretion, accelerate the vesting of a Restricted Stock Award at any time. If the vesting requirements of a Restricted Stock Award shall not be satisfied, the Award shall be forfeited and the shares of Common Stock subject to the Award shall be returned to the Company. In the event that the Participant paid any purchase price with respect to such forfeited shares, unless otherwise provided by the Committee in an Award Agreement, the Company will refund to the Participant the lesser of (i) such purchase price and (ii) the Fair Market Value of such shares on the date of forfeiture.

8.3 Restrictions. Shares granted under any Restricted Stock Award may not be transferred, assigned or subject to any encumbrance, pledge, or charge until all applicable restrictions are removed or have expired, unless otherwise allowed by the Committee. The Committee may require in an Award Agreement that certificates representing the shares granted under a Restricted Stock Award bear a legend making appropriate reference to the restrictions imposed, and that certificates representing the shares granted or sold under a Restricted Stock Award will remain in the physical custody of an escrow holder until all restrictions are removed or have expired.

8.4 Rights as Stockholder. Subject to the foregoing provisions of this Section 8 and the applicable Award Agreement, the Participant to whom a Restricted Stock Award is made shall have all rights of a stockholder with respect to the shares granted to the Participant under the Restricted Stock Award, including the right to vote the shares and receive all dividends and other distributions paid or made with respect thereto, unless the Committee determines otherwise at the time the Restricted Stock Award is granted.

8.5 Section 83(b) Election. If a Participant makes an election pursuant to Section 83(b) of the Code with respect to a Restricted Stock Award, the Participant shall file, within 30 days following the Date of Grant, a copy of such election with the Company (directed to the Secretary thereof) and with the Internal Revenue Service, in accordance with the regulations under Section 83 of the Code. The Committee may provide in an Award Agreement that the Restricted Stock Award is conditioned upon the Participant's making or refraining from making an election with respect to the Award under Section 83(b) of the Code.

9. Stock Unit Awards

9.1 Grant of Stock Unit Awards. A Stock Unit Award may be granted to any Eligible Person selected by the Committee. The value of each stock unit under a Stock Unit Award is equal to the Fair Market Value of the Common Stock on the applicable date or time period of determination, as specified by the Committee. A Stock Unit Award shall be subject to such restrictions and conditions as the Committee shall determine. A Stock Unit Award may be granted together with a dividend equivalent right with respect to the shares of Common Stock subject to the Award, which may be accumulated and may be deemed reinvested in additional stock units, as determined by the Committee in its discretion. If any dividend equivalents are paid while a Stock Unit Award is subject to restrictions under Section 9 of the Plan or Code Section 162(m), the dividend equivalents shall be subject to the same restrictions on transferability as the Stock Units to which they were paid, unless otherwise set forth in the Award Agreement.

9.2 Vesting of Stock Unit Awards. On the Date of Grant, the Committee shall, in its discretion, determine any vesting requirements with respect to a Stock Unit Award, which shall be set forth in the Award Agreement. The requirements for vesting of a Stock Unit Award may be based on the Continuous Service of the Participant for a specified time period (or periods) or on the attainment of a specified performance goal (or goals) established by the Committee in its discretion. The Committee may, in its discretion, accelerate the vesting of a Stock Unit Award at any time. A Stock Unit Award may also be granted on a fully vested basis, with a deferred payment date as may be determined by the Committee or elected by the Participant in accordance with rules established by the Committee.

9.3 Payment of Stock Unit Awards. A Stock Unit Award shall become payable to a Participant at the time or times determined by the Committee and set forth in the Award Agreement, which may be upon or following the vesting of the Award. Payment of a Stock Unit Award may be made, at the discretion of the Committee, in cash or in shares of Common Stock, or in a combination thereof as described in the Award Agreement, subject to applicable tax withholding requirements set forth in Section 17.5. Any cash payment of a Stock Unit Award shall be made based upon the Fair Market Value of the Common Stock, determined on such date or over such time period as determined by the Committee. Notwithstanding the foregoing, unless specified otherwise in the Award Agreement, any Stock Unit, whether settled in Common Stock or cash, shall be paid no later than two and one-half months after the later of the calendar year or fiscal year in which the Stock Units vest. If Stock Unit Awards are settled in shares of Common Stock, then as soon as practicable following the date of settlement, the Company shall deliver to the Participant evidence of book entry shares of Common Stock, or upon the Participant's request, Common Stock certificates in an appropriate amount.

10. Performance Shares

10.1 Grant of Performance Shares. Performance Shares may be granted to any Eligible Person selected by the Committee. A Performance Share Award shall be subject to such restrictions and condition as the Committee shall specify. A Performance Share Award may be granted with a dividend equivalent right with respect to the shares of Common Stock subject to the Award, which may be accumulated and may be deemed reinvested in additional stock units, as determined by the Committee in its discretion.

10.2 Value of Performance Shares. Each Performance Share shall have an initial value equal to the Fair Market Value of a Share on the Date of Grant. The Committee shall set performance goals in its discretion that, depending on the extent to which they are met over a specified time period, shall determine the number of Performance Shares that shall be paid to a Participant.

10.3 Earning of Performance Shares. After the applicable time period has ended, the number of Performance Shares earned by the Participant over such time period shall be determined as a function of the extent to which the applicable corresponding performance goals have been achieved. This determination shall be made solely by the Committee. The Committee may, in its discretion, waive any performance or vesting conditions relating to a Performance Share Award.

10.4 Form and Timing of Payment of Performance Shares. The Committee shall pay at the close of the applicable Performance Period, or as soon as practicable thereafter, any earned Performance Shares in the form of cash or in shares of Common Stock or in a combination thereof, as specified in a Participant's Award Agreement, subject to applicable tax withholding requirements set forth in Section 17.5. Notwithstanding the foregoing, unless specified otherwise in the Award Agreement, all Performance Shares shall be paid no later than two and one-half months following the later of the calendar year or fiscal year in which such Performance Shares vest. Any shares of Common Stock paid to a Participant under this Section 10.4 may be subject to any restrictions deemed appropriate by the Committee. If Performance Shares are settled in shares of Common Stock, then as soon as practicable following the date of settlement the Company shall deliver to the Participant evidence of book entry shares of Common Stock, or upon the Participant's request, Common Stock certificates in an appropriate amount.

11. Performance Units

11.1 Grant of Performance Units. Performance Units may be granted to any Eligible Person selected by the Committee. A Performance Unit Award shall be subject to such restrictions and condition as the Committee shall specify in a Participant's Award Agreement.

11.2 Value of Performance Units. Each Performance Unit shall have an initial notional value equal to a dollar amount determined by the Committee, in its sole discretion. The Committee shall set performance goals in its discretion that, depending on the extent to which they are met over a specified time period, will determine the number of Performance Units that shall be settled and paid to the Participant.

11.3 Earning of Performance Units. After the applicable time period has ended, the number of Performance Units earned by the Participant, and the amount payable in cash, in shares or in a combination thereof, over such time period shall be determined as a function of the extent to which the applicable corresponding performance goals have been achieved. This determination shall be made solely by the Committee. The Committee may, in its discretion, waive any performance or vesting conditions relating to a Performance Unit Award

11.4 Form and Timing of Payment of Performance Units. The Committee shall pay at the close of the applicable Performance Period, or as soon as practicable thereafter, any earned Performance Units in the form of cash or in shares of Common Stock or in a combination thereof, as specified in a Participant's Award Agreement, subject to applicable tax withholding requirements set forth in Section 17.5. Notwithstanding the foregoing, unless specified otherwise in the Award Agreement, all Performance Units shall be paid no later than two and one-half months following the later of the calendar year or fiscal year in which such Performance Units vest. Any shares of Common Stock paid to a Participant under this Section 11.4 may be subject to any restrictions deemed appropriate by the Committee. If Performance Units are settled in shares of Common Stock, then as soon as practicable following the date of settlement the Company shall deliver to the Participant evidence of book entry shares of Common Stock, or upon the Participant's request, Common Stock certificates in an appropriate amount.

12. Incentive Bonus Awards

12.1 Incentive Bonus Awards. The Committee, at its discretion, may grant Incentive Bonus Awards to such Participants as it may designate from time to time. The terms of a Participant's Incentive Bonus Award shall be set forth in the Participant's Award Agreement. Each Award Agreement shall specify such general terms and conditions as the Committee shall determine.

12.2 Incentive Bonus Award Performance Criteria . The determination of Incentive Bonus Awards for a given year or years may be based upon the attainment of specified levels of Company or Subsidiary performance as measured by pre-established, objective performance criteria determined at the discretion of the Committee, including any or all of the Performance Measures set forth in Exhibit A hereto. The Committee shall (i) select those Participants who shall be eligible to receive an Incentive Bonus Award, (ii) determine the performance period, (iii) determine target levels of performance, and (iv) determine the level of Incentive Bonus Award to be paid to each selected Participant upon the achievement of each performance level. The Committee generally shall make the foregoing determinations prior to the commencement of services to which an Incentive Bonus Award relates (or for Incentive Bonus Awards intended to satisfy Code Section 162(m), within the permissible time period established for exemption under Code Section 162(m) and the regulations promulgated thereunder), to the extent applicable, and while the outcome of the performance goals and targets is uncertain.

12.3 Payment of Incentive Bonus Awards.

(a) Incentive Bonus Awards shall be paid in cash or Common Stock, as set forth in a Participant's Award Agreement. Payments shall be made following a determination by the Committee that the performance targets were attained and shall be made within two and one-half months after the later of the end of the fiscal or calendar year in which the Incentive Award is no longer subject to a substantial risk of forfeiture.

(b) The amount of an Incentive Bonus Award to be paid upon the attainment of each targeted level of performance shall equal a percentage of a Participant's base salary for the fiscal year, a fixed dollar amount, or such other formula, as determined by the Committee.

13. Other Cash-Based Awards and Other Stock-Based Awards

13.1 Other Cash-Based and Stock-Based Awards. The Committee may grant other types of equity-based or equity-related Awards not otherwise described by the terms of this Plan (including the grant or offer for sale of unrestricted Shares) in such amounts and subject to such terms and conditions, as the Committee shall determine. Such Awards may involve the transfer of actual shares of Common Stock to a Participant, or payment in cash or otherwise of amounts based on the value of shares of Common Stock. In addition, the Committee, at any time and from time to time, may grant Cash-Based Awards to a Participant in such amounts and upon such terms as the Committee shall determine, in its sole discretion.

13.2 Value of Cash-Based Awards and Other Stock-Based Awards . Each Other Stock-Based Award shall be expressed in terms of shares of Common Stock or units based on shares of Common Stock, as determined by the Committee, in its sole discretion. Each Other Cash-Based Award shall specify a payment amount or payment range as determined by the Committee, in its sole discretion. If the Committee exercises its discretion to establish performance goals, the value of Other Cash-Based Awards that shall be paid to the Participant will depend on the extent to which such performance goals are met.

13.3 Payment of Cash-Based Awards and Other Stock-Based Awards . Payment, if any, with respect to Other Cash-Based Awards and Other Stock-Based Award shall be made in accordance with the terms of the Award, in cash or Shares as the Committee determines.

14. Section 162(m) Awards

14.1 Awards Granted Under Code Section 162(m). The Committee, at its discretion, may designate that a Restricted Stock, Stock Unit, Performance Share, Performance Unit, Incentive Bonus, Other Stock Award or Other Cash Award shall be granted as a Section 162(m) Award. Such an Award must comply with the following additional requirements, which shall control over any other provision that pertains to such Award.

14.2 Performance Measures.

(a) Each Section 162(m) Award shall be based upon the attainment of specified levels of pre-established, objective Performance Measures that are intended to satisfy the performance based compensation exemption requirements of Code Section 162(m) and the regulations promulgated thereunder. Further, at the discretion of the Committee, an Award also may be subject to goals and restrictions in addition to the Performance Measures.

(b) "Performance Measures" means the measures of performance of the Company and its Subsidiaries used to determine a Participant's entitlement to an Award under the Plan. Such performance measures shall have the same meanings as used in the Company's financial statements, or, if such terms are not used in the Company's financial statements, they shall have the meaning applied pursuant to generally accepted accounting principles, or as used generally in the Company's industry. Performance Measures shall be calculated with respect to the Company and each Subsidiary consolidated therewith for financial reporting purposes or such division or other business unit as may be selected by the Committee. For purposes of the Plan, the Performance Measures shall be calculated in accordance with generally accepted accounting principles to the extent applicable, but, unless otherwise determined by the Committee, prior to the accrual or payment of any Award under this Plan for the same performance period and excluding the effect (whether positive or negative) of any change in accounting standards or any extraordinary, unusual or nonrecurring item, as determined by the Committee, occurring after the establishment of the performance goals. Performance Measures shall be based on one or more of the criteria set forth in Exhibit B which is hereby incorporated by reference, as determined by the Committee.

(c) For each Section 162(m) Award, the Committee shall (i) select the Participant who shall be eligible to receive a Section 162(m) Award, (ii) determine the applicable performance period, (iii) determine the target levels of the Company or Subsidiary Performance Measures, and (iv) determine the number of shares of Common Stock or cash or other property (or combination thereof) subject to an Award to be paid to each selected Participant. The Committee shall make the foregoing determinations prior to the commencement of services to which an Award relates (or within the permissible time period established under Code Section 162(m)) and while the outcome of the performance goals and targets is uncertain.

14.3 Attainment of Code Section 162(m) Goals.

(a) After each performance period, the Committee shall certify in writing (which may include the written minutes for any meeting of the Committee): (i) if the Company has attained the performance targets, and (ii) the number of shares pursuant to the Award that are to become freely transferable, if applicable, or the cash or other property payable under the Award. The Committee shall have no discretion to waive all or part of the conditions, goals and restrictions applicable to the receipt of full or partial payment of an Award except in the case of a Change in Control of the Corporation or the death or Disability of a Participant.

(b) Notwithstanding the foregoing, the Committee may, in its discretion, reduce any Award based on such factors as may be determined by the Committee, including, without limitation, a determination by the Committee that such a reduction is appropriate in light of pay practices of competitors, or the performance of the Company, a Subsidiary or a Participant relative to the performance of competitors, or performance with respect to the Company's strategic business goals.

14.4 Individual Participant Limitations. Subject to adjustment as provided in Section 4.2, the maximum number of shares of Common Stock with respect to which Stock Options or Stock Appreciation Rights may be granted to any one individual under the Plan during any calendar year shall be 1,500,000 shares. Subject to adjustment as provided in Section 4.2, the maximum number of shares of Common Stock subject to Section 162(m) Awards (other than Stock Options and Stock Appreciation Rights) that may be paid to any one individual in respect of any calendar year if the applicable Performance Goals are attained is 1,500,000 shares. The maximum cash amount that may be paid pursuant to Section 162(m) Awards (other than Stock Options and Stock Appreciation Rights) to any one individual in respect of any calendar year if the applicable Performance Goals are attained is $1,000,000. In the case of Performance Goals based on performance periods beginning and ending in different calendar years, the number of shares of Common Stock or cash amount which is paid in respect of each calendar year during the performance period shall be determined by multiplying the total number of shares or cash amount, as applicable, paid for the performance period by a fraction, of which (i) the numerator is the number of days during the performance period in that particular calendar year, and (ii) the denominator is the total number of days during the performance period. The limitations in this Section 14.4 shall be interpreted and applied in a manner consistent with Section 162(m) of the Code and the regulations thereunder. If an Award is cancelled, the cancelled Award shall continue to be counted towards the applicable limitations.

15. Change in Control

15.1 Effect of Change in Control.

(a) The Committee may, at the time of the grant of an Award and as set forth in an Award Agreement, provide for the effect of a "Change in Control" on an Award. Such provisions may include any one or more of the following: (i) the acceleration or extension of time periods for purposes of exercising, vesting in, or realizing gain from any Award, (ii) the elimination or modification of performance or other conditions related to the payment or other rights under an Award, (iii) provision for the cash settlement of an Award for an equivalent cash value, as determined by the Committee, or (iv) such other modification or adjustment to an Award as the Committee deems appropriate to maintain and protect the rights and interests of Participants upon or following a Change in Control. To the extent necessary for compliance with Section 409A of the Code, an Award Agreement shall provide that an Award subject to the requirements of Section 409A that would otherwise become payable upon a Change in Control shall only become payable to the extent that the requirements for a "change in control" for purposes of Section 409A have been satisfied.

(b) Notwithstanding anything to the contrary set forth in the Plan, unless otherwise provided by an Award Agreement, upon or in anticipation of any Change in Control, the Committee may, in its sole and absolute discretion and without the need for the consent of any Participant, take one or more of the following actions contingent upon the occurrence of that Change in Control: (i) cause any or all outstanding Stock Options, Assumed Options and Stock Appreciation Rights held by Participants affected by the Change in Control to become vested and immediately exercisable, in whole or in part; (ii) cause any or all outstanding Restricted Stock, Stock Units, Performance Shares, Performance Units, Incentive Bonus Award and any other Award held by Participants affected by the Change in Control to become non-forfeitable, in whole or in part; (iii) cancel any Stock Option, Assumed Option or Stock Appreciation Right in exchange for a substitute option in a manner consistent with the requirements of Treasury Regulation. §1.424-1(a) (notwithstanding the fact that the original Stock Option or Assumed Option may never have been intended to satisfy the requirements for treatment as an Incentive Stock Option); (iv) cancel any Restricted Stock, Stock Units, Performance Shares or Performance Units held by a Participant in exchange for restricted stock or performance shares of or stock or performance units in respect of the capital stock of any successor corporation; (v) redeem any Restricted Stock held by a Participant affected by the Change in Control for cash and/or other substitute consideration with a value equal to the Fair Market Value of an unrestricted share of Common Stock on the date of the Change in Control; (vi) cancel any Stock Option, Assumed Option or Stock Appreciation Right (vested or unvested) held by a Participant affected by the Change in Control in exchange for cash and/or other substitute consideration with a value equal to (A) the number of shares of Common Stock subject to that Stock Option, Assumed Option or Stock Appreciation Right, multiplied by (B) the difference, if any, between the Fair Market Value per share of Common Stock on the date of the Change in Control and the exercise price of that Stock Option, Assumed Option or Stock Appreciation Right; *provided,* that if the Fair Market Value per share of Common Stock on the date of the Change in Control does not exceed the exercise price of any such Stock Option, Assumed Option or Stock Appreciation Right, the Committee may cancel that Stock Option, Assumed Option or Stock Appreciation Right without any payment of consideration therefor; (vii) cancel any Stock Unit or Performance Unit held by a Participant affected by the Change in Control in exchange for cash and/or other substitute consideration with a value equal to the Fair Market Value per share of Common Stock on the date of the Change in Control (provided that such cancelation and exchange does not violate Section 409A of the Code); or (ix) make such other modifications, adjustments or amendments to outstanding Awards or this Plan as the Committee deems necessary or appropriate.

16. General Provisions

16.1 Award Agreement. To the extent deemed necessary by the Committee, an Award under the Plan shall be evidenced by an Award Agreement in a written or electronic form approved by the Committee setting forth the number of shares of Common Stock or units subject to the Award, the exercise price, base price, or purchase price of the Award, the time or times at which an Award will become vested, exercisable or payable and the term of the Award. The Award Agreement may also set forth the effect on an Award of termination of Continuous Service under certain circumstances. The Award Agreement shall be subject to and incorporate, by reference or otherwise, all of the applicable terms and conditions of the Plan, and may also set forth other terms and conditions applicable to the Award as determined by the Committee consistent with the limitations of the Plan. Award Agreements evidencing Incentive Stock Options shall contain such terms and conditions as may be necessary to meet the applicable provisions of Section 422 of the Code. The grant of an Award under the Plan shall not confer any rights upon the Participant holding such Award other than such terms, and subject to such conditions, as are specified in the Plan as being applicable to such type of Award (or to all Awards) or as are expressly set forth in the Award Agreement.

16.2 Forfeiture Events/Representations. The Committee may specify in an Award Agreement at the time of the Award that the Participant's rights, payments and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events shall include, but shall not be limited to, termination of Continuous Service for Cause, violation of material Company policies, breach of noncompetition, confidentiality or other restrictive covenants that may apply to the Participant, or other conduct by the Participant that is detrimental to the business or reputation of the Company. The Committee may also specify in an Award Agreement that the Participant's rights, payments and benefits with respect to an Award shall be conditioned upon the Participant making a representation regarding compliance with noncompetition, confidentiality or other restrictive covenants that may apply to the Participant and providing that the Participant's rights, payments and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture or recoupment on account of a breach of such representation. Notwithstanding the foregoing, the confidentiality restrictions set forth in an Award Agreement shall not, and shall not be interpreted to, impair a Participant from exercising any legally protected whistleblower rights (including under Rule 21 of the Exchange Act). In addition and without limitation of the foregoing, any amounts paid hereunder shall be subject to recoupment in accordance with The Dodd–Frank Wall Street Reform and Consumer Protection Act and any implementing regulations thereunder, any "clawback" policy adopted by the Company or as is otherwise required by applicable law or stock exchange listing condition.

16.3 No Assignment or Transfer; Beneficiaries.

(a) Awards under the Plan shall not be assignable or transferable by the Participant, except by will or by the laws of descent and distribution, and shall not be subject in any manner to assignment, alienation, pledge, encumbrance or charge. Notwithstanding the foregoing, the Committee may provide in an Award Agreement that the Participant shall have the right to designate a beneficiary or beneficiaries who shall be entitled to any rights, payments or other benefits specified under an Award following the Participant's death. During the lifetime of a Participant, an Award shall be exercised only by such Participant or such Participant's guardian or legal representative. In the event of a Participant's death, an Award may, to the extent permitted by the Award Agreement, be exercised by the Participant's beneficiary as designated by the Participant in the manner prescribed by the Committee or, in the absence of an authorized beneficiary designation, by the legatee of such Award under the Participant's will or by the Participant's estate in accordance with the Participant's will or the laws of descent and distribution, in each case in the same manner and to the same extent that such Award was exercisable by the Participant on the date of the Participant's death.

(b) Limited Transferability Rights. Notwithstanding anything else in this Section 16.3 to the contrary, the Committee may in its discretion provide in an Award Agreement that an Award in the form of a Nonqualified Stock Option, share-settled Stock Appreciation Right, Restricted Stock, Performance Share or share-settled Other Stock-Based Award may be transferred, on such terms and conditions as the Committee deems appropriate, either (i) by instrument to the Participant's "Immediate Family" (as defined below), (ii) by instrument to an inter vivos or testamentary trust (or other entity) in which the Award is to be passed to the Participant's designated beneficiaries, or (iii) by gift to charitable institutions. Any transferee of the Participant's rights shall succeed and be subject to all of the terms of the applicable Award Agreement and the Plan. "Immediate Family" means 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, and shall include adoptive relationships.

16.4 Rights as Stockholder. A Participant shall have no rights as a holder of shares of Common Stock with respect to any unissued securities covered by an Award until the date the Participant becomes the holder of record of such securities. Except as provided in Section 4.2 hereof, no adjustment or other provision shall be made for dividends or other stockholder rights, except to the extent that the Award Agreement provides for dividend payments or dividend equivalent rights.

16.5 Employment or Continuous Service. Nothing in the Plan, in the grant of any Award or in any Award Agreement shall confer upon any Eligible Person or Participant any right to continue in Continuous Service, or interfere in any way with the right of the Company or any of its Subsidiaries to terminate the employment or other service relationship of an Eligible Person or Participant for any reason at any time.

16.6 Fractional Shares. In the case of any fractional share or unit resulting from the grant, vesting, payment or crediting of dividends or dividend equivalents under an Award, the Committee shall have the discretionary authority to (i) disregard such fractional share or unit, (ii) round such fractional share or unit to the nearest lower or higher whole share or unit, or (iii) convert such fractional share or unit into a right to receive a cash payment.

16.7 Other Compensation and Benefit Plans. The amount of any compensation deemed to be received by a Participant pursuant to an Award shall not constitute includable compensation for purposes of determining the amount of benefits to which a Participant is entitled under any other compensation or benefit plan or program of the Company or any Subsidiary, including, without limitation, under any bonus, pension, profit-sharing, life insurance, salary continuation or severance benefits plan, except to the extent specifically provided by the terms of any such plan.

16.8 Plan Binding on Transferees. The Plan shall be binding upon the Company, its transferees and assigns, and the Participant, the Participant's executor, administrator and permitted transferees and beneficiaries. In addition, all obligations of the Company under this Plan with respect to Awards granted hereunder shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

16.9 Foreign Jurisdictions. The Committee may adopt, amend and terminate such arrangements and grant such Awards, not inconsistent with the intent of the Plan, as it may deem necessary or desirable to comply with any tax, securities, regulatory or other laws of other jurisdictions with respect to Awards that may be subject to such laws. The terms and conditions of such Awards may vary from the terms and conditions that would otherwise be required by the Plan solely to the extent the Committee deems necessary for such purpose. Moreover, the Board may approve such supplements to or amendments, restatements or alternative versions of the Plan, not inconsistent with the intent of the Plan, as it may consider necessary or appropriate for such purposes, without thereby affecting the terms of the Plan as in effect for any other purpose.

16.10 No Obligation to Notify or Minimize Taxes. The Company will have no duty or obligation to any Participant to advise such holder as to the time or manner of exercising an Award. Furthermore, the Company will have no duty or obligation to warn or otherwise advise such holder of a pending termination or expiration of an Award or a possible period in which the Award may not be exercised. The Company has no duty or obligation to minimize the tax consequences of an Award to the holder of such Award.

16.11 Corporate Action Constituting Grant of Awards . Corporate action constituting a grant by the Company of an Award to any Participant will be deemed completed as of the date of such corporate action, unless otherwise determined by the Board, regardless of when the instrument, certificate, or letter evidencing the Award is communicated to, or actually received or accepted by, the Participant. In the event that the corporate records (e.g., Board or Committee consents, resolutions or minutes) documenting the corporate action constituting the grant contain terms (e.g., exercise price, vesting schedule or number of shares) that are inconsistent with those in the Award Agreement as a result of a clerical error in the papering of the Award Agreement, the corporate records will control and the Participant will have no legally binding right to the incorrect term in the Award Agreement.

16.12 Change in Time Commitment. In the event a Participant's regular level of time commitment in the performance of the Participant's services for the Company and any Affiliates is reduced (for example, and without limitation, if the Participant is an employee of the Company and the employee has a change in status from a full-time employee to a part-time employee) after the date of grant of any Award to the Participant, the Committee has the right in its sole discretion to (x) make a corresponding reduction in the number of shares subject to any portion of such Award that is scheduled to vest or become payable after the date of such change in time commitment and (y) in lieu of or in combination with such a reduction, extend the vesting or payment schedule applicable to such Award. In the event of any such reduction, the Participant will have no right with respect to any portion of the Award that is so reduced or extended.

16.13 Substitute Awards in Corporate Transactions. Nothing contained in the Plan shall be construed to limit the right of the Committee to grant Awards under the Plan in connection with the acquisition, whether by purchase, merger, consolidation or other corporate transaction, of the business or assets of any corporation or other entity. Without limiting the foregoing, the Committee may grant Awards under the Plan to an employee or director of another corporation who becomes an Eligible Person by reason of any such corporate transaction in substitution for awards previously granted by such corporation or entity to such person. The terms and conditions of the substitute Awards may vary from the terms and conditions that would otherwise be required by the Plan solely to the extent the Committee deems necessary for such purpose. Any shares of Common Stock subject to these substitute Awards shall not be counted against any of the maximum share limitations set forth in the Plan.

17. Legal Compliance

17.1 Securities Laws. No shares of Common Stock will be issued or transferred pursuant to an Award unless and until all then applicable requirements imposed by Federal and state securities and other laws, rules and regulations and by any regulatory agencies having jurisdiction, and by any exchanges upon which the shares of Common Stock may be listed, have been fully met. As a condition precedent to the issuance of shares pursuant to the grant or exercise of an Award, the Company may require the Participant to take any reasonable action to meet such requirements. The Committee may impose such conditions on any shares of Common Stock issuable under the Plan as it may deem advisable, including, without limitation, restrictions under the Securities Act, as amended, under the requirements of any exchange upon which such shares of the same class are then listed, and under any blue sky or other securities laws applicable to such shares. The Committee may also require the Participant to represent and warrant at the time of issuance or transfer that the shares of Common Stock are being acquired only for investment purposes and without any current intention to sell or distribute such shares. All Common Stock issued pursuant to the terms of this Plan shall constitute "restricted securities," as that term is defined in Rule 144 promulgated pursuant to the Securities Act, and may not be transferred except in compliance herewith and with the registration requirements of the Securities Act or an exemption therefrom. Certificates representing Common Stock acquired pursuant to an Award may bear such legend as the Company may consider appropriate under the circumstances. If an Award is made to an Eligible Person who is subject to Chinese jurisdiction, and approval of the Award by China's State Administration of Foreign Exchange is needed, the Award may be converted to cash or other equivalent amount if and to the extent that such approval is not obtained.

17.2 Incentive Arrangement. The Plan is designed to provide an on-going, pecuniary incentive for Participants to produce their best efforts to increase the value of the Company. The Plan is not intended to provide retirement income or to defer the receipt of payments hereunder to the termination of a Participant's employment or beyond. The Plan is thus intended not to be a pension or welfare benefit plan that is subject to Employee Retirement Income Security Act of 1974 ("ERISA"), and shall be construed accordingly. All interpretations and determinations hereunder shall be made on a basis consistent with the Plan's status as not an employee benefit plan subject to ERISA.

17.3 Unfunded Plan. The adoption of the Plan and any reservation of shares of Common Stock or cash amounts by the Company to discharge its obligations hereunder shall not be deemed to create a trust or other funded arrangement. Except upon the issuance of Common Stock pursuant to an Award, any rights of a Participant under the Plan shall be those of a general unsecured creditor of the Company, and neither a Participant nor the Participant's permitted transferees or estate shall have any other interest in any assets of the Company by virtue of the Plan. Notwithstanding the foregoing, the Company shall have the right to implement or set aside funds in a grantor trust, subject to the claims of the Company's creditors or otherwise, to discharge its obligations under the Plan.

17.4 Section 409A Compliance. To the extent applicable, it is intended that the Plan and all Awards hereunder comply with the requirements of Section 409A of the Code or an exemption thereto, and the Plan and all Award Agreements shall be interpreted and applied by the Committee in a manner consistent with this intent in order to avoid the imposition of any additional tax under Section 409A of the Code. Notwithstanding anything in the Plan or an Award Agreement to the contrary, in the event that any provision of the Plan or an Award Agreement is determined by the Committee, in its sole discretion, to not comply with the requirements of Section 409A of the Code or an exemption thereto, the Committee shall, in its sole discretion, have the authority to take such actions and to make such interpretations or changes to the Plan or an Award Agreement as the Committee deems necessary, regardless of whether such actions, interpretations, or changes shall adversely affect a Participant, subject to the limitations, if any, of applicable law. In no event whatsoever shall the Company be liable for any additional tax, interest or penalties that may be imposed on any Participant by Section 409A of the Code or any damages for failing to comply with Section 409A of the Code.

17.5 Tax Withholding.

(a) The Company shall have the power and the right to deduct or withhold, or require a participant to remit to the Company, the minimum statutory amount to satisfy federal, state, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of this Plan, but in no event shall such deduction or withholding or remittance exceed the minimum statutory withholding requirements unless permitted by the Company and such additional withholding amount will not cause adverse accounting consequences and is permitted under Applicable Law.

(b) A Participant may, in order to fulfill the withholding obligation, tender previously-acquired shares of Common Stock or have shares of stock withheld from the exercise, provided that the shares have an aggregate Fair Market Value sufficient to satisfy in whole or in part the applicable withholding taxes. The broker-assisted exercise procedure described in Section 6.5 may also be utilized to satisfy the withholding requirements related to the exercise of a Stock Option or Assumed Option.

(c) Notwithstanding the foregoing, a Participant may not use shares of Common Stock to satisfy the withholding requirements to the extent that (i) there is a substantial likelihood that the use of such form of payment or the timing of such form of payment would subject the Participant to a substantial risk of liability under Section 16 of the Exchange Act; (ii) such withholding would constitute a violation of the provisions of any law or regulation (including the Sarbanes-Oxley Act of 2002), or (iii) such withholding would cause adverse accounting consequences for the Company.

17.6 No Guarantee of Tax Consequences. Neither the Company, the Board, the Committee nor any other Person make any commitment or guarantee that any federal, state, local or foreign tax treatment will apply or be available to any Participant or any other person hereunder.

17.7 Severability. If any provision of the Plan or any Award Agreement shall be determined to be illegal or unenforceable by any court of law in any jurisdiction, the remaining provisions hereof and thereof shall be severable and enforceable in accordance with their terms, and all provisions shall remain enforceable in any other jurisdiction.

17.8 Stock Certificates; Book Entry Form. Notwithstanding any provision of the Plan to the contrary, unless otherwise determined by the Committee or required by any applicable law, rule or regulation, any obligation set forth in the Plan pertaining to the delivery or issuance of stock certificates evidencing shares of Common Stock may be satisfied by having issuance and/or ownership of such shares recorded on the books and records of the Company (or, as applicable, its transfer agent or stock plan administrator).

17.9 Governing Law. The Plan and all rights hereunder shall be subject to and interpreted in accordance with the laws of the State of Delaware, without reference to the principles of conflicts of laws, and to applicable Federal securities laws.

18. Effective Date, Amendment and Termination

18.1 Effective Date. The effective date of the Plan shall be the date on which the Plan is approved by the requisite percentage of the holders of the Common Stock of the Company; provided, however, that Awards granted under the Plan subsequent to the approval of the Plan by the Board shall be valid if such stockholder approval occurs within one year of the date on which such Board approval occurs.

18.2 Successor to Prior Plan. This Plan succeeds and replaces the Prior Plan in its entirety; provided, however, that the terms of Assumed Option Agreements entered into with respect to Assumed Options shall continue in effect subject to such modifications or amendments thereto as may be made to such Assumed Option Agreements; and provided further however that Assumed Options and Assumed Option Agreements shall be subject to the additional terms and conditions of the 2016 Israeli Sub-Plan annexed hereto as Exhibit A. For avoidance of doubt, and without limitation, the terms of Sections 3, 4, 6.5, 15, 16, 17 and 18 of this Plan shall govern Prior Options, except to the extent that application of such terms demand otherwise.

18.3 Amendment; Termination. The Board may suspend or terminate the Plan (or any portion thereof) at any time and may amend the Plan at any time and from time to time in such respects as the Board may deem advisable or in the best interests of the Company or any Subsidiary; provided, however, that (a) no such amendment, suspension or termination shall materially and adversely affect the rights of any Participant under any outstanding Awards, without the consent of such Participant, (b) to the extent necessary and desirable to comply with any applicable law, regulation, or stock exchange rule, the Company shall obtain stockholder approval of any Plan amendment in such a manner and to such a degree as required, and (c) stockholder approval is required for any amendment to the Plan that (i) increases the number of shares of Common Stock available for issuance under the Plan, or (ii) changes the persons or class of persons eligible to receive Awards. The Plan will continue in effect until terminated in accordance with this Section 18.2; *provided, however,* that no Award will be granted hereunder on or after the 10th anniversary of the date of the Plan's initial adoption by the Board (the "Expiration Date"); *but provided further,* that Awards granted prior to such Expiration Date may extend beyond that date.

INITIAL BOARD APPROVAL: December 14, 2016

INITIAL STOCKHOLDER APPROVAL: December 20, 2016

EXHIBIT A

2016 ISRAELI SUB-PLAN

TO THE MOTUS GI HOLDINGS, INC. 2016 EQUITY INCENTIVE PLAN

SECTION 1. General. This Motus GI Holdings, Inc. 2016 Israeli Sub-Plan (this "Sub-Plan") is to be read as a part of the Motus GI Holdings, Inc. 2016 Equity Incentive Plan (the "Plan"), and the Plan and this Sub-Plan shall be deemed one integrated document. The provisions of the Plan shall apply to Awards (as defined below) granted under this Sub-Plan, subject to the modifications set forth below. In the event of any conflict between the Plan and this Sub-Plan, the terms of this Sub-Plan shall govern with respect to Awards granted to Israeli Participants (as defined below). This Sub-Plan shall only apply to, and modify Awards granted to, Israeli Participants so that such Awards will be governed by the terms of this Sub-Plan and comply with the requirements of Israeli law generally, and specifically with the provisions of Section 3(i) and Section 102 of the Ordinance (as defined below). For the avoidance of doubt, this Sub-Plan shall not modify the Plan with respect of any other category of Participant.

Unless otherwise defined in this Sub-Plan, all capitalized terms used herein shall have the same meanings given to such terms in the Plan. Capitalized terms used herein that are the plural forms or singular forms of defined terms shall have the corresponding plural or singular meanings of the corresponding defined terms. The following terms shall have the meanings set forth below, unless the context clearly requires a different meaning:

(a) "3(i) Award" means an Award granted pursuant to Section 3(i) of the Ordinance to any person who is an Israeli Non-Employee Participant.

(b) "102 Award " means an Award granted pursuant to Section 102 of the Ordinance to any person who is an Israeli Employee Participant.

(c) "102 Capital Gains Award" means a Trustee 102 Award elected and designated by the Employing Company to qualify for Capital Gains tax treatment in accordance with the provisions of Section 102(b)(2) of the Ordinance.

(d) "102 Ordinary Income Award " means a Trustee 102 Award elected and designated by the Employing Company to qualify for ordinary income tax treatment in accordance with the provisions of Section 102(b)(1) of the Ordinance.

(e) "Affiliate" means any "employing company" within the meaning of Section 102(a) of the Ordinance.

(f) "Award" means an award of Stock Option, Restricted Stock, Stock Unit, Stock Appreciation Right, Performance Share, Performance Unit, Incentive Bonus Award, Other Cash-Based Award and/or Other Stock-Based Award granted under the Plan.

(g) "Controlling Shareholder" shall have the meaning ascribed to it in Section 32(9) of the Ordinance.

(h) "Employing Company" shall have the meaning ascribed to it in Section 102(a) of the Ordinance.

(i) "Israeli Employee Participant" means a person who is a resident of the state of Israel or who is deemed to be a resident of the state of Israel for the payment of tax, and who is an employee or an Office Holder ("*Noseh Missra*") of the Company, or any Affiliate of the Company, in each case excluding a person who is a Controlling Shareholder prior to the issuance of the relevant Award or as a result thereof.

(j) "Israeli Non-Employee Participant" means a person who is a resident of the state of Israel or who is deemed to be a resident of the state of Israel for the payment of tax, and who is (i) a consultant, adviser or service provider of the Company, or any Affiliate of the Company, who is not an Israeli Employee Participant, or (ii) a Controlling Shareholder (whether or not an employee of the Company or any Affiliate of the Company).

(k) "Israeli Participant" means Israeli Employee Participants and Israeli Non-Employee Participants.

(l) "ITA" means the Israeli Income Tax Authority, or any successor agency.

(m) "Lockup Period" means the requisite period prescribed by the Ordinance and the Rules, or such other period as may be required by the ITA, with respect to 102 Trustee Grants, during which Awards or Shares issued thereunder, and all rights resulting from them, including bonus shares, must be held by the Trustee.

(n) "Non-Trustee 102 Award" means an Award granted to an Israeli Participant pursuant to Section 102(c) of the Ordinance, which is not required to be held in trust by a Trustee.

(o) "Ordinance" means the 1961 Israeli Income Tax Ordinance [New Version] or any successor statute, as amended from time to time.

(p) "Rules" means the Income Tax Rules (Tax Relief in the Issuance of Shares to Employees), 5763-2003.

(q) "Section 102" means section 102 of the Ordinance and any regulations, rules, orders or procedures promulgated thereunder as now in effect or as amended or replaced from time to time.

(r) "Tax" means any tax (including, without limitation, any income tax, capital gains tax, value added tax, sales tax, property tax, gift tax, or estate tax), levy, assessment, tariff, duty (including any customs duty), deficiency, or other fee, and any related charge or amount (including any fine, penalty, interest, linkage differentials or addition to tax), imposed, assessed, or collected by or under the authority of any governmental body.

(s) "Trustee" means any person or entity appointed by the Company or any of its Affiliates, as applicable, and approved by the ITA, to serve as a trustee, all in accordance with the provisions of Section 102(a) of the Ordinance.

(t) "Trustee 102 Award" means an Award granted pursuant to Section 102(b) of the Ordinance and held in trust by a Trustee for the benefit of the Participant.

SECTION 2. Issuance of Awards.

(a) Without derogating from the provisions of the Plan: (i) Israeli Employee Participants may be granted only 102 Awards; and (ii) Israeli Non-Employee Participants may be granted only 3(i) Awards. In each case, such Awards shall be subject to the terms and conditions of the Ordinance.

(b) The Employing Company may, pursuant to Section 102, designate 102 Awards granted to Israeli Employee Participants as Non-Trustee 102 Awards or as Trustee 102 Awards.

(c) The Employing Company shall have the absolute discretion to decide whether Awards granted pursuant to Section 3(i) of the Ordinance shall be held by the Trustee for any Lockup Period.

(d) Any trustee, including, without limitation, the Trustee, holding Awards or Shares issued upon the exercise thereof, or rights resulting therefrom, including bonus shares, shall not be liable for any good faith determination, act or omission in connection with the Plan, any Sub-Plan, any Award or any agreement entered into between such Trustee and the Company or any Affiliate.

SECTION 3. Trustee 102 Awards.

(a) Awards granted pursuant to this Section 3 are intended to constitute Trustee 102 Awards and are subject to the provisions of Section 102 and the general terms and conditions specified in the Plan, except for such provisions of the Plan applying to Awards under a different tax law or regulation.

(b) Unless the Committee determines otherwise and subject to applicable law, Trustee 102 Awards may be granted only to Israeli Employee Participants.

(c) Trustee 102 Awards shall be classified as either 102 Capital Gains Awards or 102 Ordinary Income Awards, subject to the terms and conditions of Section 102 and the provisions of the Plan and this Sub-Plan.

(d) No Trustee 102 Awards may be granted under this Sub-Plan, unless and until the Employing Company's election of the type of Trustee 102 Awards to be granted to Israeli Employee Participants, being either 102 Capital Gains Awards or 102 Ordinary Income Awards, (the 'Election"), is appropriately filed with the ITA. The Board shall have the right to determine whether the Election shall be that the Trustee 102 Awards be 102 Capital Gains Awards or 102 Ordinary Income Awards. After making an Election, the Company may grant only the type of Trustee 102 Awards it has elected (i.e., 102 Capital Gains Awards or 102 Ordinary Income Awards), and the Election shall apply to all grants to Israeli Employee Participants of Trustee 102 Awards until such Election is changed pursuant to the provisions of Section 102(g) of the Ordinance. The Employing Company may change such Election only after the passage of at least one year after the end of the year during which the applicable Employing Company first granted Trustee 102 Awards in accordance with the previous Election. For the avoidance of doubt, such Election shall not prevent the Company from granting Non-Trustee 102 Awards or 3(i) Awards.

(e) The grant of Trustee 102 Awards shall be conditioned upon the approval (or the deemed approval pursuant to the provisions of section 102(a) of the Ordinance) of the Plan, this Sub-Plan and the Trustee by the ITA.

(f) Trustee 102 Awards may be granted only after the passage of thirty (30) days (or a shorter period as, and if, approved by the ITA) following the delivery by the appropriate Employing Company to the ITA of a request for approval of the Plan (including this Sub-Plan) and the Trustee in accordance with Section 102. Notwithstanding the foregoing paragraph, if within ninety (90) days of delivery of the abovementioned request, the appropriate ITA officer notifies the Employing Company of his or her decision not to approve the Plan (including this Sub-Plan) or the Trustee, the Awards that were intended to be granted as a Trustee 102 Awards shall be deemed to be Non-Trustee 102 Awards, unless otherwise determined by the ITA officer.

(g) Anything herein to the contrary notwithstanding, all Trustee 102 Awards granted under this Plan shall be granted or issued to a Trustee. The Trustee shall hold each such Trustee 102 Award, all Shares issued upon exercise thereof, and all other rights resulting from such Trustee 102 Award or Shares, including bonus shares, in trust for the benefit of the Israeli Employee Participant to which such Award was granted. All certificates representing Awards or Shares issued to the Trustee under the Plan shall be issued in the Trustee's name, deposited with the Trustee, and shall be held by the Trustee until such time that such Awards or Shares are released from the trust.

(h) With respect to 102 Capital Gains Awards and 102 Ordinary Income Awards, such Awards or any Shares issued upon the exercise thereof and all rights resulting from such Awards or Shares, including bonus shares, will be held by the Trustee, from the date such Awards or Shares were deposited with the Trustee until the end of the applicable Lockup Period (currently 24 months with respect to 102 Capital Gains Awards and 12 months with respect to 102 Ordinary Income Awards) or such shorter period as approved by the ITA, under the terms set forth in Section 102.

(i) In accordance with Section 102, the Israeli Employee Participant shall not sell, cause the release from trust, or otherwise dispose of, any Trustee 102 Award, any Share issued upon the exercise thereof, or any rights resulting from such Award or Share, including bonus shares, until the end of the applicable Lockup Period. Notwithstanding the foregoing but without derogating from the provisions of the Plan and the terms and conditions set forth in the Award Agreement, if any such sale, release, or disposition occurs during the Lockup Period, then the provisions of Section 102 relating to non-compliance with the Lockup Period will apply and all sanctions and liability under Section 102 shall be borne by the Israeli Employee Participant. The Israeli Employee Participant will indemnify the Company, the Trustee and any other party which incurs any liability as a result of such sale, release or disposition.

(j) Anything herein to the contrary notwithstanding, the Trustee shall not release any unexercised Trustee 102 Awards, Shares issued upon the exercise of any Trustee 102 Awards, or any rights, including bonus shares, resulting from such Trustee 102 Awards or Shares, prior to the full payment of the Exercise Price and the Israeli Employee Participant's tax liability arising from the Trustee 102 Awards granted to him or her.

(k) In the event that the requirements for the Trustee 102 Awards are not met, then the Trustee 102 Awards shall be deemed Non-Trustee 102 Awards.

(l) Upon receipt of a Trustee 102 Award, the Israeli Employee Participant will sign an Award Agreement under which such Participant will agree to be subject to the trust agreement between the Company or its Affiliate and the Trustee, stating, *inter alia*, that the Trustee will be released from any liability in respect of any action or decision taken or executed in good faith with respect to this Sub-Plan, or any Trustee 102 Award or Share issued to him or her thereunder, or right resulting therefrom, including bonus shares.

(m) The validity of any order given to the Trustee by an Israeli Employee Participant shall be subject to the approval of the Employing Company. The Employing Company shall render its decision regarding whether to approve orders given by any Israeli Employee Participant to the Trustee within a reasonable period of time. The Employing Company shall not be required to approve any order which is incomplete, is not in accordance with the provisions of this Plan and the applicable Award Agreement or which the Employing Company believes should not be executed for any reasonable reason. The Employing Company shall notify the Israeli Employee Participant of the reason for not approving his or her order. Approval by the Employing Company of any order given to the Trustee by an Israeli Employee Participant shall not constitute proof of the Employing Company's recognition of any right of such Israeli Employee Participant.

(n) Without derogating from the above, the Employing Company shall have the authority to determine the specific procedures and conditions of the trusteeship with the Trustee in a separate agreement between the Employing Company and the Trustee.

(o) In the case of 102 Awards, the Trustee shall have no rights as a shareholder of the Company with respect to the Shares covered by such Award until the Trustee becomes the record holder for such Shares for the Israeli Participant's benefit, and the Israeli Participant shall have no rights as a shareholder of the Company with respect to the Shares covered by the Award until the date of the release of such Shares from the Trustee to the Israeli Participant and the transfer of record ownership of such shares to the Israeli Participant.

SECTION 4. Non-Trustee 102 Awards.

(a) Awards granted pursuant to this Section 4 are intended to constitute Non-Trustee 102 Awards and are subject to the provisions of Section 102 and the general terms and conditions specified in the Plan, except for such provisions of the Plan applying to Awards granted under a different tax law or regulations.

(b) Unless the Committee determines otherwise and subject to applicable law, Non-Trustee 102 Awards may be granted only to Israeli Employee Participants.

(c) Non-Trustee 102 Awards that shall be granted pursuant to the Plan may be issued directly to the Israeli Employee Participant or to a trustee appointed by the Board in its sole discretion. In the event that the Board determines that Non-Trustee 102 Awards, or Shares issued upon the exercise thereof, or rights resulting therefrom, including bonus shares, shall be deposited with a trustee, the provisions of Section 3(g), 3(h), 3(i), 3(j), 3(l), 3(m), 3(n), and 3(o) of this Sub-Plan shall apply, *mutatis mutandis*.

(d) In the event that an Israeli Employee Participant was granted a Non-Trustee 102 Award and thereafter such Israeli Employee Participant's employment by the Company, or any Affiliate thereof, terminates for any reason, such Israeli Employee Participant will be obligated to provide his or her employer, upon the termination of his or her employment, with a security or guarantee to cover any future tax obligation resulting from the grant, exercise or disposition of the Award, the Shares issuable upon the exercise thereof, or any rights resulting therefrom, in a form satisfactory to such employer in such employer's sole discretion.

SECTION 5. 3(i) Awards.

(a) Awards granted pursuant to this Section 5 are intended to constitute 3(i) Awards and are subject to the provisions of Section 3(i) of the Ordinance and the general terms and conditions specified the Plan, except for provisions of the Plan applying to Awards granted under a different tax law or regulations.

(b) Unless the Committee determines otherwise and subject to applicable law, 3(i) Awards may be granted only to Israeli Non-Employee Participants.

(c) 3(i) Awards that shall be granted pursuant to the Plan may be issued directly to the Israeli Non-Employee Participant or to a trustee appointed by the Board in its sole discretion. In the event that the Board determines that 3(i) Awards, or Shares issued upon the exercise thereof, or rights resulting therefrom, including bonus shares, shall be deposited with a trustee, the provisions of Section 3(g), 3(h), 3(i), 3(j), 3(l), 3(m), 3(n) and 3(o) of this Sub-Plan shall apply, *mutatis mutandis*.

(d) In the event that an Israeli Non-Employee Participant was granted a 3(i) Award and thereafter such Israeli Non-Employee Participant's employment by the Company, or any Affiliate thereof, terminates for any reason, such Israeli Non-Employee Participant will be obligated to provide his or her employer, upon the termination of his or her employment, with a security or guarantee to cover any future tax obligation resulting from the grant, exercise or disposition of the Award, the Shares issuable upon the exercise thereof, or any rights resulting therefrom, in a form satisfactory to such employer in such employer's sole discretion.

SECTION 6. The Award Agreement . The terms and conditions upon which the Awards shall be issued and exercised shall be as specified in an Award Agreement to be executed pursuant to the Plan and this Sub-Plan. Each Award Agreement shall state, inter alia, the number of Shares granted under the Award, the type of Award granted thereunder (whether such Award is a Trustee 102 Award, and if so, whether it is a 102 Capital Gains Award or 102 Ordinary Income Award, or a Non-Trustee 102 Award, or a 3(i) Award), the vesting provisions, the term of the Award, and the exercise price. Any grant of Awards shall be conditioned upon the Participant's undertaking to be subject to the provisions of Section 102 or Section 3(i) of the Ordinance, as applicable.

SECTION 7. Fair Market Value For Israeli Tax Purposes . Without derogating from Section 2.21 of the Plan and solely for the purpose of determining the tax liability pursuant to Section 102(b)(3) of the Ordinance, if at the date of grant of a 102 Capital Gains Award the Company's Shares are listed on any established stock exchange or a national market system, or if the Company's shares are registered for trading within ninety (90) days following the date of grant of the 102 Capital Gains Award, the fair market value of the Shares at the date of grant shall be determined in accordance with the average value of the Company's shares on the thirty (30) trading days preceding the date of grant or on the thirty (30) trading days following the date of registration for trading, as applicable.

SECTION 8. Exercise of Awards . Awards shall be exercised in accordance with the provisions of the Plan and the Award Agreement, and when applicable, in accordance with the requirements of Section 102.

SECTION 9. Assignability and Sale of Awards.

(a) Notwithstanding any other provision of the Plan to the contrary, no Awards, or any right with respect thereto or purchasable thereunder, whether fully paid or not, shall be assignable, transferable or given as collateral or any right with respect thereto granted to any third party whatsoever, without the prior written consent of the Board, and subject to the Ordinance. Any purported assignment, transfer, grant of collateral, or pledge of Awards, or any right with respect thereto or purchasable thereunder, contrary to the provisions of this Section, directly or indirectly, whether contemplated to be effective immediate effect or in the future, shall be null and void and cause the applicable Award to immediately expire. During the lifetime of the Israeli Participant all of such Israeli Participant's rights to purchase Shares or to otherwise exercise an Award hereunder shall be exercisable only by the Israeli Participant.

(b) Without derogating from Section 9(a) above, for as long as Awards or Shares purchased upon the exercise thereof are held by the Trustee on behalf of the Participant, all rights of the Participant with respect to such Awards and Shares shall be personal, and may not be transferred, assigned, pledged or mortgaged, other than by will or the laws of descent and distribution. Any purported assignment, transfer, grant of collateral, or pledge of an Award or Share in contradiction to the provisions of this Section, directly or indirectly, whether contemplated to be effective immediately or in the future, shall be null and void and cause the Award to expire immediately.

SECTION 10. Integration of Section 102 And Tax Assessing Officer's Permit.

(a) With respect to Trustee 102 Awards, the provisions of the Plan, this Sub-Plan and the Award Agreement shall be subject to the provisions of Section 102 and the Tax Assessing Officer's permit (to the extent that such permit is issued) and/or any pre-ruling obtained by the ITA (the "Permit"), and the provisions of the Permit shall be deemed integrated with, and a part of, the Plan, this Sub-Plan and the Award Agreement.

(b) Any provision of Section 102 or the Permit which is necessary in order to obtain or preserve any tax benefit pursuant to Section 102, which is not expressly specified in the Plan, this Sub-Plan, or the Award Agreement, shall be deemed to have been automatically incorporated into this Sub-Plan and binding upon the Company and the Participants who are Israeli Participants.

SECTION 11. Dividends. Without derogating from the provisions of the Plan, an Israeli Participant shall be entitled to receive (or the Trustee for the benefit of Participant if such Shares are held by the Trustee for his or her benefit) dividends with respect to Shares issued upon the exercise of his or her Awards, in accordance with the provisions of the Company's Certificate of Incorporation (including all amendments thereto), subject to any applicable taxation on distribution of dividends and, when applicable, subject to the provisions of Section 102.

SECTION 12. Tax Consequences.

(a) Any liability for any Tax arising with respect to the Awards and the Shares, including, but not limited to, as a result of the grant of Awards, the exercise of an Award for Shares, the receipt of cash, the transfer, waiver, or expiration of Awards or Shares or the disposal of Shares, shall be borne solely by the Israeli Participants, and in the event of their death, by their estates or heirs. Neither the Company nor any Affiliate nor the Trustee shall be required to pay such Taxes, directly or indirectly, nor shall they be required to gross up such Taxes in the Israeli Participants' salaries or remuneration. The applicable Tax may be deducted from any cash to be provided to the Israeli Participant or from the proceeds of the disposal of the Shares or shall be paid to the Trustee or to the Company or its Affiliates by the Israeli Participants at their request, or may be provided via any combination of the above.

(b) The Company, its Affiliates and the Trustee shall be entitled to withhold Taxes according to the requirements of any applicable laws, rules, and regulations, including by withholding Taxes at source and specifically under Rule 7(b) of the Rules.

(c) The Israeli Participants undertake to indemnify the Company, its Affiliates and the Trustee, immediately upon their request, for any Tax for which the Israeli Participant is liable under any applicable law, under the Plan or this Sub-Plan, and which was paid by the Company or the Trustee, or which the Company or the Trustee are required to pay and hold them harmless against and from any and all liability for any such tax or interest or penalty or indexation thereon, including without limitation, liabilities relating to the necessity to withhold, or to have withhold any such tax from payments made to the Israeli Participant. The Company may exercise its right to such indemnification by deducting the Tax subject to indemnification from Participant's salary or remuneration.

(d) The Board or, when applicable, the Trustee shall not be required to release any Awards, Shares, rights resulting therefrom, including bonus shares, or stock certificates, to an Israeli Participant until all required Tax payments and other payments to be borne by such Israeli Participant have been fully made.

(e) Notwithstanding any other provision No Israeli Participant shall have any of the rights of a shareholder with respect to any Shares until Participant pays all payments required to be paid under this Section 12 with respect to such Shares.

(f) The ramifications of any future modification of any applicable law with respect to the taxation of Awards or Shares granted to Participants shall apply to the Israeli Participants accordingly and the Israeli Participants shall bear the full cost thereof, unless such laws, as modified, mandatorily provide otherwise. For the avoidance of doubt, should the applicability of such taxing arrangements to the Plan, this Sub-Plan or to securities issued hereunder or thereunder be conditioned on a decision by the Company or by the Trustee that such arrangements shall apply, the Company shall be entitled to decide, at its absolute discretion, whether to apply such taxing arrangements and to instruct the Trustee to act accordingly.

(g) Unless the Committee determines otherwise at any time and subject to any applicable law, in the event that an Israeli Participant who was granted a Non-Trustee 102 Award is an employee of the Company or any Affiliate, such employee will be obligated to provide the Company or any its Affiliate, upon the termination of his or her employment for any reason, with a security or guarantee to cover any future tax obligation resulting from the grant, exercise or disposition of such Award or the Shares issuable upon the exercise thereof, in the form satisfactory to such employer in the latter's sole discretion.

(h) Each Participant agrees to, and undertakes to comply with, any ruling, settlement, closing agreement or other similar agreement or arrangement with ITA which is received and/or approved by the Company.

SECTION 13. Awards Excluded From Salary. The Awards and any Options, Restricted Stock, or Restricted Stock Units or Shares issued thereunder, are extraordinary one-time benefits granted to Israeli Participants, and are not and shall not be deemed a component of any such Israeli Participant's salary for any purpose, including, without limitation, in connection with calculating severance compensation under the Severance Compensation Law, 5723-1963, and the regulations promulgated thereunder**.**

SECTION 14. Governing Law & Jurisdiction. This Sub-Plan shall be governed by and construed and enforced in accordance with the laws of the State of Israel, without giving effect to the principles of conflict of laws. The competent courts in Tel- Aviv shall have sole jurisdiction in any matters pertaining to this Sub-Plan.

EXHIBIT B

PERFORMANCE MEASURES

Section 162(m) Awards shall be based on the attainment of objective performance goals that are established by the Committee and relate to one or more Performance Measures, in each case on specified date or over any period, up to 10 years, as determined by the Committee.

"Performance Measures" means the following business criteria (or any combination thereof) with respect to one or more of the Company, any Subsidiary or any division or operating unit thereof:

- pre-tax income,
- after-tax income,
- net income (meaning net income as reflected in the Company's financial reports for the applicable period, on an aggregate, diluted and/or per share basis, or economic net income),
- operating income or profit,
- cash flow, free cash flow, cash flow return on investment (discounted or otherwise), net cash provided by operations, or cash flow in excess of cost of capital,
- earnings per share (basic or diluted),
- return on equity,
- returns on sales or revenues,
- return on invested capital or assets (gross or net),
- cash, funds or earnings available for distribution,
- appreciation in the fair market value of the Common Stock,
- operating expenses,
- implementation or completion of critical projects or processes,
- return on investment,
- total return to stockholders (meaning the aggregate Common Stock price appreciation and dividends paid (assuming full reinvestment of dividends) during the applicable period),

● net earnings growth,

● return measures (including but not limited to return on assets, capital, equity, or sales),

● increase in revenues,

● the Company's published ranking against its peer group of companies based on total stockholder return,

● net earnings,

● changes (or the absence of changes) in the per share price of the Company's Common Stock,

● preclinical, clinical or regulatory milestones,

● earnings before or after any one or more of the following items: interest, taxes, depreciation or amortization, as reflected in the Company's financial reports for the applicable period,

● total revenue growth (meaning the increase in total revenues after the date of grant of an award and during the applicable period, as reflected in the Company's financial reports for the applicable period),

● economic value created,

● operating margin or profit margin,

● share price or total shareholder return,

● cost targets, reductions and savings, productivity and efficiencies,

● strategic business criteria, consisting of one or more objectives based on meeting objectively determinable criteria: specified market penetration, geographic business expansion, investor satisfaction, employee satisfaction, human resources management, supervision of litigation, information technology, and goals relating to acquisitions, divestitures, joint ventures and similar transactions, and budget comparisons,

● objectively determinable personal or professional objectives, including any of the following performance goals: the implementation of policies and plans, the negotiation of transactions, the development of long term business goals, formation of joint ventures, research or development collaborations, and the completion of other corporate transactions, and

● any combination of, or a specified increase or improvement in, any of the foregoing.

Where applicable, the Performance Measures may be expressed in terms of attaining a specified level of the particular criteria or the attainment of a percentage increase or decrease in the particular criteria, and may be applied to one or more of the Company, a Subsidiary or affiliate, or a division or strategic business unit of the Company, or may be applied to the performance of the Company relative to a market index, a group of other companies or a combination thereof, all as determined by the Committee.

The Performance Measures may include a threshold level of performance below which no payment shall be made (or no vesting shall occur), levels of performance at which specified payments shall be made (or specified vesting shall occur), and a maximum level of performance above which no additional payment shall be made (or at which full vesting shall occur).

Except as otherwise expressly provided, all financial terms are used as defined under Generally Accepted Accounting Principles ("GAAP") and all determinations shall be made in accordance with GAAP, as applied by the Company in the preparation of its periodic reports to stockholders.

To the extent permitted by Section 162(m) of the Code, unless the Committee provides otherwise at the time of establishing the performance goals, for each fiscal year of the Company, the Committee shall have the authority to make equitable adjustments to the Performance Measures in recognition of unusual or non-recurring events affecting the Company or any Subsidiary or affiliate or the financial statements of the Company or any Subsidiary or affiliate and may provide for objectively determinable adjustments, as determined in accordance with GAAP, to any of the Performance Measures described above for one or more of the items of gain, loss, profit or expense: (A) determined to be extraordinary or unusual in nature or infrequent in occurrence, (B) related to the disposal of a segment of a business, (C) related to a change in accounting principle under GAAP or a change in applicable laws or regulations, (D) related to discontinued operations that do not qualify as a segment of a business under GAAP, and (E) attributable to the business operations of any entity acquired by the Company during the fiscal year.

INCENTIVE STOCK OPTION GRANT AGREEMENT

MOTUS GI HOLDINGS, INC.

This Stock Option Grant Agreement (the "Grant Agreement") is made and entered into effective on the Date of Grant set forth in Exhibit A (the "Date of Grant") by and between Motus GI Holdings, Inc., a Delaware corporation (the "Company"), and the individual named in Exhibit A hereto (the "Optionee").

WHEREAS, the Company desires to provide the Optionee an incentive to participate in the success and growth of the Company through the opportunity to earn a proprietary interest in the Company; and

WHEREAS, to give effect to the foregoing intention, the Company desires to grant the Optionee an option pursuant to the Motus GI Holdings, Inc. 2016 Equity Incentive Plan (the "Plan") to acquire the Company's common stock, par value $.0001 per share (the "Common Stock");

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

1. Grant. The Company hereby grants the Optionee an Incentive Stock Option (the "Option") to purchase up to the number of shares of Common Stock (the "Shares") set forth in Exhibit A hereto at the exercise price per Share (the "Exercise Price") set forth in Exhibit A, and on the vesting schedule set forth in Exhibit A, subject to the terms and conditions set forth herein and the provisions of the Plan, the terms of which are incorporated herein by reference. Capitalized terms used but not otherwise defined in this Grant Agreement shall have the meanings as set forth in the Plan.

This Option is intended to qualify as an Incentive Stock Option ("ISO") under Section 422 of the Code. However, notwithstanding such designation, if the Optionee becomes eligible in any given year to exercise ISOs for Shares having a Fair Market Value in excess of $100,000, those options representing the excess shall be treated as Non-Qualified Stock Options. In the previous sentence, "ISOs" include ISOs granted under any plan of the Company or any parent or any Subsidiary of the Company. For the purpose of deciding which options apply to Shares that "exceed" the $100,000 limit, ISOs shall be taken into account in the same order as granted. The Fair Market Value of the Shares shall be determined as of the time the Option with respect to such Shares is granted. The Optionee hereby acknowledges that there is no assurance that the Option will, in fact, be treated as an Incentive Stock Option under Section 422 of the Code.

2. Exercise Period Following Termination of Continuous Service. This Option shall terminate and be canceled to the extent not exercised within three (3) months following termination of the Optionee's Continuous Service; provided that if such termination is due to the Optionee's death or permanent and total disability within the meaning of Section 22(e)(3) of the Code, this Option shall terminate and be cancelled one (1) year from the date of termination of Continuous Service. Notwithstanding the foregoing, in the event that the Optionee's Continuous Service is terminated for Cause, then the Option shall immediately terminate on the date of such termination of Continuous Service and shall not be exercisable for any period following such date. In no event, however, shall this Option be exercised later than the Expiration Date set forth in Exhibit A and in no event shall this Option be exercised for more Shares than the Shares which otherwise have become exercisable as of the date of termination.

3. Method of Exercise. This Option is exercisable by delivery to the Company of an exercise notice (the "Exercise Notice") in a form satisfactory to the Committee or by such other form or means as the Committee may permit or require. Any Exercise Notice shall state or provide the number of Shares with respect to which the Option is being exercised (the "Exercised Shares"), and include such other representations and agreements as may be required by the Company pursuant to the provisions of the Plan. The Exercise Notice shall be accompanied by payment of the aggregate Exercise Price for the Exercised Shares in (i) cash; (ii) check; or (iii) such other manner as is acceptable to the Committee, provided that such form of consideration is permitted by the Plan and by applicable law. Upon exercise of the Option by the Optionee and prior to the delivery of such Exercised Shares, the Company shall have the right to require the Optionee to satisfy applicable Federal and state tax income tax withholding requirements and the Optionee's share of applicable employment withholding taxes in a method satisfactory to the Company. Notwithstanding the foregoing, no Exercised Shares shall be issued unless such exercise and issuance complies with the requirements relating to the administration of stock option plans and other applicable equity plans under U.S. state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted, and the applicable laws of any foreign country or jurisdiction where stock grants or other applicable equity grants are made under the Plan; assuming such compliance, for income tax purposes the Exercised Shares shall be considered transferred to the Optionee on the date the Option is exercised with respect to such Shares.

4. Covenants Agreement. This Option shall be subject to forfeiture at the election of the Company in the event that the Optionee breaches any agreement between the Optionee and the Company with respect to noncompetition, nonsolicitation, assignment of inventions and contributions and/or nondisclosure obligations of the Optionee.

5. Taxes. By executing this Grant Agreement, Optionee acknowledges and agrees that Optionee is solely responsible for the satisfaction of any applicable taxes that may be imposed on Optionee that arise as a result of the grant, vesting or exercise of the Option, including without limitation any taxes arising under Section 409A of the Code (regarding deferred compensation) or Section 4999 of the Code (regarding golden parachute excise taxes), and that neither the Company nor the Committee shall have any obligation whatsoever to pay such taxes or otherwise indemnify or hold Optionee harmless from any or all of such taxes.

6. Non-Transferability of Option. This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of the Optionee only by the Optionee. The terms of the Plan and this Grant Agreement shall be binding upon the executors, administrators, heirs, successors and assigns of the Optionee.

7. Securities Matters. All Shares and Exercised Shares shall be subject to the restrictions on sale, encumbrance and other disposition provided by Federal or state law. The Company shall not be obligated to sell or issue any Shares or Exercised Shares pursuant to this Grant Agreement unless, on the date of sale and issuance thereof, such Shares are either registered under the Securities Act of 1933, as amended (the "Securities Act"), and all applicable state securities laws, or are exempt from registration thereunder. Regardless of whether the offering and sale of Shares under the Plan have been registered under the Securities Act, or have been registered or qualified under the securities laws of any state, the Company at its discretion may impose restrictions upon the sale, pledge or other transfer of such Shares (including the placement of appropriate legends on stock certificates or the imposition of stop-transfer instructions) if, in the judgment of the Company, such restrictions are necessary in order to achieve compliance with the Securities Act or the securities laws of any state or any other law.

8. Investment Purpose. The Optionee represents and warrants that unless the Shares are registered under the Securities Act, any and all Shares acquired by the Optionee under this Grant Agreement will be acquired for investment for the Optionee's own account and not with a view to, for resale in connection with, or with an intent of participating directly or indirectly in, any distribution of such Shares within the meaning of the Securities Act. The Optionee agrees not to sell, transfer or otherwise dispose of such Shares unless they are either (1) registered under the Securties Act and all applicable state securities laws, or (2) exempt from such registration in the opinion of Company counsel.

9. Lock-Up Agreement. The Optionee hereby agrees that in the event that the Optionee exercises this Option during a period in which any directors or officers of the Company have agreed with one or more underwriters not to sell securities of the Company, then, as a condition to such exercise, the Optionee shall enter into an agreement, in form and substance satisfactory to the Company, pursuant to which the Optionee shall agree to restrictions on transferability of the Shares comparable to the restrictions agreed upon by such directors or officers of the Company.

10. Other Plans. No amounts of income received by the Optionee pursuant to this Grant Agreement shall be considered compensation for purposes of any pension or retirement plan, insurance plan or any other employee benefit plan of the Company or its subsidiaries, unless otherwise expressly provided in such plan.

11. No Guarantee of Continued Service. The Optionee acknowledges and agrees that the right to exercise the Option pursuant to the exercise schedule hereof is earned only through Continuous Service and such other requirements, if any, as are set forth in Exhibit A (and not through the act of being hired, being granted an option or purchasing shares hereunder). The Optionee further acknowledges and agrees that (i) this Grant Agreement, the transactions contemplated hereunder and the exercise schedule set forth herein do not constitute an express or implied promise of continued employment or service for the exercise period or for any other period, and shall not interfere with the Optionee's right or the right of the Company or its Subsidiaries to terminate the employment or service relationship at any time, with or without cause, subject to the terms of any written employment agreement that the Optionee may have entered into with the Company or any of its Subsidiaries; and (ii) the Company would not have granted this Option to the Optionee but for these acknowledgements and agreements.

12. Entire Agreement; Governing Law. The Plan is incorporated herein by reference. The Plan and this Grant Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Optionee with respect to the subject matter hereof, and may not be modified adversely to the Optionee's interest except by means of a writing signed by the Company and the Optionee. In the event of any conflict between this Grant Agreement and the Plan, the Plan shall be controlling, except as otherwise specifically provided in the Plan. This Grant Agreement shall be construed under the laws of the State of Delaware, without regard to conflict of laws principles.

13. Opportunity for Review. Optionee and the Company agree that this Option is granted under and governed by the terms and conditions of the Plan and this Grant Agreement. The Optionee has reviewed the Plan and this Grant Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Agreement and fully understands all provisions of the Plan and this Grant Agreement. The Optionee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions relating to the Plan and this Grant Agreement. The Optionee further agrees to notify the Company upon any change in the residence address indicated herein.

14. Section 409A. This Option is intended to be excepted from coverage under Section 409A and shall be administered, interpreted and construed accordingly. The Company may, in its sole discretion and without the Optionee's consent, modify or amend the terms of this Grant Agreement, impose conditions on the timing and effectiveness of the exercise of the Option by Optionee, or take any other action it deems necessary or advisable, to cause the Option to be excepted from Section 409A (or to comply therewith to the extent the Company determines it is not excepted).

15. Recoupment. In the event the Company restates its financial statements due to material noncompliance with any financial reporting requirements under applicable securities laws, any shares issued pursuant to this Agreement for or in respect of the year that is restated, or the prior three years, may be recovered to the extent the shares issued exceed the number that would have been issued based on the restatement. In addition and without limitation of the foregoing, any amounts paid hereunder shall be subject to recoupment in accordance with The Dodd–Frank Wall Street Reform and Consumer Protection Act and any implementing regulations thereunder, any clawback policy adopted by the Company or as is otherwise required by applicable law or stock exchange listing conditions.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Grant Agreement as of the date set forth in Exhibit A.

MOTUS GI HOLDINGS, INC.

By: _____
Name:
Title:

OPTIONEE

_____
Name:

EXHIBIT A

INCENTIVE STOCK OPTION GRANT AGREEMENT

MOTUS GI HOLDINGS, INC.

(a). **Optionee's Name**: _____

(b). **Date of Grant**: _____

(c). **Number of Shares Subject to the Option**: _____

(d). **Exercise Price**: $_____ **per Share**

(e). **Expiration Date**: _____

(f). **Vesting Schedule**:

_____ (Initials)
Optionee

_____ (Initials)
Company Signatory

NONQUALIFIED STOCK OPTION GRANT AGREEMENT

MOTUS GI HOLDINGS, INC.

This Stock Option Grant Agreement (the "Grant Agreement") is made and entered into effective on the Date of Grant set forth in Exhibit A (the "Date of Grant") by and between Motus GI Holdings, Inc., a Delaware corporation (the "Company"), and the individual named in Exhibit A hereto (the "Optionee").

WHEREAS, the Company desires to provide the Optionee an incentive to participate in the success and growth of the Company through the opportunity to earn a proprietary interest in the Company; and

WHEREAS, to give effect to the foregoing intention, the Company desires to grant the Optionee an option pursuant to the Motus GI Holdings, Inc. 2016 Equity Incentive Plan (the "Plan") to acquire the Company's common stock, par value $.0001 per share (the "Common Stock");

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

1. Grant. The Company hereby grants the Optionee a Nonqualified Stock Option (the "Option") to purchase up to the number of shares of Common Stock (the "Shares") set forth in Exhibit A hereto at the exercise price per Share (the "Exercise Price") set forth in Exhibit A, and on the vesting schedule set forth in Exhibit A, subject to the terms and conditions set forth herein and the provisions of the Plan, the terms of which are incorporated herein by reference. Capitalized terms used but not otherwise defined in this Grant Agreement shall have the meanings as set forth in the Plan.

2. Exercise Period Following Termination of Continuous Service. This Option shall terminate and be canceled to the extent not exercised within ninety (90) days after the Optionee's Continuous Service terminates, except that if such termination is due to the death or Disability of the Optionee, this Option shall terminate and be canceled twelve (12) months from the date of termination of Continuous Service. Notwithstanding the foregoing, in the event that the Optionee's Continuous Service is terminated for Cause, then the Option shall immediately terminate on the date of such termination of Continuous Service and shall not be exercisable for any period following such date. In no event, however, shall this Option be exercised later than the Expiration Date set forth in Exhibit A and in no event shall this Option be exercised for more Shares than the Shares which otherwise have become exercisable as of the date of termination.

3. Method of Exercise. This Option is exercisable by delivery to the Company of an exercise notice (the "Exercise Notice") in a form satisfactory to the Committee or by such other form or means as the Committee may permit or require. Any Exercise Notice shall state or provide the number of Shares with respect to which the Option is being exercised (the "Exercised Shares"), and include such other representations and agreements as may be required by the Company pursuant to the provisions of the Plan. The Exercise Notice shall be accompanied by payment of the aggregate Exercise Price for the Exercised Shares in (i) cash; (ii) check; or (iii) such other manner as is acceptable to the Committee, provided that such form of consideration is permitted by the Plan and by applicable law. Upon exercise of the Option by the Optionee and prior to the delivery of such Exercised Shares, the Company shall have the right to require the Optionee to satisfy applicable Federal and state tax income tax withholding requirements and the Optionee's share of applicable employment withholding taxes in a method satisfactory to the Company. Notwithstanding the foregoing, no Exercised Shares shall be issued unless such exercise and issuance complies with the requirements relating to the administration of stock option plans and other applicable equity plans under U.S. state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted, and the applicable laws of any foreign country or jurisdiction where stock grants or other applicable equity grants are made under the Plan; assuming such compliance, for income tax purposes the Exercised Shares shall be considered transferred to the Optionee on the date the Option is exercised with respect to such Shares.

4. Covenants Agreement. This Option shall be subject to forfeiture at the election of the Company in the event that the Optionee breaches any agreement between the Optionee and the Company with respect to noncompetition, nonsolicitation, assignment of inventions and contributions and/or nondisclosure obligations of the Optionee.

5. Taxes. By executing this Grant Agreement, Optionee acknowledges and agrees that Optionee is solely responsible for the satisfaction of any applicable taxes that may be imposed on Optionee that arise as a result of the grant, vesting or exercise of the Option, including without limitation any taxes arising under Section 409A of the Code (regarding deferred compensation) or Section 4999 of the Code (regarding golden parachute excise taxes), and that neither the Company nor the Committee shall have any obligation whatsoever to pay such taxes or otherwise indemnify or hold Optionee harmless from any or all of such taxes.

6. Non-Transferability of Option. This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of the Optionee only by the Optionee. The terms of the Plan and this Grant Agreement shall be binding upon the executors, administrators, heirs, successors and assigns of the Optionee.

7. Securities Matters. All Shares and Exercised Shares shall be subject to the restrictions on sale, encumbrance and other disposition provided by Federal or state law. The Company shall not be obligated to sell or issue any Shares or Exercised Shares pursuant to this Grant Agreement unless, on the date of sale and issuance thereof, such Shares are either registered under the Securities Act of 1933, as amended (the "Securities Act"), and all applicable state securities laws, or are exempt from registration thereunder. Regardless of whether the offering and sale of Shares under the Plan have been registered under the Securities Act, or have been registered or qualified under the securities laws of any state, the Company at its discretion may impose restrictions upon the sale, pledge or other transfer of such Shares (including the placement of appropriate legends on stock certificates or the imposition of stop-transfer instructions) if, in the judgment of the Company, such restrictions are necessary in order to achieve compliance with the Securities Act or the securities laws of any state or any other law.

8. Investment Purpose. The Optionee represents and warrants that unless the Shares are registered under the Securities Act, any and all Shares acquired by the Optionee under this Grant Agreement will be acquired for investment for the Optionee's own account and not with a view to, for resale in connection with, or with an intent of participating directly or indirectly in, any distribution of such Shares within the meaning of the Securities Act. The Optionee agrees not to sell, transfer or otherwise dispose of such Shares unless they are either (1) registered under the Securties Act and all applicable state securities laws, or (2) exempt from such registration in the opinion of Company counsel.

9. Lock-Up Agreement. The Optionee hereby agrees that in the event that the Optionee exercises this Option during a period in which any directors or officers of the Company have agreed with one or more underwriters not to sell securities of the Company, then, as a condition to such exercise, the Optionee shall enter into an agreement, in form and substance satisfactory to the Company, pursuant to which the Optionee shall agree to restrictions on transferability of the Shares comparable to the restrictions agreed upon by such directors or officers of the Company.

10. Other Plans. No amounts of income received by the Optionee pursuant to this Grant Agreement shall be considered compensation for purposes of any pension or retirement plan, insurance plan or any other employee benefit plan of the Company or its subsidiaries, unless otherwise expressly provided in such plan.

11. No Guarantee of Continued Service. The Optionee acknowledges and agrees that the right to exercise the Option pursuant to the exercise schedule hereof is earned only through Continuous Service and such other requirements, if any, as are set forth in Exhibit A (and not through the act of being hired, being granted an option or purchasing shares hereunder). The Optionee further acknowledges and agrees that (i) this Grant Agreement, the transactions contemplated hereunder and the exercise schedule set forth herein do not constitute an express or implied promise of continued employment or service for the exercise period or for any other period, and shall not interfere with the Optionee's right or the right of the Company or its Subsidiaries to terminate the employment or service relationship at any time, with or without cause, subject to the terms of any written employment agreement that the Optionee may have entered into with the Company or any of its Subsidiaries; and (ii) the Company would not have granted this Option to the Optionee but for these acknowledgements and agreements.

12. Entire Agreement; Governing Law. The Plan is incorporated herein by reference. The Plan and this Grant Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Optionee with respect to the subject matter hereof, and may not be modified adversely to the Optionee's interest except by means of a writing signed by the Company and the Optionee. In the event of any conflict between this Grant Agreement and the Plan, the Plan shall be controlling, except as otherwise specifically provided in the Plan. This Grant Agreement shall be construed under the laws of the State of Delaware, without regard to conflict of laws principles.

13. Opportunity for Review. Optionee and the Company agree that this Option is granted under and governed by the terms and conditions of the Plan and this Grant Agreement. The Optionee has reviewed the Plan and this Grant Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Agreement and fully understands all provisions of the Plan and this Grant Agreement. The Optionee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions relating to the Plan and this Grant Agreement. The Optionee further agrees to notify the Company upon any change in the residence address indicated herein.

14. Section 409A. This Option is intended to be excepted from coverage under Section 409A and shall be administered, interpreted and construed accordingly. The Company may, in its sole discretion and without the Optionee's consent, modify or amend the terms of this Grant Agreement, impose conditions on the timing and effectiveness of the exercise of the Option by Optionee, or take any other action it deems necessary or advisable, to cause the Option to be excepted from Section 409A (or to comply therewith to the extent the Company determines it is not excepted).

15. Recoupment. In the event the Company restates its financial statements due to material noncompliance with any financial reporting requirements under applicable securities laws, any shares issued pursuant to this Agreement for or in respect of the year that is restated, or the prior three years, may be recovered to the extent the shares issued exceed the number that would have been issued based on the restatement. In addition and without limitation of the foregoing, any amounts paid hereunder shall be subject to recoupment in accordance with The Dodd–Frank Wall Street Reform and Consumer Protection Act and any implementing regulations thereunder, any clawback policy adopted by the Company or as is otherwise required by applicable law or stock exchange listing conditions.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Grant Agreement as of the date set forth in Exhibit A.

MOTUS GI HOLDINGS, INC.

By: _____
Name:
Title:

OPTIONEE

_____
Name:

EXHIBIT A

NONQUALIFIED STOCK OPTION GRANT AGREEMENT

MOTUS GI HOLDINGS, INC.

(a). **Optionee's Name**: _____

(b). **Date of Grant**: _____

(c). **Number of Shares Subject to the Option**: _____

(d). **Exercise Price**: $_____ **per Share**

(e). **Expiration Date**: _____

(f). **Vesting Schedule**:

_____ (Initials)
Optionee

_____ (Initials)
Company Signatory

RESTRICTED STOCK AWARD AGREEMENT

MOTUS GI HOLDINGS, INC.

This Restricted Stock Award Agreement (the " Agreement"), dated as of the "Award Date" set forth in the attached Exhibit A (the "Award Date"), is entered into between Motus GI Holdings, Inc., a Delaware corporation (the "Company"), and the individual named in Exhibit A hereto (the "Awardee").

WHEREAS, the Company desires to provide the Awardee an incentive to participate in the success and growth of the Company through the opportunity to earn a proprietary interest in the Company; and

WHEREAS, to give effect to the foregoing intention, the Company desires to grant the Awardee a Restricted Stock Award, pursuant to the Motus GI Holdings, Inc. 2016 Equity Incentive Plan (the "Plan");

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

1. Award. The Company hereby awards the Awardee a Restricted Stock Award for the number of restricted shares of Common Stock (each a "Restricted Share" and collectively the "Restricted Shares") set forth in Exhibit A hereto, subject to the terms and conditions set forth herein and the provisions of the Plan, the terms of which are incorporated herein by reference. Capitalized terms used but not otherwise defined in this Agreement shall have the meanings as set forth in the Plan.

2. Restrictions on Sale or Other Transfer. Each Restricted Share awarded to the Awardee pursuant to this Agreement shall be subject to acquisition by the Company and may not be sold, transferred, assigned or pledged or otherwise be the subject of any disposition during the "Restriction Period" as defined below. Each Restricted Share shall be held physically or in book entry form with the Company's transfer agent until the restrictions set forth above with respect to such Restricted Share lapse in accordance with the provisions of Section 3 or until such Restricted Share is forfeited pursuant to Section 3. Restricted Shares shall be delivered to the Awardee only when and to the extent that the restrictions set forth in Section 3 with respect to such Restricted Shares lapse.

3. Restriction Period. The Restricted Shares shall become vested, and the restrictions applicable to the Restricted Shares shall lapse (such period, the "Restriction Period") as set forth in Exhibit A. Subject to the terms of this Agreement, the Awardee shall forfeit the Restricted Shares to the extent that the Awardee does not satisfy the applicable vesting requirements set forth in Exhibit A.

4. Rights as Shareholder. Except with respect to the restrictions set forth in Section 2 above, upon the issuance to the Awardee of Restricted Shares hereunder, the Awardee shall have all the rights of a shareholder of Common Stock with respect to such Restricted Shares, including the right to vote the shares and receive all dividends and other distributions paid or made with respect thereto; provided, however, that such dividends and other distributions shall be retained by the Company for the Awardee's account and for delivery to the Awardee, together with the Restricted Shares as and when said restrictions and conditions shall have been satisfied, expired or lapsed.

5 . Forfeiture. Except to the extent otherwise provided in Section 3, upon termination of the Awardee's Continuous Service with the Company and its Subsidiaries, any Restricted Shares as to which the Restriction Period has not then lapsed shall (together with any dividends or distributions paid or declared thereon) be forfeited by Awardee and such Restricted Shares (together with any dividends or distributions paid or declared thereon) shall thereupon be transferred to the Company at no cost to the Company.

6 . Government Regulations. Notwithstanding anything contained herein to the contrary, the Company's obligation hereunder to issue or deliver shares of Common Stock shall be subject to the terms of the Plan, all applicable laws, rules and regulations and to such approvals by any governmental agencies or national securities exchanges as may be required.

7 . Investment Purpose. The Awardee represents and warrants that unless the Restricted Shares are registered under the Securities Act of 1933, as amended (the "Securities Act"), any and all shares of Common Stock acquired by the Awardee under this Agreement will be acquired for investment for the Awardee's own account and not with a view to, for resale in connection with, or with an intent of participating directly or indirectly in, any distribution of such shares of Common Stock within the meaning of the Securities Act. The Awardee agrees not to sell, transfer or otherwise dispose of such shares unless they are either (1) registered under the Securties Act and all applicable state securities laws, or (2) exempt from such registration in the opinion of Company counsel.

8. Securities Law Restrictions. Regardless of whether the offering and sale of shares of Restricted Shares pursuant to this Agreement and the Plan have been registered under the Securities Act, or have been registered or qualified under the securities laws of any state, the Company at its discretion may impose restrictions upon the sale, pledge or other transfer of such shares of Common Stock (including the placement of appropriate legends on stock certificates or the imposition of stop-transfer instructions) if, in the judgment of the Company, such restrictions are necessary in order to achieve compliance with the Securities Act or the securities laws of any state or any other law.

9 . Lock-Up Agreement . The Awardee hereby agrees that in the event that the Restriction Period lapses with respect to any of the Restricted Shares at a time during which any directors or officers of the Company have agreed with one or more underwriters not to sell securities of the Company, then Awardee shall enter into an agreement, in form and substance satisfactory to the Company, pursuant to which the Awardee shall agree to restrictions on transferability of such Restricted Shares, and any Restricted Shares for which the Restriction Period may lapse during such time, comparable to the restrictions agreed upon by such directors or officers of the Company.

10. Withholding Taxes. The Company shall have the right to require the Awardee to remit to the Company, or to withhold from amounts payable to the Awardee, as compensation or otherwise, **the minimum statutory amount required** to satisfy all federal, state and local income tax withholding requirements and the Awardee's share of applicable employment withholding taxes (including, without limitation, any such income or employment taxes resulting from (i) the expiration of restrictions set forth hereunder that are applicable to any Restricted Shares or (ii) an election made by the Awardee under Section 83(b) of the Internal Revenue Code of 1986, as amended, (the "Code")).

11. Awardee Representations. The Awardee has reviewed with the Awardee's own tax advisors the federal, state, local and foreign tax consequences of the transactions contemplated by this Agreement. The Awardee is relying solely on such advisors, and not on any statements or representations of the Company or any of its agents, if any, made to the Awardee. The Awardee understands that the Awardee (and not the Company) shall be responsible for the Awardee's own liability arising as a result of the transactions contemplated by this Agreement.

12. Section 83(b) Election. The Awardee hereby acknowledges that the Awardee has been informed that, with respect to the Restricted Shares, the Awardee may file an election with the Internal Revenue Service, within 30 days of the execution of this Agreement, electing pursuant to Section 83(b) of the Code to be taxed currently on any difference between the purchase price of the Restricted Shares and their fair market value on the date of purchase. Absent such an election, taxable income will be measured and recognized by the Awardee at the time or times at which the forfeiture restrictions on the Restricted Shares lapse. The Awardee is strongly encouraged to seek the advice of his or her own tax consultant in connection with the issuance of the Restricted Shares and the advisability of filing of the election under Section 83(b) of the Code. **THE AWARDEE ACKNOWLEDGES THAT IT IS NOT THE COMPANY'S RESPONSIBILTY, BUT RATHER IS THE AWARDEE'S SOLE RESPONSIBILITY, TO FILE THE ELECTION UNDER SECTION 83(b) TIMELY.** If the Awardee files an election under Section 83(b) of the Code, the Awardee shall promptly furnish the Company with a copy of the election. A form of election under Section 83(b) of the Code is attached hereto as Exhibit B for reference.

13. No Guarantee of Continued Service. The Awardee acknowledges and agrees that (i) nothing in this Agreement or the Plan confers on the Awardee any right to continue in an employment, service or consulting relationship with the Company, nor shall it affect in any way the Awardee's right or the Company's right to terminate the Awardee's employment, service, or consulting relationship at any time, with or without cause, subject to any employment or service agreement that may have been entered into by the Commpany and the Awardee; and (ii) the Company would not have granted this Award to the Awardee but for these acknowledgements and agreements.

14. Notices. Notices or communications to be made hereunder shall be in writing and shall be delivered in person, by registered mail, by confirmed facsimile or by a reputable overnight courier service to the Company at its principal office or to the Awardee at his or her address contained in the records of the Company. Alternatively, notices and other communications may be provided in the form and manner of such electronic means as the Company may permit.

15. Entire Agreement; Governing Law. The Plan is incorporated herein by reference. The Plan and this Award Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Awardee with respect to the subject matter hereof, and may not be modified adversely to the Awardee's interest except by means of a writing signed by the Company and the Awardee. In the event of any conflict between this Agreement and the Plan, the Plan shall be controlling. This Agreement shall be construed under the laws of the State of Delaware, without regard to conflict of laws principles.

16. Opportunity for Review. Awardee and the Company agree that this Award is granted under and governed by the terms and conditions of the Plan and this Award Agreement. The Awardee has reviewed the Plan and this Award Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to accepting this Award Agreement and fully understands all provisions of the Plan and this Award Agreement. The Awardee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions relating to the Plan and this Award Agreement. The Awardee further agrees to notify the Company upon any change in Awardee's residence address.

17. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Company and the Awardee and their respective permitted successors, assigns, heirs, beneficiaries and representatives.

18. Section 409A Compliance. To the extent that this Agreement and the award of Restricted Shares hereunder are or become subject to the provisions of Section 409A of the Code, the Company and the Awardee agree that this Agreement may be amended or modified by the Company, in its sole discretion and without the Awardee's consent, as appropriate to maintain compliance with the provisions of Section 409A of the Code.

19. Recoupment. In the event the Company restates its financial statements due to material noncompliance with any financial reporting requirements under applicable securities laws, any shares transferred pursuant to this Agreement for or in respect of the year that is restated, or the prior three years, may be recovered to the extent the number of shares transferred exceed the number that would have been transferred based on the restatement. In addition and without limitation of the foregoing, any amounts paid hereunder shall be subject to recoupment in accordance with The Dodd–Frank Wall Street Reform and Consumer Protection Act and any implementing regulations thereunder, any clawback policy adopted by the Company or as is otherwise required by applicable law or stock exchange listing conditions.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date set forth in Exhibit A.

MOTUS GI HOLDINGS, INC.

By: _____
Name:
Title:

AWARDEE

_____
Name:

EXHIBIT A

MOTUS GI HOLDINGS, INC.

RESTRICTED STOCK AWARD AGREEMENT

(a). **Awardee's Name**:_____

(b). **Award Date**:_____

(c). **Number of Restricted Shares Granted**:_____

(d). **Restriction Period**:

_____ (Initials)
Awardee

_____ (Initials)
Company Signatory

EXHIBIT B

ELECTION UNDER SECTION 83(b)
OF THE INTERNAL REVENUE CODE OF 1986

The undersigned taxpayer hereby makes an election pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder (the "Regulations"), and in connection with this election supplies the following information:

1. The name, address and taxpayer identification number of the undersigned are:

[Name]
[Address]
Social Security Number: ___-__-____

2. The election is being made with respect to [_____] shares of [common stock] (the "Stock") of Motus GI Holdings, Inc., a Delaware corporation (the "Company").

3. The date on which the Stock was transferred to the undersigned was [_____]. The taxable year for which this election is being made is calendar year [____].

4. The property is subject to the following restrictions:

The above-mentioned shares may not be transferred and are subject to forfeiture under the terms of an agreement between the taxpayer and the Company. These restrictions lapse upon the satisfaction of certain conditions contained in such agreement.

Disposition of the Stock also may be subject to restrictions imposed under applicable federal and state securities laws.

5. The fair market value of the Stock at the time of transfer (determined without regard to any lapse restriction, as defined in §1.83-3(i) of the Regulations) was $[_____].

6. [The undersigned did not pay any amount for the Stock. Therefore, $[_____] (the full fair market value of the Stock stated above) is includible in the undersigned's gross income as compensation for services.]

7. A copy of this election has been furnished to the Company [and to the transferee of the Stock, if different from the taxpayer] as required by §1.83-2(d) of the Regulations.

Dated: _____

_____
[taxpayer signature]

INSTRUCTIONS FOR FILING SECTION 83(B) ELECTION

Attached is a form of election under section 83(b) of the Internal Revenue Code. If you wish to make such an election, you should complete, sign and date the election and then proceed as follows:

1. Execute three counterparts of your completed election (plus one extra counterpart for each person other than you, if any who receives property that is the subject of your election), retaining at least one photocopy for your records.

2. Send one counterpart to the Internal Revenue Service Center with which you will file your Federal income tax return for the current via certified mail, return receipt requested. THE ELECTION SHOULD BE SENT IMMEDIATELY, AS YOU ONLY HAVE 30 DAYS FROM THE ISSUANCE/PURCHASE/GRANT DATE WITHIN WHICH TO MAKE THE ELECTION – NO WAIVERS, LATE FILINGS OR EXTENSIONS ARE PERMITTED.

3. Deliver one counterpart of the completed election to the Company for its files.

4. If anyone other than you (e.g., one of your family members) will receive property that is the subject of your election, deliver one counterpart of the completed election to each such person.

STOCK OPTION AGREEMENT

TO ISRAELI EMPLOYEES AND DIRECTORS

UNDER THE MOTUS GI HOLDINGS, INC. 2016 EQUITY INCENTIVE PLAN

WHEREAS, the Optionee identified on Exhibit A hereto (the "Optionee") was granted an option (the "Prior Plan Option") under the Motus G.I. Medical Technologies Ltd. Employee Share Option Plan (the "Prior Plan") to purchase up to the number of ordinary shares of stock of Motus GI Medical Technologies Ltd. ("Motus Ltd") set forth on Exhibit A at the exercise price set forth on Exhibit A; and

WHEREAS, in connection with certain transactions between Motus Ltd and Motus GI Holdings, Inc., a Delaware corporation (the "Company"), such Prior Plan Option has been assumed by, and will continue in effect under, the Motus GI Holdings, Inc. 2016 Equity Incentive Plan and the Motus GI Holdings, Inc. 2016 Israeli Sub-Plan (together, the "2016 Plan") as an option to purchase the Company's common stock, par value $.0001 per share (the "Common Stock"), subject to the "post-exchange" changes set forth in Exhibit A and the terms of this Stock Option Agreement (the "Option Agreement");

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

1. Option Assumption. The Prior Plan Option is hereby assumed by, and will continue in effect under, the 2016 Plan in accordance with the terms of this Option Agreement. As so assumed, the Prior Plan Option is referred to herein as the "Option". The Option shall provide the Optionee with the opportunity to purchase up to the number of "post-exchange" shares of Common Stock (the "Shares") set forth in Exhibit A at the "post-exchange" exercise price per Share (the "Exercise Price") set forth in Exhibit A, and on the vesting schedule set forth in Exhibit A, subject to the terms and conditions set forth herein and the provisions of the 2016 Plan and the trust agreement by and between the Trustee and the Company, as may be amended from time to time by the Company and the Trustee at their sole discretion (the "Trust Agreement"), the terms of which are incorporated herein by reference. An executed copy of the Trust Agreement has been provided to Optionee or made available for his or her review. This Option Agreement supersedes and replaces the agreement under which the Prior Plan Option was granted. Capitalized terms used but not otherwise defined in this Option Agreement shall have the meanings as set forth in the 2016 Plan.

The Option will be issued to the Trustee. The Trustee will hold in trust for the benefit of the Optionee, the Option and any Shares to be issued upon exercise of the Option, and all other securities received following any exercise or realization of rights, including bonus shares, until the later to occur of: (i) the lapse of the minimum Lockup Period as required under Section 102, or (ii) the full payment of all requisite taxes by the Optionee, as determined by the Company and the Trustee, in their sole discretion.

2. Exercise Period Following Termination of Continuous Service.[1] This Option shall terminate and be canceled to the extent not exercised within ninety (90) days after the Optionee's Continuous Service terminates, except that if such termination is due to the death or Disability of the Optionee, this Option shall terminate and be canceled twelve (12) months from the date of termination of Continuous Service. Notwithstanding the foregoing, in the event that the Optionee's Continuous Service is terminated for Cause, then the Option shall immediately terminate on the date of such termination of Continuous Service and shall not be exercisable for any period following such date. In no event, however, shall this Option be exercised later than the Expiration Date set forth in Exhibit A and in no event shall this Option be exercised for more Shares than the Shares which otherwise have become exercisable as of the date of termination.

3. Method of Exercise.[2] This Option is exercisable by delivery to both the Company and the Trustee of an exercise notice (the "Exercise Notice") in a form satisfactory to the Committee and the Trustee or by such other form or means as the Committee and the Trustee may permit or require. Any Exercise Notice shall state or provide the number of Shares with respect to which the Option is being exercised (the "Exercised Shares"), and include such other representations and agreements as may be required by the Company pursuant to the provisions of the 2016 Plan. The Exercise Notice shall be accompanied by payment of the aggregate Exercise Price for the Exercised Shares in (i) cash; (ii) check; or (iii) such other manner as is acceptable to the Committee, provided that such form of consideration is permitted by the 2016 Plan and by applicable law. The Company and the Trustee shall not release to Optionee any (i) Option, (ii) Shares issues upon the exercise of the Option or (iii) other securities received from such Option or Shares, prior to full payment of the Exercise Price and all the tax liabilities in a method determined by the Company and the Trustee, at their sole discretion. Notwithstanding the foregoing, no Exercised Shares shall be issued unless such exercise and issuance complies with the requirements of applicable law, including, without limitation, the Ordinance.

[NTD: If applicable - Notwithstanding the foregoing, in lieu of payment of the Exercise Price as set forth above, the Optionee may elect to convert the Option into such number of Shares calculated pursuant to the following formula:

$$X = \frac{Y\ (A-B)}{A}$$

Where:
X = the number of Shares to be issued to the Optionee;
Y = the number of Shares in respect of which the net exercise election is being made;

A = the Fair Market Value of one Share; and
B = the Exercise Price of one Share.
It is hereby clarified that unless the Optionee expressly elects to exercise the Option on a net exercise basis, then the exercise of the Option shall be for cash.]

---

[1] Subject to conformity with original terms of option.

[2] Subject to conformity with original terms of option.

4. Taxes. By executing this Option Agreement, Optionee acknowledges and agrees that Optionee is solely responsible for the satisfaction of any applicable taxes that may be imposed on Optionee that arise as a result of the grant, vesting or exercise of the Option, and that neither the Company nor the Committee, an Affiliate or the Trustee shall have any obligation whatsoever to pay such taxes (including interest or penalty thereon). Without derogating from the above, the Company does not represent or warrant that the Option (or the purchase or sale of Shares issued upon exercise of the Option) will be subject to a particular tax treatment. The Optionee acknowledges that he or she has reviewed the tax treatment of the Option (including the purchase or sale of Shares issued upon exercise of the Option) with his or her own tax advisors and is relying solely on those advisors in that regard. The Optionee shall indemnify the Company, an Affiliate and/or the Trustee, as applicable, and hold them harmless against and from any and all liabilities for any such taxes, including without limitation, liabilities relating to the necessity to withhold or to have withheld any such taxes from any payment made by the Optionee.

The Company, an Affiliate and/or the Trustee, as applicable, shall be entitled to withhold taxes as required under applicable law, rules and regulations. The Company and/or its Affiliate and/or the Trustee, as the case may be, shall not be required to release any Option and/or Shares until all required tax payments have been fully made to the full satisfaction of the Company, an Affiliate and/or the Trustee, as applicable.

5. Non-Transferability of Option. This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of the Optionee only by the Optionee. The terms of the 2016 Plan and this Option Agreement shall be binding upon the executors, administrators, heirs, successors and assigns of the Optionee.

6. Securities Matters. All Shares and Exercised Shares shall be subject to the restrictions on sale, encumbrance and other disposition provided by law, including, without limitation, the requirements of Section 102. The Company at its discretion may impose restrictions upon the sale, pledge or other transfer of such Shares (including the placement of appropriate legends on stock certificates or the imposition of stop-transfer instructions) if, in the judgment of the Company, such restrictions are necessary in order to achieve compliance with the Securities Act or the securities laws of any state or any other law.

7. Investment Purpose. The Optionee represents and warrants that unless the Shares are registered under the Securities Act, any and all Shares acquired by the Optionee under this Option Agreement will be acquired for investment for the Optionee's own account and not with a view to, for resale in connection with, or with an intent of participating directly or indirectly in, any distribution of such Shares within the meaning of the Securities Act. The Optionee agrees not to sell, transfer or otherwise dispose of such Shares unless they are either (1) registered under the Securties Act and all applicable state securities laws, or (2) exempt from such registration in the opinion of Company counsel

8. Lock-Up Agreement. The Optionee hereby agrees that in the event that the Optionee exercises this Option during a period in which any directors or officers of the Company have agreed with one or more underwriters not to sell securities of the Company, then, as a condition to such exercise, the Optionee shall enter into an agreement, in form and substance satisfactory to the Company, pursuant to which the Optionee shall agree to restrictions on transferability of the Shares comparable to the restrictions agreed upon by such directors or officers of the Company.

9. Other Plans. No amounts of income received by the Optionee pursuant to this Option Agreement shall be considered compensation for purposes of any pension or retirement plan, insurance plan or any other employee benefit plan of the Company or its subsidiaries, unless otherwise expressly provided in such plan.

10. No Guarantee of Continued Service. The Optionee acknowledges and agrees that the right to exercise the Option pursuant to the exercise schedule hereof is earned only through Continuous Service and such other requirements, if any, as are set forth in Exhibit A (and not through the act of being hired, being granted an option or purchasing shares hereunder). The Optionee further acknowledges and agrees that (i) this Option Agreement, the transactions contemplated hereunder and the exercise schedule set forth herein do not constitute an express or implied promise of continued employment or service for the exercise period or for any other period, and shall not interfere with the Optionee's right or the right of the Company or its Subsidiaries to terminate the employment or service relationship at any time, with or without cause, subject to the terms of any written employment agreement that the Optionee may have entered into with the Company or any of its Subsidiaries; and (ii) the Company would not have granted this Option to the Optionee but for these acknowledgements and agreements.

11. Entire Agreement; Governing Law. The 2016 Plan is incorporated herein by reference. The 2016 Plan and this Option Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Optionee with respect to the subject matter hereof, and may not be modified adversely to the Optionee's interest except by means of a writing signed by the Company and the Optionee. In the event of any conflict between this Option Agreement and the 2016 Plan, the 2016 Plan shall be controlling except as otherwise specifically provided in the 2016 Plan. This Option Agreement shall be construed under the laws of the State of Israel, without regard to conflict of laws principles. The competent courts in Tel-Aviv shall have sole jurisdiction in any matters pertaining to this Option Agreement.

12. Opportunity for Review. Optionee and the Company agree that this Option is granted under and governed by the terms and conditions of the 2016 Plan and this Option Agreement. The Optionee has reviewed the 2016 Plan and this Option Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Option Agreement and fully understands all provisions of the 2016 Plan and this Option Agreement. The Optionee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions relating to the 2016 Plan and this Option Agreement. The Optionee further agrees to notify the Company upon any change his or her residence address.

The Optionee and the Company further agree that the Option is granted under and governed by Section 102 and the Trust Agreement. Furthermore, the Optionee agrees that the Option and any underlying Shares will be issued to or controlled by the Trustee for the Optionee's benefit, pursuant to the terms of the Ordinance, including any regulations, rules, orders and procedures promulgated thereunder and the Trust Agreement. Optionee confirms that he or she is familiar with the terms and provisions of Section 102 and the Trust Agreement and agrees that during the Lockup Period in accordance with Section 102, he or she will not require the Trustee to release the Option or Shares to him or her, or to sell the Option or Shares to a third party, unless permitted to do so by applicable law and he or she bears the full implications of such request.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Option Agreement as of the date set forth in Exhibit A.

MOTUS GI HOLDINGS, INC.

By: _____
Name:
Title:

OPTIONEE

_____
Name:

EXHIBIT A

STOCK OPTION AGREEMENT

MOTUS GI HOLDINGS, INC.

Optionee's Name: _____

Date of Grant of Prior Plan Option: _____

Designation:

[ ] 102 Capital Gain Option; or
[ ] 102 Ordinary Income Option.

Pre-Exchange		**Post-Exchange**	
Number of Ordinary Shares of Motus Ltd subject to Prior Plan Option	Exercise Price per Ordinary Share of Motus Ltd subject to Prior Plan Option	Number of Shares of Common Stock subject to Option	Exercise Price per Share of Common Stock subject to Option
			$

Expiration Date: _____

Vesting Schedule:[3]

_____ (Initials)
Optionee

_____ (Initials)
Company Signatory

[3] To the extent that vesting is based on service, add that vesting service will be measured from the date of grant of the Prior Plan Option.

STOCK OPTION AGREEMENT

TO ISRAELI NON-EMPLOYEES AND CONTROLLING SHAREHOLDERS

UNDER THE MOTUS GI HOLDINGS, INC. 2016 EQUITY INCENTIVE PLAN

WHEREAS, the Optionee identified on Exhibit A hereto (the "Optionee") was granted an option (the "Prior Plan Option") under the Motus G.I. Medical Technologies Ltd. Employee Share Option Plan (the "Prior Plan") to purchase up to the number of ordinary shares of stock of Motus GI Medical Technologies Ltd. ("Motus Ltd") set forth on Exhibit A at the exercise price set forth on Exhibit A; and

WHEREAS, in connection with certain transactions between Motus Ltd and Motus GI Holdings, Inc., a Delaware corporation (the "Company"), such Prior Plan Option has been assumed by, and will continue in effect under, the Motus GI Holdings, Inc. 2016 Equity Incentive Plan and the Motus GI Holdings, Inc. 2016 Israeli Sub-Plan (together, the "2016 Plan") as an option to purchase the Company's common stock, par value $.0001 per share (the "Common Stock"), subject to the "post-exchange" changes set forth in Exhibit A and the terms of this Stock Option Agreement (the "Option Agreement");

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

1. Option Assumption. The Prior Plan Option is hereby assumed by, and will continue in effect under, the 2016 Plan in accordance with the terms of this Option Agreement. As so assumed, the Prior Plan Option is referred to herein as the "Option". The Option shall provide the Optionee with the opportunity to purchase up to the number of "post-exchange" shares of Common Stock (the "Shares") set forth in Exhibit A at the "post-exchange" exercise price per Share (the "Exercise Price") set forth in Exhibit A, and on the vesting schedule set forth in Exhibit A, subject to the terms and conditions set forth herein and the provisions of the 2016 Plan and the trust agreement by and between the Trustee and the Company, as may be amended from time to time by the Company and the Trustee at their sole discretion (the "Trust Agreement"), the terms of which are incorporated herein by reference. An executed copy of the Trust Agreement has been provided to Optionee or made available for his or her review. This Option Agreement supersedes and replaces the agreement under which the Prior Plan Option was granted. Capitalized terms used but not otherwise defined in this Option Agreement shall have the meanings as set forth in the 2016 Plan.

The Option will be issued to the Trustee. The Trustee will hold in trust for the benefit of the Optionee, the Option, any Shares issued upon exercise of the Option and all other securities received following any exercise or realization of rights, including bonus shares.

2. Exercise Period Following Termination of Continuous Service.[1] This Option shall terminate and be canceled to the extent not exercised within ninety (90) days after the Optionee's Continuous Service terminates, except that if such termination is due to the death or Disability of the Optionee, this Option shall terminate and be canceled twelve (12) months from the date of termination of Continuous Service. Notwithstanding the foregoing, in the event that the Optionee's Continuous Service is terminated for Cause, then the Option shall immediately terminate on the date of such termination of Continuous Service and shall not be exercisable for any period following such date. In no event, however, shall this Option be exercised later than the Expiration Date set forth in Exhibit A and in no event shall this Option be exercised for more Shares than the Shares which otherwise have become exercisable as of the date of termination.

3. Method of Exercise.[2] This Option is exercisable by delivery to both the Company and the Trustee, as applicable, of an exercise notice (the "Exercise Notice") in a form satisfactory to the Committee and the Trustee, as applicable, or by such other form or means as the Committee and the Trustee may permit or require. Any Exercise Notice shall state or provide the number of Shares with respect to which the Option is being exercised (the "Exercised Shares"), and include such other representations and agreements as may be required by the Company pursuant to the provisions of the 2016 Plan. The Exercise Notice shall be accompanied by payment of the aggregate Exercise Price for the Exercised Shares in (i) cash; (ii) check; or (iii) such other manner as is acceptable to the Committee, provided that such form of consideration is permitted by the 2016 Plan and by applicable law. The Company and the Trustee, as applicable, shall not release to Optionee any (i) Option, (ii) Shares issues upon the exercise of the Option or (iii) any rights resulting from such Option or Shares, prior to full payment of the Exercise Price and the tax liabilities in a method determined by the Company and the Trustee, as applicable, at their sole discretion. Notwithstanding the foregoing, no Exercised Shares shall be issued unless such exercise and issuance complies with the requirements of applicable law, including, without limitation, the Ordinance.

[NTD: If applicable - Notwithstanding the foregoing, in lieu of payment of the Exercise Price as set forth above, the Optionee may elect to convert the Option into such number of Shares calculated pursuant to the following formula:

$$X = \frac{Y\,(A-B)}{A}$$

Where:

X = the number of Shares to be issued to the Optionee;

Y = the number of Shares in respect of which the net exercise election is being made;

A = the Fair Market Value of one Share; and

B = the Exercise Price of one Share.

It is hereby clarified that unless the Optionee expressly elects to exercise the Option on a net exercise basis, then the exercise of the Option shall be for cash.]

[1] Subject to conformity with original terms of option.

[2] Subject to conformity with original terms of option.

4. Taxes. By executing this Option Agreement, Optionee acknowledges and agrees that Optionee is solely responsible for the satisfaction of any applicable taxes that may be imposed on Optionee that arise as a result of the grant, vesting or exercise of the Option, and that neither the Company nor the Committee, an Affiliate or the Trustee, as applicable, shall have any obligation whatsoever to pay such taxes (including interest or penalty thereon). Without derogating from the above, the Company does not represent or warrant that the Option (or the purchase or sale of Shares issued upon exercise of the Option) will be subject to a particular tax treatment. The Optionee acknowledges that he or she has reviewed the tax treatment of the Option (including the purchase or sale of Shares issued upon exercise of the Option) with his or her own tax advisors and is relying solely on those advisors in that regard. The Optionee shall indemnify the Company, an Affiliate and/or the Trustee, as applicable, and hold them harmless against and from any and all liabilities for any such taxes, including without limitation liabilities relating to the necessity to withhold or to have withheld any such taxes from any payment made by the Optionee.

The Company, an Affiliate and/or the Trustee, as applicable, shall be entitled to withhold taxes as required under applicable laws, rules and regulations. The Company, an Affiliate and/or the Trustee, as applicable, shall not be required to release any Option and/or Shares until all required tax payments have been fully made to the full satisfaction of the Company, an Affiliate and/or the Trustee, as applicable.

In the event that the Optionee's employment or service by the Company, or any Affiliate thereof, terminates for any reason, the Optionee will be obligated to provide the Company or an Affiliate, upon the termination of his or her employment or service, with a security or guarantee to cover any future tax obligation resulting from the grant, exercise or disposition of the Option, the Shares issuable upon the exercise thereof, or any rights resulting therefrom, in a form satisfactory to the Company or an Affiliate, as applicable, in its sole discretion.

5. Non-Transferability of Option. This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of the Optionee only by the Optionee. The terms of the 2016 Plan and this Option Agreement shall be binding upon the executors, administrators, heirs, successors and assigns of the Optionee.

6. Securities Matters. All Shares and Exercised Shares shall be subject to the restrictions on sale, encumbrance and other disposition provided by law, including, without limitation, the requirements of Section 3(i) of the Ordinance. The Company at its discretion may impose restrictions upon the sale, pledge or other transfer of such Shares (including the placement of appropriate legends on stock certificates or the imposition of stop-transfer instructions) if, in the judgment of the Company, such restrictions are necessary in order to achieve compliance with the Securities Act or the securities laws of any state or any other law.

7. Investment Purpose. The Optionee represents and warrants that unless the Shares are registered under the Securities Act, any and all Shares acquired by the Optionee under this Option Agreement will be acquired for investment for the Optionee's own account and not with a view to, for resale in connection with, or with an intent of participating directly or indirectly in, any distribution of such Shares within the meaning of the Securities Act.

8. Lock-Up Agreement. The Optionee hereby agrees that in the event that the Optionee exercises this Option during a period in which any directors or officers of the Company have agreed with one or more underwriters not to sell securities of the Company, then, as a condition to such exercise, the Optionee shall enter into an agreement, in form and substance satisfactory to the Company, pursuant to which the Optionee shall agree to restrictions on transferability of the Shares comparable to the restrictions agreed upon by such directors or officers of the Company.

9. Other Plans. No amounts of income received by the Optionee pursuant to this Option Agreement shall be considered compensation for purposes of any pension or retirement plan, insurance plan or any other employee benefit plan of the Company or its subsidiaries, unless otherwise expressly provided in such plan.

10. No Guarantee of Continued Service. The Optionee acknowledges and agrees that the right to exercise the Option pursuant to the exercise schedule hereof is earned only through Continuous Service and such other requirements, if any, as are set forth in Exhibit A (and not through the act of being hired, being granted an option or purchasing shares hereunder). The Optionee further acknowledges and agrees that (i) this Option Agreement, the transactions contemplated hereunder and the exercise schedule set forth herein do not constitute an express or implied promise of continued employment or service for the exercise period or for any other period, and shall not interfere with the Optionee's right or the right of the Company or its Subsidiaries to terminate the employment or service relationship at any time, with or without cause, subject to the terms of any written employment agreement that the Optionee may have entered into with the Company or any of its Subsidiaries; and (ii) the Company would not have granted this Option to the Optionee but for these acknowledgements and agreements.

11. Entire Agreement; Governing Law. The 2016 Plan is incorporated herein by reference. The 2016 Plan and this Option Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Optionee with respect to the subject matter hereof, and may not be modified adversely to the Optionee's interest except by means of a writing signed by the Company and the Optionee. In the event of any conflict between this Option Agreement and the 2016 Plan, the 2016 Plan shall be controlling, except as otherwise specifically provided in the 2016 Plan. This Option Agreement shall be construed under the laws of the State of Israel, without regard to conflict of laws principles. The competent courts in Tel-Aviv shall have sole jurisdiction in any matters pertaining to this Option Agreement.

12. Opportunity for Review. Optionee and the Company agree that this Option is granted under and governed by the terms and conditions of the 2016 Plan and this Option Agreement. The Optionee has reviewed the 2016 Plan and this Option Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Option Agreement and fully understands all provisions of the 2016 Plan and this Option Agreement. The Optionee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions relating to the 2016 Plan and this Option Agreement. The Optionee further agrees to notify the Company upon any change in his or her residence address.

The Optionee and the Company further agree that the Option is granted under and governed by Section 3(i) of the Ordinance, including any regulations, rules, orders and procedures promulgated thereunder and the Trust Agreement. Optionee confirms that he or she is familiar with the terms and provisions of Section 3(i) of the Ordinance, including any regulations, rules, orders and procedures promulgated thereunder and the Trust Agreement and undertakes not to exercise and not to sell any Option or Shares unless the Optionee pays all taxes which may arise in connection with such exercise, sale and/or transfer.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Option Agreement as of the date set forth in Exhibit A.

MOTUS GI HOLDINGS, INC.

By: _____
Name:
Title:

OPTIONEE

_____
Name:

EXHIBIT A

STOCK OPTION AGREEMENT

MOTUS GI HOLDINGS, INC.

Optionee's Name: _____

Date of Grant of Prior Plan Option: _____

Designation: 3(i) Award

Pre-Exchange		**Post-Exchange**	
Number of Ordinary Shares of Motus Ltd subject to Prior Plan Option	Exercise Price per Ordinary Share of Motus Ltd subject to Prior Plan Option	Number of Shares of Common Stock subject to Option	Exercise Price per Share of Common Stock subject to Option
			$

Expiration Date:_____

Vesting Schedule:[3]

_____ (Initials)
Optionee

_____ (Initials)

[3] To the extent that vesting is based on service, add that vesting service will be measured from the date of grant of the Prior Plan Option.

STOCK OPTION GRANT AGREEMENT

TO ISRAELI EMPLOYEES AND DIRECTORS

UNDER THE MOTUS GI HOLDINGS, INC. 2016 EQUITY INCENTIVE PLAN

This Stock Option Grant Agreement (the "Grant Agreement") is made and entered into effective on the Date of Grant set forth in Exhibit A (the "Date of Grant") by and between Motus GI Holdings, Inc., a Delaware corporation (the "Company"), and the individual named in Exhibit A hereto (the "Optionee").

WHEREAS, the Company desires to provide the Optionee an incentive to participate in the success and growth of the Company through the opportunity to earn a proprietary interest in the Company; and

WHEREAS, to give effect to the foregoing intention, the Company desires to grant the Optionee an option pursuant to the Motus GI Holdings, Inc. 2016 Equity Incentive Plan, including the Motus GI Holdings, Inc. 2016 Israeli Sub-Plan (together, the "Plan") to acquire the Company's common stock, par value $.0001 per share (the "Common Stock"), subject to the terms of this Grant Agreement.

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

1. Grant. The Company hereby grants the Optionee a Stock Option (the "Option") to purchase up to the number of shares of Common Stock (the "Shares") set forth in Exhibit A hereto at the exercise price per Share (the "Exercise Price") set forth in Exhibit A, and on the vesting schedule set forth in Exhibit A, subject to the terms and conditions set forth herein and the provisions of the Plan and the trust agreement by and between the Trustee and the Company, as may be amended from time to time by the Company and the Trustee at their sole discretion (the "Trust Agreement"), the terms of which are incorporated herein by reference. An executed copy of the Trust Agreement has been provided to Optionee or made available for his or her review. Capitalized terms used but not otherwise defined in this Grant Agreement shall have the meanings as set forth in the Plan.

The Option will be issued to the Trustee. The Trustee will hold in trust for the benefit of the Optionee, the Option, any Shares issued upon exercise of the Option, and all other securities received following any exercise or realization of rights, including bonus shares, until the later of: (i) the lapse of the minimum Lockup Period as required under Section 102, or (ii) the full payment of all requisite taxes by the Optionee, as determined by the Company and the Trustee, in their sole discretion.

2. Exercise Period Following Termination of Continuous Service. This Option shall terminate and be canceled to the extent not exercised within ninety (90) days after the Optionee's Continuous Service terminates, except that if such termination is due to the death or Disability of the Optionee, this Option shall terminate and be canceled twelve (12) months from the date of termination of Continuous Service. Notwithstanding the foregoing, in the event that the Optionee's Continuous Service is terminated for Cause, then the Option shall immediately terminate on the date of such termination of Continuous Service and shall not be exercisable for any period following such date. In no event, however, shall this Option be exercised later than the Expiration Date set forth in Exhibit A and in no event shall this Option be exercised for more Shares than the Shares which otherwise have become exercisable as of the date of termination.

3. Method of Exercise. This Option is exercisable by delivery to both the Company and to the Trustee of an exercise notice (the "Exercise Notice") in a form satisfactory to both the Committee and the Trustee or by such other form or means as the Committee and the Trustee may permit or require. Any Exercise Notice shall state or provide the number of Shares with respect to which the Option is being exercised (the "Exercised Shares"), and include such other representations and agreements as may be required by the Company pursuant to the provisions of the Plan. The Exercise Notice shall be accompanied by payment of the aggregate Exercise Price for the Exercised Shares in (i) cash; (ii) check; or (iii) such other manner as is acceptable to the Committee, provided that such form of consideration is permitted by the Plan and by applicable law. The Company and the Trustee shall not release to Optionee any (i) Option, (ii) Shares issued upon the exercise of the Option or (iii) other securities received from such Option or Shares, prior to full payment of the Exercise Price and all the tax liabilities in a method determined by the Company and the Trustee, at their sole discretion. Notwithstanding the foregoing, no Exercised Shares shall be issued unless such exercise and issuance complies with the requirements of applicable law, including, without limitation, the Ordinance.

4. Covenants Agreement. This Option shall be subject to forfeiture at the election of the Company in the event that the Optionee breaches any agreement between the Optionee and the Company with respect to noncompetition, nonsolicitation, assignment of inventions and contributions and/or nondisclosure obligations of the Optionee.

5. Taxes. By executing this Grant Agreement, Optionee acknowledges and agrees that Optionee is solely responsible for the satisfaction of any applicable taxes that may be imposed on Optionee that arise as a result of the grant, vesting or exercise of the Option, and that neither the Company nor the Committee, an Affiliate or the Trustee shall have any obligation whatsoever to pay such taxes (including interest or penalty thereon). Without derogating from the above, the Company does not represent or warrant that the Option (or the purchase or sale of Shares issued upon exercise of the Option) will be subject to a particular tax treatment. The Optionee acknowledges that he or she has reviewed the tax treatment of the Option (including the purchase or sale of Shares issued upon exercise of the Option) with his or her own tax advisors and is relying solely on those advisors in that regard. The Optionee shall indemnify the Company, an Affiliate and/or the Trustee, as applicable, and hold them harmless against and from any and all liabilities for any such taxes, including without limitation, liabilities relating to the necessity to withhold or to have withheld any such taxes from any payment made by the Optionee.

The Company, an Affiliate and/or the Trustee, as applicable, shall be entitled to withhold taxes as required under applicable law, rules and regulations. The Company, an Affiliate and/or the Trustee, as applicable, shall not be required to release any Option and/or Shares until all required tax payments have been fully made to the full satisfaction of the Company, an Affiliate and/or the Trustee, as applicable.

6. Non-Transferability of Option. This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of the Optionee only by the Optionee. The terms of the Plan and this Grant Agreement shall be binding upon the executors, administrators, heirs, successors and assigns of the Optionee.

7. Securities Matters. All Shares and Exercised Shares shall be subject to the restrictions on sale, encumbrance and other disposition provided by law, including, without limitation, the requirements of Section 102. The Company at its discretion may impose restrictions upon the sale, pledge or other transfer of such Shares (including the placement of appropriate legends on stock certificates or the imposition of stop-transfer instructions) if, in the judgment of the Company, such restrictions are necessary in order to achieve compliance with the Securities Act or the securities laws of any state or any other law.

8. Investment Purpose. The Optionee represents and warrants that unless the Shares are registered under the Securities Act, any and all Shares acquired by the Optionee under this Grant Agreement will be acquired for investment for the Optionee's own account and not with a view to, for resale in connection with, or with an intent of participating directly or indirectly in, any distribution of such Shares within the meaning of the Securities Act. The Optionee agrees not to sell, transfer or otherwise dispose of such Shares unless they are either (1) registered under the Securties Act and all applicable state securities laws, or (2) exempt from such registration in the opinion of Company counsel

9. Lock-Up Agreement. The Optionee hereby agrees that in the event that the Optionee exercises this Option during a period in which any directors or officers of the Company have agreed with one or more underwriters not to sell securities of the Company, then, as a condition to such exercise, the Optionee shall enter into an agreement, in form and substance satisfactory to the Company, pursuant to which the Optionee shall agree to restrictions on transferability of the Shares comparable to the restrictions agreed upon by such directors or officers of the Company.

10. Other Plans. No amounts of income received by the Optionee pursuant to this Grant Agreement shall be considered compensation for purposes of any pension or retirement plan, insurance plan or any other employee benefit plan of the Company or its subsidiaries, unless otherwise expressly provided in such plan.

11. No Guarantee of Continued Service. The Optionee acknowledges and agrees that the right to exercise the Option pursuant to the exercise schedule hereof is earned only through Continuous Service and such other requirements, if any, as are set forth in Exhibit A (and not through the act of being hired, being granted an option or purchasing shares hereunder). The Optionee further acknowledges and agrees that (i) this Grant Agreement, the transactions contemplated hereunder and the exercise schedule set forth herein do not constitute an express or implied promise of continued employment or service for the exercise period or for any other period, and shall not interfere with the Optionee's right or the right of the Company or its Subsidiaries to terminate the employment or service relationship at any time, with or without cause, subject to the terms of any written employment agreement that the Optionee may have entered into with the Company or any of its Subsidiaries; and (ii) the Company would not have granted this Option to the Optionee but for these acknowledgements and agreements.

12. Entire Agreement; Governing Law. The Plan is incorporated herein by reference. The Plan and this Grant Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Optionee with respect to the subject matter hereof, and may not be modified adversely to the Optionee's interest except by means of a writing signed by the Company and the Optionee. In the event of any conflict between this Grant Agreement and the Plan, the Plan shall be controlling except as otherwise specifically provided in the Plan. This Grant Agreement shall be construed under the laws of the State of Israel, without regard to conflict of laws principles. The competent courts in Tel-Aviv shall have sole jurisdiction in any matters pertaining to this Grant Agreement.

13. Opportunity for Review. Optionee and the Company agree that this Option is granted under and governed by the terms and conditions of the Plan and this Grant Agreement. The Optionee has reviewed the Plan and this Grant Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Agreement and fully understands all provisions of the Plan and this Grant Agreement. The Optionee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions relating to the Plan and this Grant Agreement. The Optionee further agrees to notify the Company upon any change in his or her residence address.

The Optionee and the Company further agree that the Option is granted under and governed by Section 102 and the Trust Agreement. Furthermore, the Optionee agrees that the Option and any underlying Shares will be issued to or controlled by the Trustee for the Optionee's benefit, pursuant to the terms of the Ordinance, including any regulations, rules, orders and procedures promulgated thereunder and the Trust Agreement. Optionee confirms that he or she is familiar with the terms and provisions of Section 102 and the Trust Agreement and agrees that during the Lockup Period in accordance with Section 102, he or she will not require the Trustee to release the Option or Shares to him or her or to sell the Option or Shares to a third party, unless permitted to do so by applicable law and he or she bears the full implications of such request.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Grant Agreement as of the date set forth in Exhibit A.

MOTUS GI HOLDINGS, INC.

By: _____
Name:
Title:

OPTIONEE

_____
Name:

EXHIBIT A

STOCK OPTION GRANT AGREEMENT

MOTUS GI HOLDINGS, INC.

(a). **Optionee's Name**: _____

(b). **Date of Grant**: _____

(c). **Number of Shares Subject to the Option**: _____

(d). **Exercise Price**: $_____ **per Share**

(e). **Designation:**

[ ] 102 Capital Gain Option; or
[ ] 102 Ordinary Income Option.

(f). **Expiration Date:** _____

(g). **Vesting Schedule**:

_____ (Initials)
Optionee

_____ (Initials)
Company Signatory

STOCK OPTION GRANT AGREEMENT

TO ISRAELI NON-EMPLOYEES AND CONTROLLING SHAREHOLDERS

UNDER THE MOTUS GI HOLDINGS, INC. 2016 EQUITY INCENTIVE PLAN

This Stock Option Grant Agreement (the "Grant Agreement") is made and entered into effective on the Date of Grant set forth in Exhibit A (the "Date of Grant") by and between Motus GI Holdings, Inc., a Delaware corporation (the "Company"), and the individual named in Exhibit A hereto (the "Optionee").

WHEREAS, the Company desires to provide the Optionee an incentive to participate in the success and growth of the Company through the opportunity to earn a proprietary interest in the Company; and

WHEREAS, to give effect to the foregoing intention, the Company desires to grant the Optionee an option pursuant to the Motus GI Holdings, Inc. 2016 Equity Incentive Plan, including the Motus GI Holdings, Inc. 2016 Israeli Sub-Plan (together, the "Plan") to acquire the Company's common stock, par value $.0001 per share (the "Common Stock"), subject to the terms of this Grant Agreement.

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

1. Grant. The Company hereby grants the Optionee a Stock Option (the "Option") to purchase up to the number of shares of Common Stock (the "Shares") set forth in Exhibit A hereto at the exercise price per Share (the "Exercise Price") set forth in Exhibit A, and on the vesting schedule set forth in Exhibit A, subject to the terms and conditions set forth herein and the provisions of the Plan and the trust agreement by and between the Trustee and the Company, as may be amended from time to time by the Company and the Trustee at their sole discretion (the "Trust Agreement"), the terms of which are incorporated herein by reference. An executed copy of the Trust Agreement has been provided to Optionee or made available for his or her review. Capitalized terms used but not otherwise defined in this Grant Agreement shall have the meanings as set forth in the Plan.

The Option will be issued to the Trustee. The Trustee will hold in trust for the benefit of the Optionee, the Option, any Shares issued upon exercise of the Option and all other securities received following any exercise or realization of rights, including bonus shares.

2. Exercise Period Following Termination of Continuous Service. This Option shall terminate and be canceled to the extent not exercised within ninety (90) days after the Optionee's Continuous Service terminates, except that if such termination is due to the death or Disability of the Optionee, this Option shall terminate and be canceled twelve (12) months from the date of termination of Continuous Service. Notwithstanding the foregoing, in the event that the Optionee's Continuous Service is terminated for Cause, then the Option shall immediately terminate on the date of such termination of Continuous Service and shall not be exercisable for any period following such date. In no event, however, shall this Option be exercised later than the Expiration Date set forth in Exhibit A and in no event shall this Option be exercised for more Shares than the Shares which otherwise have become exercisable as of the date of termination.

3. Method of Exercise. This Option is exercisable by delivery to both the Company and the Trustee, as applicable, of an exercise notice (the "Exercise Notice") in a form satisfactory to both the Committee and the Trustee, as applicable, or by such other form or means as the Committee and the Trustee may permit or require. Any Exercise Notice shall state or provide the number of Shares with respect to which the Option is being exercised (the "Exercised Shares"), and include such other representations and agreements as may be required by the Company pursuant to the provisions of the Plan. The Exercise Notice shall be accompanied by payment of the aggregate Exercise Price for the Exercised Shares in (i) cash; (ii) check; or (iii) such other manner as is acceptable to the Committee, provided that such form of consideration is permitted by the Plan and by applicable law. The Company and the Trustee shall not release to Optionee any (i) Option, (ii) Shares issued upon the exercise of the Option or (iii) rights resulting from such Option or Shares, prior to full payment of the Exercise Price and all the tax liabilities in a method determined by the Company and the Trustee, at their sole discretion. Notwithstanding the foregoing, no Exercised Shares shall be issued unless such exercise and issuance complies with the requirements of applicable law, including, without limitation, the Ordinance.

4. Covenants Agreement. This Option shall be subject to forfeiture at the election of the Company in the event that the Optionee breaches any agreement between the Optionee and the Company with respect to noncompetition, nonsolicitation, assignment of inventions and contributions and/or nondisclosure obligations of the Optionee.

5. Taxes. By executing this Grant Agreement, Optionee acknowledges and agrees that Optionee is solely responsible for the satisfaction of any applicable taxes that may be imposed on Optionee that arise as a result of the grant, vesting or exercise of the Option, and that neither the Company nor the Committee, an Affiliate or the Trustee shall have any obligation whatsoever to pay such taxes (including interest or penalty thereon). Without derogating from the above, the Company does not represent or warrant that the Option (or the purchase or sale of Shares issued upon exercise of the Option) will be subject to a particular tax treatment. The Optionee acknowledges that he or she has reviewed the tax treatment of the Option (including the purchase or sale of Shares issued upon exercise of the Option) with his or her own tax advisors and is relying solely on those advisors in that regard. The Optionee shall indemnify the Company, an Affiliate and/or the Trustee, as applicable, and hold them harmless against and from any and all liabilities for any such taxes, including without limitation liabilities relating to the necessity to withhold or to have withheld any such taxes from any payment made by the Optionee.

The Company, an Affiliate and/or the Trustee, as applicable, shall be entitled to withhold taxes as required under applicable law, rules and regulations. The Company, an Affiliate and/or the Trustee, as applicable, shall not be required to release any Option and/or Shares until all required tax payments have been fully made to the full satisfaction of the Company, an Affiliate and/or the Trustee, as applicable.

In the event that the Optionee's employment or service by the Company, or any Affiliate thereof, terminates for any reason, the Optionee will be obligated to provide the Company or its Affiliate, upon the termination of his or her employment or service, with a security or guarantee to cover any future tax obligation resulting from the grant, exercise or disposition of the Option, the Shares issuable upon the exercise thereof, or any rights resulting therefrom, in a form satisfactory to the Company or its Affiliate, as the case may be in its sole discretion.

6. Non-Transferability of Option. This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of the Optionee only by the Optionee. The terms of the Plan and this Grant Agreement shall be binding upon the executors, administrators, heirs, successors and assigns of the Optionee.

7. Securities Matters. All Shares and Exercised Shares shall be subject to the restrictions on sale, encumbrance and other disposition provided by law, including without limitation, the requirements of Section 3(i) of the Ordinance. The Company at its discretion may impose restrictions upon the sale, pledge or other transfer of such Shares (including the placement of appropriate legends on stock certificates or the imposition of stop-transfer instructions) if, in the judgment of the Company, such restrictions are necessary in order to achieve compliance with the Securities Act or the securities laws of any state or any other law.

8. Investment Purpose. The Optionee represents and warrants that unless the Shares are registered under the Securities Act, any and all Shares acquired by the Optionee under this Grant Agreement will be acquired for investment for the Optionee's own account and not with a view to, for resale in connection with, or with an intent of participating directly or indirectly in, any distribution of such Shares within the meaning of the Securities Act.

9. Lock-Up Agreement. The Optionee hereby agrees that in the event that the Optionee exercises this Option during a period in which any directors or officers of the Company have agreed with one or more underwriters not to sell securities of the Company, then, as a condition to such exercise, the Optionee shall enter into an agreement, in form and substance satisfactory to the Company, pursuant to which the Optionee shall agree to restrictions on transferability of the Shares comparable to the restrictions agreed upon by such directors or officers of the Company.

10. Other Plans. No amounts of income received by the Optionee pursuant to this Grant Agreement shall be considered compensation for purposes of any pension or retirement plan, insurance plan or any other employee benefit plan of the Company or its subsidiaries, unless otherwise expressly provided in such plan.

11. No Guarantee of Continued Service. The Optionee acknowledges and agrees that the right to exercise the Option pursuant to the exercise schedule hereof is earned only through Continuous Service and such other requirements, if any, as are set forth in Exhibit A (and not through the act of being hired, being granted an option or purchasing shares hereunder). The Optionee further acknowledges and agrees that (i) this Grant Agreement, the transactions contemplated hereunder and the exercise schedule set forth herein do not constitute an express or implied promise of continued employment or service for the exercise period or for any other period, and shall not interfere with the Optionee's right or the right of the Company or its Subsidiaries to terminate the employment or service relationship at any time, with or without cause, subject to the terms of any written employment agreement that the Optionee may have entered into with the Company or any of its Subsidiaries; and (ii) the Company would not have granted this Option to the Optionee but for these acknowledgements and agreements.

12. Entire Agreement; Governing Law. The Plan is incorporated herein by reference. The Plan and this Grant Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Optionee with respect to the subject matter hereof, and may not be modified adversely to the Optionee's interest except by means of a writing signed by the Company and the Optionee. In the event of any conflict between this Grant Agreement and the Plan, the Plan shall be controlling, except as otherwise specifically provided in the Plan. This Grant Agreement shall be construed under the laws of the State of Israel, without regard to conflict of laws principles. The competent courts in Tel-Aviv shall have sole jurisdiction in any matters pertaining to this Grant Agreement.

13. Opportunity for Review. Optionee and the Company agree that this Option is granted under and governed by the terms and conditions of the Plan and this Grant Agreement. The Optionee has reviewed the Plan and this Grant Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Agreement and fully understands all provisions of the Plan and this Grant Agreement. The Optionee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions relating to the Plan and this Grant Agreement. The Optionee further agrees to notify the Company upon any change in his or her residence address.

The Optionee and the Company further agree that the Option is granted under and governed by Section 3(i) of the Ordinance, including any regulations, rules, orders and procedures promulgated thereunder and the Trust Agreement. Optionee confirms that he or she is familiar with the terms and provisions of Section 3(i) of the Ordinance, including any regulations, rules, orders and procedures promulgated thereunder and the Trust Agreement and undertakes not to exercise and not to sell any Option or Shares unless the Optionee pays all taxes which may arise in connection with such exercise and/or sale and/or transfer.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Grant Agreement as of the date set forth in Exhibit A.

MOTUS GI HOLDINGS, INC.

By: _____
Name:
Title:

OPTIONEE

_____
Name:

EXHIBIT A

STOCK OPTION GRANT AGREEMENT

MOTUS GI HOLDINGS, INC.

(a). **Optionee's Name**: _____

(b). **Date of Grant**: _____

(c). **Number of Shares Subject to the Option**: _____

(d). **Exercise Price**: $_____ **per Share**

(e). **Designation:** 3(i) Award

(f). **Expiration Date**: _____

(g). **Vesting Schedule**:

_____ (Initials)
Optionee

_____ (Initials)
Company Signatory

Employment Agreement

AGREEMENT, dated as of December 22, 2016 (the "Agreement"), by and between **Motus GI Holdings, Inc.**, a corporation organized under the State of Delaware (the "Company"), and **Mark Pomeranz** (the "Executive").

WHEREAS, the Company wishes to enter into this Agreement to engage the Executive to provide services to the Company, and the Executive wishes to be so engaged, pursuant to the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premise and of the mutual covenants and agreements herein contained, it is hereby agreed as follows:

ARTICLE I
EMPLOYMENT AND DUTIES

1.01 General. Subject to the terms and conditions herein, the Executive shall serve as Chief Executive Officer of the Company, reporting to the board of directors of the Company (the "Board"). In such capacity, the Executive shall perform the duties and responsibilities to the Company commensurate with the Executive's position and as may be reasonably assigned to the Executive from time to time by the Board. The Executive's principal place of employment shall be in New Jersey as designated by the Company from time to time; provided, that the Executive understands and agrees that he shall spend an average of approximately two weeks of every month traveling on Company business as reasonably required by the Company principally to the Company's offices in Haifa, Israel.

1.02 Exclusive Services. For so long as the Executive is employed by the Company, the Executive shall devote his full business working time to his duties hereunder, shall faithfully serve the Company, shall in all respects conform to and comply with the lawful and good faith directions and instructions given to him by the Board and shall use his best efforts to promote and serve the interests of the Company. Further, the Executive shall not, directly or indirectly, render material compensatory services to any other person or organization without the consent of the Board or otherwise engage in activities that would interfere significantly with the faithful performance of his duties hereunder. Nothing herein shall be construed to prevent Executive from engaging in civic and not-for-profit activities so long as such activities do not interfere with Executive's performance of his duties hereunder or present a conflict of interest with the Company.

ARTICLE II
TERM OF EMPLOYMENT

The Executive's employment under this Agreement shall commence effective as of December 22, 2016 (the "Effective Date"), and shall, subject to the provisions regarding earlier termination in Section 4 below, terminate on December 22, 2019; *provided*, *however*, that the Term of the Executive's employment shall be automatically extended without further action of either party for additional one year periods, unless either party gives notice of non-renewal at least 6 months prior to the expiration of the then effective Term. The period from the Effective Date until the termination of the Executive's employment under this Agreement is referred to as the "Term."

ARTICLE III
COMPENSATION AND OTHER BENEFITS

Subject to the provisions of this Agreement, the Company shall pay and provide the following compensation and other benefits to the Executive during the Term as compensation for services rendered hereunder:

3.01 Base Salary. The Company shall pay to the Executive an annual salary (the "Base Salary") at the rate of $350,000, payable monthly in substantially equal installments in accordance with the Company's ordinary payroll practices as established from time to time.

3.02 Signing Bonus. The Executive shall be receive a one-time signing bonus of $70,000 (the "Signing Bonus"), payable within 30 days of, and contingent upon, the closing of the share exchange of the Company with Motus GI Medical Technologies Ltd. and the initial closing of the current private placement offering of the Company, and provided the Executive remains employed by the Company as of such date.

3.03 Performance Bonus. Each year the Executive shall be eligible to receive a performance-based bonus of up to 25% of his Base Salary (the "Annual Bonus"), based upon his achievement of certain objectives as determined by the Compensation Committee of the Board (the "Compensation Committee"). The determination of whether such objectives have been achieved shall be made by the Compensation Committee in its sole judgment and discretion. The Annual Bonus shall only be deemed earned and payable if the Executive is actively employed in good standing by the Company on the date such bonuses are paid, which shall in no event be later than March 15 of the subsequent year to which said Annual Bonus is attributable.

3.04 Equity Interest.

Subject to the terms of the Company's 2016 Equity Incentive Plan (the "Plan") and approval of the Board or the Compensation Committee, upon or immediately following the final closing of the private placement offering of the Company's common stock, the Executive will be granted options to purchase up to the number of shares equal to three and three-fourths (3.75%) of the Fully-Diluted (as defined in the Plan) shares of the Company's common stock, on the terms and conditions determined by the Board or the Compensation Committee, with an exercise price of $5.00 per share (provided that the Board or the Compensation Committee determines that such exercise price represents no less than fair market value per share on the date of grant in accordance with the Plan). Two percent (2.0%) of the shares subject to the option shall be fully vested immediately upon grant, one and one-half percent (1.5%) of the shares subject to the option shall be vested on a vesting schedule to be determined by the Compensation Committee, one-quarter of a percent (0.25%) of the shares subject to the option shall be vested three years from the Effective Date, and other terms and conditions with respect to the option shall be determined by the Compensation Committee. During the Term, subject to the terms and conditions established within the Plan or any successor equity compensation plan as may be in place from time to time and separate award agreements, the Executive also shall be eligible to receive from time to time stock options, stock unit awards, performance shares, performance units, incentive bonus awards, other cash-based awards and/or other stock-based awards (as permitted by the Plan), in amounts, if any, to be approved by the Board or the Compensation Committee in its discretion.

The Option Grant shall contain the following additional terms:

(1) Upon the "change-in-control" of the Company, any unvested options shall become fully vested. "Change of Control" shall mean the consummation of any one of the following events: (i) a sale, lease, transfer or other disposition of all or substantially all of the assets of the Company; (ii) a consolidation or merger of the Company with or into any other corporation or other entity or person, or any other corporate reorganization, in which the stockholders of the Company immediately prior to such consolidation, merger or reorganization, own less than fifty percent (50%) of the Company's outstanding voting power of the surviving entity following the consolidation, merger or reorganization; or (iii) any transaction (or series of related transactions involving a person or entity, or a group of affiliated persons or entities) in which in excess of fifty percent (50%) of the Company's then-outstanding voting power is transferred, excluding any consolidation or merger effected exclusively to change the domicile of the Company and excluding any such change of voting power resulting from a bona tide equity financing event or public offering of the stock of the Company.

(2) If the Executive is terminated without Cause (as defined below), the Executive shall have six months from the date of termination to exercise the option as to any Common Shares that have vested on or prior to the effective date of termination.

(3) Any additional terms applicable to options based on the realized gross return of Series A Investors milestones shall vest and be earned on the same schedule as the Series A Investor realization events.

(4) Terms otherwise in accordance with the Company's stock option plan as in effect as of the Effective Date.

3.05 Benefits. The Executive shall be eligible to participate in the Company's health insurance plan (medical, dental and vision), or to the extent eligible, another company's health insurance plan, with the Company paying (or in the case of another company paying, reimbursing) 75 percent of the cost of the health insurance premium and the Executive paying for the remainder. The Executive shall also be eligible to participate in all benefit plans that the Company may from time to time sponsor or provide the Executive access to.

3.06 Expenses. The Company shall reimburse the Executive for expenses reasonably incurred by the Executive in connection with his employment hereunder, including mobile telephone costs, and in accordance with any Company policies and procedures then in effect.

3.07 Business Travel. During the Term, the Executive shall be entitled to business class travel for all air travel related to the performance of his services hereunder that exceeds five hours' scheduled flying time in duration.

3.08 Vacation. The Executive shall be entitled to accrue four weeks' (20 business days) vacation time per calendar year commencing as of January 1, 2017. The Executive shall be permitted to carry over vacation time into the following calendar year; *provided*, *however* that any unused, accrued vacation time shall expire two years following the applicable year in which the vacation time was earned. The Executive shall receive payment for any unused, accrued vacation pay from Motus GI Medical Technologies Ltd. as of the Effective Date of this Agreement.

ARTICLE IV
EFFECT OF TERMINATION OF EMPLOYMENT

4.01 Voluntary; For Cause . If, during the Term, the Executive voluntarily terminates his employment or his employment is terminated by the Company for Cause (defined below), then the Executive shall be entitled only to (i) unpaid Base Salary through and including the date of termination, (ii) amounts or vested benefits (including the vested portion of the Option Grant) required to be paid or provided by law or under any plan, program, policy or practice of the Company (together, "Accrued Compensation and Benefits"), and (iii) reimbursement of business expenses pursuant to Section 3(e) herein. In addition, any unvested portion of the Executive's Option Grant and unpaid Bonus shall be forfeited without payment.

(A) Termination for "Cause" shall mean termination of the Executive's employment because of:

(1) gross negligence or willful misconduct in the performance of the Executive's duties hereunder, or if the Executive otherwise breaches this Agreetment;

(2) the Executive's failure to obey a lawful directive that is from the Board and appropriate to his position, which failure is not cured within 15 days written notice of the alleged failure to perform;

(3) a material violation of the restrictive covenants described in Section 5 below or of any written employee conduct policy of the Company in effect from time to time; or

(4) conviction of a felony or other serious crime; or

(5) any other act or omission that results in material harm to the business, reputation of the Company.

4.02 Death; Disability; Without Cause. If, during the Term, the Executive dies or is permanently disabled, the Executive's employment is terminated by the Company without Cause, or the Executive resigns for "Good Reason" the Executive (or his estate) shall receive: (i) his Accrued Compensation and Benefits, (ii) continued payments following his termination of his Base Salary for twelve (12) months (the "Severance Payments"), (iii) reimbursement of business expenses pursuant to Section 3(e) herein, and (iv) 25% of any unvested options shall upon such termination vest. Any unvested portion of the Executive's Option Grant and unpaid Bonus shall be forfeited without payment. If, following a termination of employment without Cause or due to permanent disability, the Executive breaches the provisions of Section 5 below, the Executive shall not be eligible, as of the date of such breach, for any additional Severance Payments, and any and all further obligations and agreements of the Company with respect to such payments shall thereupon cease. Additionally, if, following a termination of employment without Cause or due to permanent disability, the Executive accepts and commences alternate employment while receiving the Severance Payments, the base compensation received by Executive from such alternate employment shall be applied as an offset against future Severance Payments due the Executive. By way of example, if Executive is able to secure alternate employment at a monthly base salary rate of $20,000, the Executive's monthly Severance Payment would be reduced by $20,000 during the remaining severance period.

4.03 Termination by Executive. For purposes of this Agreement, "Good Reason" shall mean the occurrence of any of the following circumstances without Executive's prior express written consent: (i) a material adverse change in the nature of Executive's title, duties or responsibilities with the Company that represents a material demotion from his title, duties or responsibilities as in effect immediately prior to such change; (ii) a material breach of this Agreement by the Company; (iii) a failure by the Company to make any payments to Executive when due, unless the payment is not material and is being contested by the Company, in good faith; (iv) the Company's performance of any illegal or civilly actionable act that materially damages Executive's reputation or is considered harassment under Federal or New York State law; or (v) a liquidation, bankruptcy or receivership of the Company. Notwithstanding the foregoing, no Good Reason shall be deemed to exist with respect to the Company's acts described in clause (i) above, unless Executive shall have given written notice to the company specifying the Good Reason with reasonable particularity within (ninety) 90 days after the date Executive first knew or should reasonably have known of the occurrence of any such event and, within fifteen (15) days after such notice, the Company shall not have cured or eliminated the problem or thing giving rise to such Good Reason; *provided*, *however*, that a repeated breach after notice and cure of any provision of clause (i) above involving the same or substantially similar actions or conduct, shall be grounds for termination for Good Reason without any additional notice from Executive.

4.04 Specified Employee. If the Executive is a "specified employee" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") at the time of the Executive's termination of employment, amounts or benefits (including the Severance Payments) that are deferred compensation subject to Section 409A of the Code, as determined in the reasonable discretion of the Company, that would otherwise be payable or provided during the six month period immediately following the termination of employment will instead be paid or provided, with interest on any delayed payment at the short-term applicable federal rate under Section 1274(d) of the Code (with monthly compounding and at the rate published for the month prior to the month in which the Executive's termination of employment occurs), on the first business day after the date that is six months following the Executive's termination of employment.

4.05 Notice of Termination. Any termination of employment by the Company or the Executive shall be communicated with 30 days' advance notice and by a written "Notice of Termination" to the other party hereto provided in accordance with Section 15 of this Agreement; *provided*, *however*, that in the event that the Company terminates the Executive for Cause, then termination will be effective immediately. Notwithstanding the foregoing, if the termination is for Cause, the Notice of Termination shall describe the basis for such termination, and if the termination for Cause is under the circumstances contemplated in Section 4.01(A)(2), (3) and (5), the Executive shall have the opportunity to provide a written response to the Company within five business days of receipt of the Notice of Termination.

ARTICLE V
CONFIDENTIALITY AND OTHER RESTRICTIVE COVENANTS

5.01 Confidentiality. Executive shall be provided with access to Confidential Information relating to Company, its business, potential business or that of its clients and customers. "Confidential Information" includes all trade secrets, know-how, show-how, theories, technical, operating, financial, and other business information, whether or not reduced to writing or other medium and whether or not marked or labeled confidential, proprietary or the like, specifically including, but not limited to, information regarding source codes, software programs, computer systems, concepts, creations, costs, plans, materials, enhancements, research, specifications, works of authorship, techniques, documentation, models and systems, sales and pricing techniques, designs, inventions, discoveries, products, improvements, modifications, methodology, processes, concepts, records, files, memoranda, reports, plans, proposals, price lists, product development and project procedures. Confidential Information does not include general skills, experience or information that is generally available to the public, other than information which has become generally available as a result of Executive's direct or indirect act or omission. With respect to Confidential Information of Company and its clients and customers:

(A) Executive will use Confidential Information only in the performance of Executive's duties for Company. Executive will not use Confidential Information at any time (during or after Executive's employment with Company) for Executive's personal benefit, for the benefit of any other individual or entity, or in any manner adverse to the interests of Company and its clients and customers except to the extent permitted by applicable law, including to enable Executive to exercise any protected legal right he may have;

(B) Executive will not disclose Confidential Information at any time (during or after Executive's employment with Company) except to authorized Company personnel, unless Company consents in advance in writing or unless the Confidential Information indisputably becomes of public knowledge or enters the public domain (other than through Executive's direct or indirect act or omission) or as authorized by a court or regulatory agency.

(C) Executive will safeguard the Confidential Information by all reasonable steps and abide by all policies and procedures of Company in effect from time to time regarding storage, copying, destroying, and handling of documents; and

(D) Executive will return or destroy all materials, models, software, prototypes and the like containing and/or relating to Confidential Information, together with all other property of Company and its clients and customers, to Company when Executive's employment relationship with Company terminates or otherwise on demand and, at that time Executive will certify to Company, in writing and under oath, that Executive has complied with this Agreement. Executive shall not retain any copies or reproductions of correspondence, memoranda, reports, notebooks, drawings, photographs, databases, diskettes, or other documents or electronically stored information of any kind relating in any way to the business, potential business or affairs of Company and its clients and customers.

(E) Executive acknowledges receipt of the following notice under the Defend Trade Secrets Act: An individual will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret if he/she (i) makes such disclosure in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney and such disclosure is made solely for the purpose of reporting or investigating a suspected violation of law; or (ii) such disclosure was made in a complaint or other document filed in a lawsuit or other proceeding if such filing is made under seal.

5.02 Obligations to Other Persons. Executive does not have any non-disclosure or other obligations to any other individual or entity (including without limitation, any previous employer) concerning proprietary or confidential information that Executive learned of during any previous employment or associations that would interfere with his ability to perform under this Agreement. Executive shall not disclose to Company or induce Company to use any secret or confidential information or material belonging to others, including, without limitation, Executive's former employers, if any.

5.03 Covenants Against Competition and Solicitation.

(A) Executive acknowledges and understands that, Executive's position with Company affords Executive extensive access to Confidential Information of the Company. Executive therefore agrees that during the course of Executive's employment with Company and for twelve (12) months after termination of Executive's employment with Company (for any reason or no reason) (collectively, "Restricted Period"), Executive shall not: (i) anywhere within the United States of America or any other country in which the Company then conducts or proposes to conduct business, either directly or indirectly, as an owner, stockholder, member, partner, joint venturer, officer, director, consultant, independent contractor, agent or executive, engage in any business or other commercial activity which is engaged in or is seeking to engage in a "Competitive Business." As used in this Agreement, "Competitive Business" shall mean any individual or enterprise engaged in (x) cleansing of body cavities, tubular structures or other orafices or devices added on or attached to endoscopes or (y) any other business competitive with the business of the Company on the date of termination.

(B) Executive further agrees that, during the Restricted Period, Executive shall not, directly or indirectly, either on Executive's own behalf or on behalf of any other individual or commercial enterprise: (i) contact, communicate, solicit or transact any business with or assist any third party in contacting, communicating, soliciting or transacting any business with (A) any of the customers or clients of the Company, (B) any prospective customers or clients of the Company, or (C) any individual or entity who or which was within the most recent twelve (12) month period a customer or client of Company, for the purpose of inducing such customer or client or potential customer or client to be connected to or benefit from any competitive business or to terminate its or their business relationship with the Company; (ii) solicit, induce or assist any third party in soliciting or inducing any individual or entity who is then (or was at any time within the preceding twelve (12) an employee, consultant, independent contractor or agent of Company) to leave the employment of the Company or cease performing services for the Company; (iii) hire or engage or assist any third party in hiring or engaging, any individual or entity that is or was (at any time within the preceding twelve (12) months) an employee, consultant, independent contractor or agent of the Company, or (iv) solicit, induce or assist any third party in soliciting or inducing any other person or entity (including, without limitation, any third-party service provider or distributor) to terminate its relationship with the Company or otherwise interfere with such relationship. A "prospective customer or client" is any individual or entity with respect to whom or which Company was engaged in a solicitation at any time during the twelve (12) months preceding his termination of Executive's employment with Company and in which solicitation Executive was in any way involved, or about whom or which Executive had access to Confidential Information.

5.04 Non-Disparagement. Executive will not at any time (during or after Executive's employment with Company) disparage the reputation of Company, its clients and customers and its or their respective officers, directors, agents or employees. Company will not at any time, (during or after Executive's employment with Company) disparage the reputation of Executive. In the event that Company is asked to verify Executive's employment with Company, Company will confirm only the dates of employment and position unless expressly authorized to provide additional information by Executive.

5.05 Cooperation With Investigations/Litigation. Executive agrees, upon Company's request, to reasonably cooperate both during and after Executive's employment with Company in any Company investigation, litigation, arbitration, or regulatory proceeding regarding events that occurred during Executive's tenure with Company. Executive will make himself reasonably available to consult with Company's counsel, to provide information, and to appear to give testimony. Company will reimburse Executive for reasonable out-of-pocket expenses Executive incurs in extending such cooperation, so long as Executive provides advance written notice of Executive's request for reimbursement and provides satisfactory documentation of the expenses.

5.06 Reasonable Restrictions/Damages Inadequate Remedy. The Parties to this agreement acknowledge that the restrictions contained in this Article are reasonable and necessary to protect the legitimate business interests of Company and that any breach by Executive of any provision contained in this Article V or Article VI may result in immediate irreparable injury to Company for which a remedy at law would be inadequate. Accordingly, the Parties shall be entitled to temporary or permanent injunctive or other equitable relief (without being obligated to post a bond or other collateral) in the event of any breach or threatened breach of the provisions of Articles V or VI, in addition to any other remedy that may be available whether at law or in equity.

5.07 Separate Covenants. In the event that any court of competent jurisdiction shall determine that any one or more of the provisions contained in this Article shall be unenforceable in any respect, then such provision shall be deemed limited and restricted to the extent that the court shall deem the provision to be enforceable. It is the intention of the parties to this Agreement that the covenants and restrictions in this Article be given the broadest interpretation permitted by law. The invalidity or unenforceability of any provision of this Article shall not affect the validity or enforceability of any other provision hereof. If, in any judicial or arbitration proceedings, a court of competent jurisdiction or arbitration panel should refuse to enforce all of the separate covenants and restrictions in this Article, then such unenforceable covenants and restrictions shall be eliminated from the provisions of this Agreement for the purpose of such proceeding to the extent necessary to permit the remaining separate covenants and restrictions to be enforced in such proceeding.

ARTICLE VI

OWNERSHIP OF PROPRIETARY RIGHTS

6.01 Proprietary Rights. For the purposes of this Agreement, "Proprietary Rights" shall mean all right, title and interest (including any copyrights, patent rights, trademarks, servicemarks and trade names) in and to, or associated with, or arising from, any and all notes, data, reference materials, sketches, drawings, memoranda, documentation, and any and all work product conceived, created, reduced to any medium of expression and/or produced as part of the activities of Executive for the Company, including all written, graphical, pictorial, visual, audio, and audiovisual elements relating thereto, software code or records in any way incorporating or reflecting any Confidential Information and any original works of authorship, derivative works, inventions, developments, concepts, know-how, improvements, trade secrets or ideas, whether or not fixed in a tangible medium of expression, that are conceived or developed in whole or in part by the Executive alone or in conjunction with others, whether or not conceived or developed during regular working hours by, or in association with, the Company that are made through the use of any Confidential Information or any of the Company's equipment, facilities, supplies, or trade secrets, or that relate to the Company's business or the Company's actual or demonstrably anticipated research and development, or that result from any work performed by the Executive for the Company.

6.02 Ownership of Proprietary Rights. The Executive covenants and agrees with the Company that all Proprietary Rights shall belong exclusively to the Company, and the Executive agrees to assign and hereby assigns to the Company, all rights, title and interest throughout the world in and to all Proprietary Rights. The Executive agrees to promptly make full written disclosure to the Company, and will hold in trust for the sole right and benefit of the Company, all Proprietary Rights. The Executive agrees that, upon request of the Company and without any separate remuneration or compensation, the Executive shall take such action and execute and deliver such documents and instruments as may be necessary or proper to vest in the Company all right, title and interest in and to all such Proprietary Rights. Without limiting the foregoing, the Executive further agrees that for any original works of authorship created by the Executive, the Company shall be deemed the author thereof under the United States Copyright Act; *provided*, *however*, that in the event and to the extent such works do not to constitute "works made for hire" as a matter of law, the Executive agrees to irrevocably assign and transfer, and hereby irrevocably assigns and transfers to the Company, all right, title and interest in and to such works, including but not limited to copyrights.

6.03 Maintenance of Records. The Executive covenants and agrees to take commercially reasonable measures to keep and maintain adequate and current written records of all inventions and works of authorship made by the Executive (solely or jointly with others) during the term of the Executive's relationship with the Company. The records may be in the form of notes, sketches, drawings, flow charts, electronic data or recordings, laboratory notebooks, and any other format. The records will be available to and remain the sole property of the Company at all times. The Executive agrees not to remove such records from the Company's place of business except as expressly permitted by the Company policy, which may, from time to time, be revised at the sole election of the Company. The Executive agrees to return all such records (including any copies thereof) to the Company at the time of termination of services with the Company.

6.04 Recordation of Rights. The Executive covenants and agrees to assist the Company, or its designee, at the Company's expense, in every proper way to secure the Company's, or its designee's, rights in the inventions and any copyrights, patents, trademarks, servicemarks, moral rights, or other intellectual property rights relating thereto in any and all countries, including the disclosure to the Company or its designee of all pertinent information and data with respect thereto, the execution of all applications, specifications, oaths, assignments, recordations, and all other instruments that the Company or its designee shall deem necessary in order to apply for, obtain, maintain and transfer such rights, or if not transferable, waive such rights, and in order to assign and convey to the Company or its designee and any successors, assigns and nominees the sole and exclusive rights, title and interest in and to such inventions, and any copyrights, patents or other intellectual property rights relating thereto. The Executive further agrees that the obligation to execute or cause to be executed, when it is in the Executive's power to do so, any such instrument or papers shall continue after the termination of this Agreement until the expiration of the last such intellectual property right to expire in any country of the world. If the Company or its designee is unable because of the Executive's mental or physical incapacity or unavailability or for any other reason to secure the Executive's signature to apply for or to pursue any application for any United States or foreign patents, copyrights, or other registrations covering inventions or works of authorship assigned or to be assigned to the Company or its designee as above, then the Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as the Executive's agent and attorney-in-fact, to act for and on the Executive's behalf and stead to execute and file any such applications and to do all other lawfully permitted acts to further the application for, prosecution, issuance, maintenance or transfer of letters patent, copyright or other registrations thereon with the same legal force and effect as if originally executed by the Executive. The Executive hereby waives and irrevocably quitclaims to the Company or its designee any and all claims, of any nature whatsoever, that the Executive now or hereafter has for infringement of any and all proprietary rights assigned to the Company or such designee.

ARTICLE VII

NONASSIGNABILITY; BINDING AGREEMENT

7.01 By the Executive. This Agreement and any and all rights, duties, obligations or interests hereunder shall not be assignable or delegable by the Executive.

7.02 By the Company. This Agreement and all of the Company's rights and obligations hereunder shall not be assignable by the Company except to an affiliate of the Company or as incident to a reorganization, merger or consolidation, or transfer of all or substantially all of the Company's assets.

7.03 Binding Effect. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto, any successors to or assigns of the Company and the Executive's heirs and the personal representatives of the Executive's estate.

ARTICLE VIII
WITHHOLDING

Any payments made or benefits provided to the Executive under this Agreement shall be reduced by any applicable withholding taxes or other amounts required to be withheld by law or contract.

ARTICLE IX
SECTION 409A

9.01 The payments and benefits provided under this Agreement are intended to comply with, or be exempt from, Section 409A of the Code and shall be interpreted or construed consistent with that intent. The Company shall not accelerate any payment or the provision of any benefits under this Agreement or make or provide any such payment or benefits if such payment or provision of such benefits would, as a result, be subject to tax under Section 409A. If, in the good faith judgment of the Company, any provision of this Agreement could cause the Executive to be subject to adverse or unintended tax consequences under Section 409A, such provision shall be modified by the Company in its sole discretion to maintain, to the maximum extent practicable, the original intent of the applicable provision without contravening the requirements of Section 409A of the Code. This Section 9.01 does not create an obligation on the part of the Company to modify this Agreement and does not guarantee that the amounts or benefits owed under this Agreement will not be subject to interest and penalties under Section 409A.

9.02 To the extent any reimbursements or in-kind benefit payments under this Agreement are subject to Section 409A of the Code, such reimbursements and in-kind benefit payments shall be made in accordance with Treasury Regulation § 1.409A-3(i)(l)(iv) (or any similar or successor provisions), and payments of such reimbursements or in-kind benefits shall be made on or before the last day of the calendar year following the calendar year in which the relevant expense is incurred. The amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year.

ARTICLE X
INDEMNIFICATION

The Company indemnifies Executive to the maximum extent provided in the Company's By-Laws and organizational documents, as currently in effect. Executive shall be entitled to coverage under the directors and officers liability insurance on terms no less favorable to him in any respect than the coverage then being provided to any other current or former director or officer of the Company and which the Company shall maintain with minimum coverage of $1 million.

ARTICLE XI
AMENDMENT; WAIVER

This Agreement may not be modified, amended or waived in any manner, except by an instrument in writing signed by both parties hereto. The waiver by either party of compliance with any provision of this Agreement by the other party shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement.

ARTICLE XII
GOVERNING LAW

All matters affecting this Agreement, including the validity thereof, are to be governed by, and interpreted and construed in accordance with, the laws of the State of New York without giving effect to the principles of conflicts of law.

ARTICLE XIII
ARBITRATION

With the exception of the Company's right to seek injunctive relief in a court of competent jurisdiction to enforce Articles V and VI, any dispute or controversy arising out of or relating to this Agreement or Executive's performance thereunder shall be exclusively settled by arbitration before a single arbitrator to be held in New York County, New York, in accordance with the rules then in effect of the American Arbitration Association. The decision of the arbitrator shall be final, conclusive and binding on the parties to the arbitration. Judgment may be entered on the arbitrator's decision in any court having jurisdiction. The Company and the Executive shall separately pay their own counsel fees and expenses. The arbitrator shall apply the laws of the State of New York with respect to interpretation, construction or enforcement of this Agreement without giving effect to the principles of conflicts of law.

ARTICLE XIV
SURVIVAL OF CERTAIN PROVISIONS

The rights and obligations set forth Articles V and VI shall survive any termination or expiration of this Agreement.

ARTICLE XV
ENTIRE AGREEMENT; SUPERSEDES PREVIOUS AGREEMENTS

This Agreement, including the Confidentiality and Proprietary Information Agreement attached to this Agreement as Exhibit A, contains the entire agreement and understanding of the parties hereto with respect to the matters covered herein and supersedes all prior or contemporaneous negotiations, commitments, agreements and writings with respect to the subject matter hereof. All such other negotiations, commitments, agreements and writings shall have no further force or effect, and the parties to any such other negotiation, commitment, agreement or writing shall have no further rights or obligations thereunder.

ARTICLE XVI
COUNTERPARTS

This Agreement may be executed by either of the parties hereto in counterparts, via electronic or facsimile signature, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

ARTICLE XVII
HEADINGS

The headings of sections herein are included solely for convenience of reference and shall not control the meaning or interpretation of any of the provisions of this Agreement.

ARTICLE XVIII
NOTICES

All notices or communications hereunder shall be in writing and shall be deemed to have been duly given if delivered personally or sent by telefax, by recognized overnight courier marked for overnight delivery, or by registered or certified mail, postage prepaid, addressed as follows:

If to the Company:

Motus GI Holdings, Inc.
150 Union Square,
New Hope, PA 18938
With a copy (which shall not constitute notice) to:

Steven Skolnick, Esq.
Lowenstein Sandler LLP
1251 Avenue of the Americas
New York, New York

Or at such other address at which the Company may from time to time maintain its principal executive offices.

If to the Executive:

Mark Pomeranz
20 Laurelwood Drive
Bernardsville, NJ 07924
Telephone: 908-745-8599

With a copy (which shall not constitute notice) to:

Edward H. Pomeranz, Esq.
Graubard Miller
405 Lexington Avenue
New York, NY 10174, USA
Telephone: 212-818-8800
Facsimile: 212-818-8881

Or such other addresses as shall be furnished by like notice by the Executive.

IN WITNESS WHEREOF, the Company has caused this Agreement to be signed by its officer, and the Executive has executed this Agreement, as of the day and year first written above.

MOTUS GI HOLDINGS, INC.

By: */s/ James Martin*
Name: James Martin
Title: Chief Financial Officer

THE EXECUTIVE

/s/ Mark Pomeranz
Mark Pomeranz

LEASE

This Lease Agreement is made and entered into as of this 13 day of April 2017 (the "Effective Date"), by and between Victoriana Building, LLC., a Limited Liability company ("LANDLORD") with an address of 1301 East Broward Blvd., Suite 330, Fort Lauderdale, Florida 33301 and Motus GI Holdings, Inc., a Delaware corporation ("TENANT"), with an address at 150 Union Square Drive, New Hope, Pennsylvania 18938 until the Commencement Date (as hereinafter defined), and at the Premises (as hereinafter defined) thereafter, for certain premises located in the southeast area of the third floor of the building located at 1301 East Broward Boulevard, Fort Lauderdale, Florida 33301, commonly known as the Victoriana Building (the "Building"), comprising approximately six thousand three hundred ninety (6,390) rentable square feet and known as Suite 310 (the "Premises"). The exact dimensions and layout of the Premises shall be added to the Lease by Amendment. If the final dimensions cause the estimate of total rentable square footage to vary materially as determined in accordance with the guidelines generally established by the Standard Method For Measuring Floor Area in Office Buildings, ANSI/BOMA Z65.1 – 1996, then the Base Minimum Rent set forth in Section 3 below, the Tenant's Taxes and Utility Expenses set forth in Section 8 below, the Common Expenses set forth in Section 9 below, and the rent schedule in Exhibit A shall be adjusted by Amendment.

1. DEMISE Landlord, for and in consideration of the rents hereinafter reserved, and the terms, conditions, covenants and provisions contained in this Lease, hereby leases to Tenant, and the Tenant hereby takes and hires from the Landlord, subject to the terms and conditions contained in this Lease, the Premises, together with non-exclusive rights, privileges, and easements benefitting, belonging or pertaining thereto. All other space(s), areas and suites in the Building, the Building and the surrounding land which contains the Premises, but which is not a part thereof, shall be defined as the "Property".

2. TERM The Term of this Lease shall be seven (7) years and two (2) months commencing upon the issuance of the of a Temporary Certificate of Occupancy ("TCO") or Certificate of Occupancy ("CO") upon completion of Landlord's Work (as hereinafter defined) (the "Commencement Date") and ending on the last day of the eighty sixth (86) month thereafter, unless sooner terminated or extended as provided for in this Lease. This Lease shall be in full force and effect and binding on the parties as of the Effective Date. Beginning upon the earlier of (i) substantial completion of Landlord's Work or (ii) approximately thirty (30) days prior to issuance of a TCO or CO, the Tenant will be provided a free thirty (30) day Beneficial Occupancy to enable Tenant to set up its equipment, phones, and furniture, and perform data wiring and other ancillary preparations for its occupancy of the Premises.

3. BASE MINIMUM RENT Tenant agrees to pay during the Term to the Landlord base minimum rent (the "Base Minimum Rent") for the said Premises, without offset or deductions except as set forth herein, and without previous demand therefore, initial annual Base Minimum Rent of twenty four dollars and fifty cents ($24.50) per rentable square foot which equals one hundred fifty six thousand five hundred fifty five dollars and no cents ($156,555.00) annually, plus any applicable sales tax on rent now in effect or subsequently enacted by any governmental authority during the Term of this Lease, payable in equal monthly installments of thirteen thousand forty six dollars and twenty five cents ($13,046.25), plus applicable sales tax, on the first day of each and every month. Upon execution of this Lease by Tenant, Tenant shall deposit with Landlord the sum of twenty six thousand five hundred seventy four dollars and sixty two cents ($26,574.62) representing Base Minimum Rent due for the third and last month of the Term plus any additional

security deposit set forth in section 7, including sales tax.

Landlord agrees that all Base Minimum Rent and all other payments due pursuant to this Lease ("Additional Rent" and collectively with Base Minimum Rent, "Rent") payable hereunder shall be abated during months one (1) and two (2) of this lease term. Landlord also concedes to the adjusted Rent payment schedule as follows: The Base Minimum Rent and Tenant's Proportionate Share of Common Expenses shall be reduced for months three (3) through twelve (12) in accordance with the Rent Schedule attached hereto as Exhibit A.

3.1 ANNUAL INCREASES IN BASE MINIMUM RENT Commencing on the first (1st) anniversary of the Commencement Date (the "Anniversary Date") and on each and every subsequent Anniversary Date, the annual Base Minimum Rent for the Premises shall be increased by multiplying the immediately preceding year's Base Minimum Rent per square foot, excluding any adjustments for abatement or concessions, by two and three quarter (2.75%) percent and then adding this figure to the immediately preceding year's Base Minimum Rent, as shown on the Rent Schedule attached hereto as Exhibit A and made a part hereof. The Base Minimum Rent for the second Lease Year ("Lease Year" is a twelve (12) full calendar month period beginning on the Anniversary Date and each anniversary of the Anniversary Date) will therefore be equal to the initial annual Base Minimum Rent above plus the aforementioned two and three quarter (2.75%) percent increase. This provision providing for annual increases in the Base Minimum Rent, based upon cumulative fixed two and three quarter (2.75%) percent increases, each Lease Year over the preceding Lease Year's annual Base Minimum Rent, shall be applicable to each and every Lease Year during the Term, including any Renewal Term.

3.2 GENERAL RENT PROVISIONS All payments of Base Minimum Rent as set forth above are due in advance on the first day of each and every month throughout the Term. If applicable, Rent for any fractional month at the beginning or at the end of the Term shall be prorated. All payments of Rent shall be plus applicable sales tax and payable without offset or deductions (except in accordance with Section 3 above and as shown on Exhibit A) and without previous demand therefore. All payments due Landlord shall be payable to the Landlord at the address set forth herein or such other address as may be directed by Landlord in writing, or by wire payment. If any payment due Landlord as provided for herein (including, but not limited to, payments of Rent) is not received by the Landlord within five (5) days of its due date, Tenant shall pay to Landlord, as Additional Rent, a late fee equal to five (5%) percent of the amount due for each month (or part thereof) for which such payment remains due. In addition, every installment of Rent or other payment due hereunder from Tenant to Landlord which shall not have been paid when due shall bear interest at the highest rate permitted by law from the date that the same become due and payable until paid, whether or not demand be made therefore.

In the event any check is returned because of insufficient funds or otherwise that have been submitted to Landlord for the payment of Rent or other payments due under this Lease, then the check(s) shall be immediately replaced by Tenant with a cashier's check from a bank in Broward County, Florida, and in addition to any interest charges and late payment penalty provided above, there shall be, as Additional Rent, an additional charge of $250.00 for inconvenience caused to Landlord for handling the returned check.

4. OPTION TO RENEW Tenant shall have the right (the "Option to Renew"), to be exercised as provided for in this Section, to renew this Lease for one (1) additional term of five (5) years (the "Renewal Term"), commencing upon the expiration of the initial Lease Term on the terms and conditions set forth herein.

a. The Option to Renew may be exercised only if no default then exists under any of the terms of this Lease.

b. Occupancy during the Renewal Term shall be on the same terms, covenants and conditions provided for in this Lease, except there shall be no privilege to renew the Term of this Lease for any period of time after the expiration of the Renewal Term. During the Renewal Term Tenant shall pay Base Minimum Rent as set forth on Exhibit A and shall also remain responsible for its Pro Rata Share of Common Expenses (as hereinafter defined) as provided for in Section 9 of this Lease.

c. Tenant may exercise the Option to Renew by written notice to Landlord delivered at least two hundred forty (240) days, but in no event more than three hundred sixty five (365) days, prior to the expiration of the initial Term. Upon the giving of the notice of exercise of the Option to Renew, the Lease shall be renewed and the Term hereof renewed for the Renewal Term and upon the terms provided herein without the execution of any further instrument. Should notice not be given in this time frame, the Option to Renew shall be deemed waived.

d. Notwithstanding the foregoing, Tenant shall have no Option to Renew the Term of this Lease if Tenant was late on more than two (2) occasions within any twelve (12) month period during the Term in the required payment of Rent or if Tenant has been in material fault under any of the terms and conditions of this Lease (whether subsequently cured or not) on more than five (5) occasions.

5. RULES AND REGULATIONS Tenant, at its own cost and expense, shall properly observe and comply with all present and future laws, ordinances, codes, requirements, orders, directives, rules and regulations of all governmental authorities affecting the Tenant's use of the Premises, including but not limited to making non-structural modifications to the Premises to comply with any state or federal laws or regulations affecting the accessibility of the Premises for disabled persons (provided that Landlord shall complete Landlord's Work in compliance with any such state or federal laws or regulations in effect as of the Effective Date). Tenant shall also comply with any and all reasonable rules and regulations imposed by Landlord, including but not limited to, the prohibition of smoking in the Premises or at the Property. However, no rule or regulation of Landlord shall materially affect Tenant's use of the Premises as set forth in this Lease.

6. RISK OF LOSS All personal property placed or moved in the Premises shall be at the risk of Tenant or of the owner of such property, and Landlord shall not be liable for any damage to said personal property, or to Tenant, arising from the bursting or leaking of water pipes, or from any act of negligence of any co-tenant or occupants of the Building, or of any other person whomsoever (excepting any loss due to the default or negligence of Landlord and/or its agents). It is further agreed that Landlord shall not be liable for any damage or injury by water which may be sustained by Tenant or other person, or for any other damage or injury resulting from the carelessness, negligence or improper conduct on the part of any person whomsoever (excepting any loss due to the default or negligence of Landlord and/or its agents), or by reason of the breakage, leakage or obstruction of the water, sewer or soil pipes, or other leakage in or about the Building.

7. SECURITY Upon Tenant's execution of this Lease, Tenant shall deposit with Landlord the sum of thirteen thousand forty six dollars and twenty five cents ($13,046.25) representing a security deposit (the "Security Deposit"), equivalent to one (1) month's Base Minimum Rent, that Landlord is to retain as security for the faithful performance of all the terms and conditions of this Lease.

Landlord shall not be obligated to apply the Security Deposit on Rent or other charges in arrears, or in damages for failure to perform the terms and conditions of this Lease. Application of the Security Deposit to the arrears of Rent payments or damages shall be at the sole option of the Landlord, and the right to possession of the Premises by the Landlord for non-payment of Rent or for any other reason shall not in any event be affected by the Security Deposit. The Security Deposit is to be returned to Tenant within sixty (60) days of the expiration or sooner termination of this Lease, according to the terms of this Lease, if not otherwise applied by reason of any breach of the terms and conditions of this Lease by Tenant. Tenant expressly acknowledges that Tenant shall not have the right to apply the Security Deposit to Rent. In no event is the Security Deposit to be returned until Tenant has vacated the Premises and delivered possession to the Landlord. In the event the Landlord repossesses the Premises because of the default of the Tenant or because of the failure by the Tenant to carry out the terms and conditions of this Lease, Landlord may apply the Security Deposit to any actual damages incurred to the day of repossession and may retain the balance of the Security Deposit to apply to damages that may accrue or be suffered thereafter by reason of a default or breach of the Tenant. Landlord shall not be obligated to hold the Security Deposit in a separate fund, but may mix the Security Deposit with other funds of the Landlord, and Landlord shall not be obligated to pay interest to Tenant on the Security Deposit. If for any reason Tenant's Security Deposit or a portion thereof is applied by Landlord toward payment of an obligation of Tenant hereunder (which Landlord may at its sole option choose to do but not be obligated to do), Tenant shall pay to Landlord on demand the amount so applied in order to restore the Security Deposit to its original amount. If Landlord transfers its interest in the Premises during the Term of this Lease, Landlord may assign the Security Deposit to the transferee and thereafter Landlord shall have no further liability for the return of such Security Deposit.

As further security for the faithful performance of the terms and conditions of this Lease, Tenant hereby pledges and assigns to Landlord all of the fixtures and chattels owned by Tenant which shall or may be brought or put on said Premises, and the Tenant agrees that said lien may be enforced by distress, foreclosure or other process of law at the election of Landlord, and Tenant agrees to pay reasonable attorneys' fees, together with all costs and charges incurred or paid by the Landlord by reason of Tenant's failure to perform any of the terms and conditions of this Lease, which sums shall be Additional Rent and bear interest at the highest rate permitted by law. Notwithstanding the foregoing, the following items shall not be subject to any lien or interest of Landlord: tensile testers, stiffness testers, leak testers, anatomical models, disinfecting station, microscopes, UV curing stations, industrial ovens, environmental chamber, air compressors, vacuum source, 3D printer, and any other items which may be subject to a financing or sale-lease back arrangement.

8. TENANT'S TAXES AND UTILITY EXPENSES During the Term of this Lease, Tenant shall pay, before the same shall become delinquent, all personal property taxes, sales taxes, and such other taxes as may be payable by reason of operation of Tenant's business. During the Term of this Lease, Tenant shall pay, before the same shall become delinquent, all charges for utilities and similar services furnished to the Premises for the occupants thereof to the extent separately metered and billed to Tenant. Expenses for electricity, water and garbage pickup shall be included within Common Expenses, for which Tenant will pay its Pro Rata Share thereof.

9. COMMON EXPENSES "Common Expenses" are defined as the sum of all Real Estate Taxes, Landlord's Insurance, and Maintenance (each as defined below). Tenant shall pay, as Additional Rent, Tenant's Pro Rata Share of Common Expenses in accordance with the terms of this Section 9. Tenant's "Pro Rata Share" shall be calculated as a fraction, the numerator of which shall be the rentable square feet of the Premises and the denominator of which shall be the total rentable square feet of the Property, and defined as approximately fourteen percent (14%).

a. "Real Estate Taxes" is defined as all regular and special taxes assessed against the real estate comprising the Property. Reimbursement for Real Estate Taxes shall be assessed utilizing the maximum four (4%) percent discount.

b. "Landlord's Insurance" is defined as the cost of all types of insurance carried by the Landlord with respect to the Property as of the Effective Date.

c. "Maintenance" is defined as Landlord's cost of operating and maintaining the Property and the Premises, including but not limited to, operating, managing, equipping, policing, protecting, lighting, trash removal, janitorial service, landscaping, all utilities, licenses, fees and permits, replacements (excluding capital expenditures) and repairs necessary to maintain the Property, Premises and Common Areas substantially in the same condition as when originally constructed, together with a commercially reasonable management fee not to exceed five percent (5%). Notwithstanding anything to the contrary contained herein, Landlord shall not include the cost of any capital improvements in its calculation of Maintenance Costs or Common Expenses, or otherwise pass the cost of same on to Tenant.

The "Common Areas" are defined as including but not limited to, as applicable, the hallways, sidewalks, curbs, parking areas, landscaped areas, enclosed common passageways, elevators, atriums, stairways, driveways, loading platforms, canopies, washrooms, lounges, shelters and other areas available for the joint use of all tenants and to their employees, agents, customers, licensees and invitees. It is the intention of the foregoing definition that the Common Areas shall include any and all areas of the Property which are not specifically demised to any one tenant.

d. By April 1st of each calendar year during the Term (and any Renewal Term), Landlord shall furnish to Tenant an annual budget for the following twelve (12) month period, itemizing estimated Common Expenses, together with a statement of Tenant's Pro Rata Share thereof. Tenant shall pay to Landlord with each monthly installment of Base Minimum Rent, as Additional Rent, an amount equal to one-twelfth (1/12) of Tenant's annual Pro Rata Share of Common Expenses as estimated by Landlord. The current rate for 2017 is estimated at twelve dollars and ninety one cents ($12.91) per square foot annually plus applicable sales tax. A reconciliation of the foregoing estimate based on the Common Expenses actually incurred during the immediately preceding calendar year (adjusting such amount upward or downward, and providing reimbursements and/or credits if necessary) shall be made annually each calendar year during the Term (and any Renewal Term) by April 1st as to the immediately preceding calendar year. Landlord agrees that there shall be a four (4%) percent cap annually on controllable Common Expenses. For example, Real Estate Taxes and insurance costs are not to be considered controllable Common Expenses.

e. Landlord shall provide or cause to be provided standard office Janitorial Service in the Premises five (5) days a week, Monday through Friday, and further ensure that the garbage shall be picked up in the Premises five (5) times a week, Monday through Friday. Landlord shall provide

or cause to be provided Air conditioning for the Premises seven (7) days a week, twenty four (24) hours a day.

10. USE OF PREMISES The Premises shall be used by Tenant for general office and laboratory purposes in connection with Tenant's business (including engineering, sales, hosting meetings, use of in-Premises kitchen, and uses ancillary thereto) and for no other purposes whatsoever (sometimes referred to as the "permitted use"). The Premises shall be at all times properly operated in accordance with the permitted use as set forth above. Tenant recognizes that is it important to Landlord to keep the use of the subject Premises as set forth herein; accordingly, any change or termination of the use of the Premises shall be considered a default under the Lease and Landlord shall be entitled to all remedies as provided for herein.

Tenant shall not use or occupy, nor permit or suffer the Premises, the Property, or any part thereof to be used or occupied for any unlawful or illegal business, use or purpose, nor in any way in violation of any governmental laws, ordinances, requirements, orders, directives, rules or regulations.

11. INTERRUPTION OF ACCESS, USE OR SERVICES Landlord shall not be liable for any failure to provide access to the Premises, to assure the beneficial use of the Premises, or to furnish any services or utilities, to the extent such failure is caused by natural occurrences, riots, civil disturbances, insurrection, war, court order, public enemy, accidents, strikes, lockouts, other labor disputes, the inability to obtain an adequate supply of fuel, gas, steam, water, electricity, labor or other supplies or by any other condition beyond Landlord's reasonable control, and Tenant shall not be entitled to any damages resulting from such failure, nor shall any such failure relieve Tenant of the obligation to pay all sums due hereunder or constitute or be construed as a constructive eviction of Tenant. If any governmental entity promulgates or revises any statute, ordinance or building, fire or other code, or imposes mandatory controls or guidelines on Landlord or the Property or any part thereof, relating to the use or conservation of energy, water, gas, steam, light or electricity or the provisions of any other utility or service provided with respect to this Lease, or if Landlord is required to make alterations to the Property in order to comply with such mandatory controls or guidelines, Landlord may, in its sole discretion, comply with such mandatory controls or guidelines. Such compliance shall not in any event entitle Tenant to any damages, relieve Tenant of the obligation to pay any of the sums due hereunder, or constitute or be construed as a construction or other eviction of Tenant.

Landlord shall use commercially reasonable efforts to minimize disturbance to Tenant and its operations in the Premises during any necessary maintenance, work or repairs.

12. ACCESS TO THE PREMISES During all reasonable hours, Landlord or Landlord's agents shall have the right, but not the obligation, to enter upon the Premises to examine same, to exhibit the Premises to prospective purchasers or tenants, and to make such repairs as may be required of the Landlord under the terms of this Lease. Landlord agrees not to unreasonably interfere with the operation of Tenant's business.

13. REPAIRS Landlord shall: (a) maintain and keep the roof and exterior walls of the Building leak free and to make all structural repairs necessary to the Building, its roof and exterior walls; (b) repair and maintain the Common Areas and all Building systems, including electrical systems, plumbing and HVAC serving the Premises; and (c) make all repairs to the Premises and the Building that are necessitated by latent defects (excluding defects in any improvements made by Tenant), or due to inadequate or faulty construction (excluding any construction by Tenant), or due

to the negligence of Landlord and its employees, agents, contractors and representatives. "Structural repairs" means all repairs necessary to keep the Building in a safe and structurally sound condition, prevent it from collapsing or sagging, and to prevent the Building or any part thereof (including the Premises) from being condemned because of structural insufficiency or related safety hazards. To the extent any maintenance and/or repairs are necessitated by the default or negligence of Tenant or the Tenant's agents, employees or invitees, Tenant shall reimburse Landlord for the costs thereof.

Landlord shall complete Landlord's Work and deliver the Premises as required pursuant to this Lease, in good condition and with all fixtures, equipment and appurtenances in good working order. Tenant agrees to maintain the Premises in substantially the same condition, order and repair as they are at the Commencement Date of this Lease, reasonable wear and tear excepted, and to make all repairs in and about the Premises necessary to preserve them in good order and condition, which repairs made by Tenant shall be in equal quality and class to the original work. Tenant shall promptly pay the expense of any such repairs.

14. TENANT IMPROVEMENTS

The Landlord agrees to complete, at its sole cost and expense, those items more particularly described on "Exhibit B" attached hereto and incorporated herein ("Landlord's Work").

Except as provided for herein, and excluding Landlord's Work, any and all improvements or changes to the Premises which Tenant desires to make shall be at Tenant's sole cost and expense, require Landlord's prior written approval, which approval will not be unreasonably withheld or delayed, and shall be done under a City of Fort Lauderdale Building Permit to be obtained by Tenant at Tenant's sole cost and expense. In no event shall any Tenant improvements to the Premises cause any damage to the Property or the building containing the Premises. Any and all Tenant improvements shall be done in compliance with all applicable building and land development code regulations. Landlord or Landlord's agents shall be permitted access to the Premises upon reasonable advance notice to Tenant for the purpose of inspecting the work or communicating with the person or persons providing said work or materials to assist Landlord in making sure that these provisions are being complied with. Notwithstanding the foregoing, Landlord and/or Landlord's agent is under no duty to supervise any of said Tenant's improvements, nor make any opinion as to whether said work is being properly done properly and/or in compliance with the provisions of the building code or other governmental regulations.

Notwithstanding anything to the contrary contained herein, Tenant may make normal, routine, non-structural alterations, which consist of interior painting, normal maintenance, wall and window treatments, interior lighting fixtures, interior signs, floor treatments and similar minor changes, without the consent of Landlord.

Any and all additions, fixtures or improvements which may be made or installed by Tenant (except movable furniture, equipment, and other personal property of Tenant) shall become the property of the Landlord and remain upon the Premises as a part thereof, and be surrendered with the Premises at the termination of this Lease, at the option of the Landlord. If Landlord elects to allow Tenant to remove such fixtures or additions, Tenant shall repair any damage caused by such removal.

15. INSURANCE During the Term of this Lease, the Tenant shall carry and pay for liability insurance from and against any and all claims, suits, actions, damages and/or causes of action arising during the Term of this Lease for any personal injury, loss of life and/or damage to property sustained in and about the Premises, by reason of or as a result of Tenant's occupancy of the Premises, in an amount not less than One Million Dollars ($1,000,000.00) combined limit. In addition, Tenant shall carry and pay for replacement cost fire, extended coverage, and flood insurance, to cover the cost of repair or replacement of Tenant's personal property and any leasehold improvements it may install.

Such insurance shall name the Landlord and any mortgagees as additional insured as the Landlord's and any mortgagee's interests may appear. The insurance policies shall be: (a) issued by insurance companies authorized to do business in the State of Florida, with a financial rating of at least AA (or then-current comparable) status as rated in the most recent edition of Best's Insurance Reports, (b) be issued as a primary policy, (c) contain an endorsement requiring sixty (60) days' written notice from the insurance company to both parties and Landlord's lender before cancellation of change in coverage, scope or amount of any policy, and (d) contain a waiver of any rights of subrogation which the Tenant may have against Landlord. The Tenant shall deliver to the Landlord these insurance policies or copies or certificates thereof immediately upon commencement of the Lease and thereafter from time to time as requested by Landlord to assure the Landlord and any mortgagees that the coverage afforded by the policies is being maintained continuously by the Tenant and that the premiums therefore have been paid by the Tenant.

15.1 WAIVER OF SUBROGATION Each party hereby releases and relieves the other and waives the right of recovery against the other for loss or damage to property arising out of or incident to perils commonly insured against under All-Risk coverage insurance whether due to the negligence of either party, its agents, employees, contractors and/or invitees.

16. SUBORDINATION This Lease shall be subject and subordinate to any mortgage that now encumbers or affects the Property or that the Landlord or any subsequent owners of the Property may hereafter at any time elect to place on the Property, including but not limited to a purchase money mortgage which may be held by Landlord as a seller, and to all advances, extensions, or modifications already made or that may be hereafter made on account of any such mortgage. Furthermore, Tenant shall, upon request, execute any commercially reasonable paper or papers that Landlord's counsel may deem necessary to accomplish such subordination of Tenant's interest in this Lease, in default of which Landlord is hereby appointed as Tenant's attorney-in-fact to execute such commercially reasonable paper or papers in the name of Tenant and as the act and deed of Tenant, and this authority is hereby declared to be coupled with an interest and irrevocable. Notwithstanding the foregoing, Landlord agrees it will use good faith efforts to cause any documentation that evidences Tenant's agreement to subordinate as provided herein to contain reasonable and customary non- disturbance provisions which provide that Tenant shall not be disturbed so long as Tenant is in compliance with all terms and conditions of this Lease.

17. ASSIGNMENT AND SUBLEASING Tenant shall not assign this Lease, or otherwise transfer any interest in this Lease, without the prior written consent of the Landlord, which consent may be withheld by Landlord in its sole and absolute discretion. No consent to an assignment or sublease shall release Tenant or any Guarantor from any obligations under this Lease.

Tenant shall not sublet portions of the Premises without Landlord's prior written consent, which consent shall not be unreasonably withheld. If a sublease is permitted by Landlord, Tenant

agrees to furnish Landlord with a photostatic copy of each sublease made for space in the Premises.

Tenant shall not hypothecate, transfer, pledge or otherwise encumber this Lease or Tenant's rights hereunder nor shall Tenant permit any such encumbrance. Any attempt at assignment, sublease, pledge, transfer or encumbrance of this Lease without the prior written consent of Landlord shall be null and void, and a default under this Lease.

Tenant shall and does hereby indemnify and agree to hold Landlord harmless from any and all liabilities, claims, and causes of action arising under any terms and conditions of every sublease, license or concession agreement, unless such liabilities, claims and causes of action arise by reason of a default or breach by Landlord, or the negligent conduct or activity of Landlord, its agents or employees, under this Lease.

If all or any part of the Premises shall be sublet or occupied by anyone other than Tenant, Landlord may, after default by Tenant, collect rent from any and all subtenants or occupants, and apply the net amount collected to the net annual Rent reserved herein, but no such collection shall be, or be deemed to be, a waiver of any agreement, term, covenant or condition of this Lease or the acceptance by Landlord of any subtenant or occupant as Tenant, or a release of Tenant from performance by Tenant of its obligations under this Lease.

Anything hereinabove contained to the contrary notwithstanding, Landlord's consent shall not be required for an assignment of this Lease, or sublease of all or part of the Premises for the uses permitted hereunder, to an affiliate of Tenant (including, without limitation, Orchestra Medical Ventures, Caliber Medical Technologies, Backbeat Medical, Freehold Medical, Motus GI, Inc., and other subsidiaries of Tenant), provided that Landlord is given prior notice thereof and Tenant agrees to remain primarily liable, jointly and severally, with any transferee or assignee, for the obligations of Tenant under this Lease.

Notwithstanding the provisions of this Article 17, Tenant may, from time to time, permit portions of the Premises (the "Desk Space Area") to be used or occupied under so-called "desk sharing" arrangements by third-parties (each such user, a "Desk Space User"), provided that (i) any such use or occupancy of desk or office space shall be without the installation of any demising partitions or any separate entrance, (ii) each Desk Space User shall use the Premises only for the use expressly permitted pursuant to Section 10 of this Lease, (iii) in no event shall the use of any Desk Space Area create or be deemed to create any right, title or interest of such Desk Space User in any portion of the Premises or this Lease, other than a license, and (iv) such "desk sharing" arrangement shall terminate automatically upon the termination of this Lease. Landlord's consent shall not be required for any such desk sharing arrangement. Upon Landlord's written request, Tenant shall notify Landlord in writing of any such desk sharing arrangement, which notice shall include (1) the identity of the Desk Space User, and (2) a description of the nature and character of the business to be conducted in the Premises by such Desk Space User.

18. INDEMNIFICATION OF LANDLORD In addition to any other indemnities to Landlord specifically provided in this Lease, Tenant shall indemnify and save harmless Landlord and/or its officers, directors, partners, agents, members, employees, successors and/or assigns (collectively, "Landlord Parties") against and from any and all liabilities, liens, suits, obligations, fines, damages, penalties, claims, costs, charges and expenses, including reasonable attorneys' fees which may be imposed upon or incurred by or asserted against Landlord Parties by reason of the use and/or

occupancy of the Premises or any part thereof by Tenant or Tenant's agents, contractors, servants, employees, licensees or invitees during the Term of this Lease. This indemnification shall specifically extend to but shall not be limited to loss or damage arising out of environmental hazards or contamination.

The provisions of this Section shall survive the expiration or earlier termination of this Lease for events occurring prior to such expiration or termination.

19. RESTRICTION AGAINST CONSTRUCTION LIEN Neither Tenant nor anyone claiming by, through or under Tenant, shall have any right to file or place any lien of any kind or character whatsoever on the Property and notice is hereby given that no contractor, subcontractor, or anyone else that may furnish any material, service or labor to the Property at any time shall be or become entitled to any lien thereon whatsoever. For the further security of Landlord, Tenant shall give actual notice of this restriction in advance to any and all contractors, subcontractors, or other persons, firms, or corporations that may furnish any such material, service, or labor.

Landlord shall have the right to record a notice of this provision in the Public Records of the County in which Premises is located. If such lien is filed against Landlord's interest in the Property, Tenant shall cause such lien to be released of record or bonded within fifteen (15) days of Tenant's receipt of notice of such lien.

If Landlord gives its written consent to Tenant requested improvements or alterations as set forth herein, and if the Florida licensed Contractor hired by Tenant to perform such work and/or provide such labor, material and services requires a Notice of Commencement (the "Notice") to be filed in the Public Records of Broward County prior to commencement of such work, then Tenant shall sign the Notice only as to Tenant's leasehold interest in the Premises. The Notice shall designate Landlord as an additional person to receive a copy of any notices as provided in Section 713.13, Florida Statutes.

20. CONDEMNATION

a. If at any time during the Term of this Lease, the whole or materially all of the Premises shall be taken for any public or quasi-public purpose by any lawful power or authority by the exercise of the right of condemnation or eminent domain or by agreement between Landlord, Tenant and those authorized to exercise such right, this Lease, the term hereby granted, any rights of renewal hereof and any renewal terms hereof, shall terminate and expire on the date of such taking and the Rent and other sum or sums of money and other charges herein reserved and provided to be paid by the Tenant shall be apportioned and paid to the date of such taking.

b. The term "materially all of the Premises" shall be deemed to mean such portion of the Premises as when so taken, would leave remaining a balance of the Premises which, due either to the area so taken or the location of the part so taken in relation to the part not so taken, would not allow the Tenant to continue its business operations, or would not under economic conditions, zoning laws or building regulations then existing or prevailing, readily accommodate a new building or buildings of a nature similar to the Building as existing upon the land at the date of such taking and of floor area sufficient, together with buildings not taken in the condemnation, to operate Tenant's business.

c. For the purpose of this Section, the Premises or part thereof, as the case may be, shall be deemed to have been taken or condemned on the date on which actual possession of the Premises or a part thereof, as the case may be, is acquired by any lawful power or authority or the date on which title vests therein, whichever is earlier.

d. It is further understood and agreed that if at any time during the Term of this Lease the Premises or the Property or the Building, or any portion thereof, be taken or appropriated, or condemned by reason of eminent domain, the entire award shall be the property of the Landlord and in no event shall Tenant receive any portion of any award made to Landlord. Tenant shall have the right to make a separate claim for its own damages provided Tenant's claim and/or award in no way reduces or limits the amount Landlord would otherwise be entitled to.

e. In the event less than materially all of the Premises shall be taken by governmental authority, then:

1. If the portion so taken does not affect the operation of Tenant's business, then this Lease shall continue in full force and effect.

2. In the event the portion of the Premises are taken so that Tenant is able to continue to operate its business, but the operation of such business is reduced by reason of such taking, then the Rent (including, for the avoidance of doubt, Base Minimum Rent, Additional Rent, and Tenant's Proportionate Share of Common Expenses) shall be reduced proportionately by the same percentage as the square footage of the Premises which have been taken by governmental authority bears to the total square footage of the Premises prior to such taking.

21. DESTRUCTION OF PREMISES

a. In the event the entire Premises or materially all of the Premises are destroyed by fire or other casualty, Landlord shall have the option of terminating this Lease or of rebuilding the Premises and shall give written notice of such election to the Tenant within sixty (60) days after the date of such casualty. In the event Landlord elects to rebuild the Premises, the Premises shall be restored (but not any leasehold improvements made by Tenant) to its former condition within one (1) year of the casualty, during which time the Rent due from Tenant to Landlord hereunder shall abate. In the event Landlord elects to terminate this Lease, Rent shall be paid only to the date of such casualty, and the Term of this Lease shall expire as of the date of such casualty and shall be of no further force and effect and Landlord shall be entitled to sole possession of the Premises. In the event that (i) restoration of the Premises by Landlord shall take longer than one (1) year to complete, or (ii) a casualty occurs within the last twelve (12) months of the Term or the Renewal Term, Tenant shall have the option to terminate this Lease upon written notice to Landlord. In the event Tenant elects to so terminate this Lease, Rent shall be paid only to the date of such casualty, and the Term of this Lease shall expire as of the date of such casualty and shall be of no further force and effect.

b. The term "materially all of the Premises" shall be deemed to mean such portion of the Premises, as when so destroyed, would leave remaining a balance of the Premises which due to the amount of area destroyed or the location of the part so destroyed in relation to the part left undamaged would not allow the Tenant to continue its business operations.

c. In the event of a partial destruction which is not materially all of the Premises, the

Rent (including, for the avoidance of doubt, Base Minimum Rent, Additional Rent, and Tenant's Proportionate Share of Common Expenses) shall proportionately abate based upon the square footage of the Premises remaining undamaged and Landlord shall repair the damage. Landlord shall commence repair of the Premises within 60 days, and, subject only to events beyond Landlord's control, complete such repairs within 120 days.

d. Notwithstanding the foregoing, if the damage or destruction is as a result of the negligence of Tenant or Tenant's employees, or agents, invitees, or as a result of Tenant not fulfilling all of its obligations under this Lease, no Rent shall abate and Tenant shall make all necessary repairs at its sole cost and expense.

22. QUIET ENJOYMENT Tenant, upon paying the Rent and all other sums and charges to be paid by it as herein provided, and observing and keeping all covenants, warranties, agreements and conditions of this Lease on its part to be kept, shall quietly have and enjoy the Premises during the Term of this Lease, without hindrance or molestation by Landlord, Landlord Parties or anyone claiming under Landlord.

23. DEFAULTS Each of the following events shall be an "Event of Default" hereunder:

a. Failure of Tenant to pay any installment of Rent or any part thereof, or any other payments of money, costs or expenses herein agreed to be paid by Tenant, within five (5) days of when same become due.

b. Failure to observe or perform on one or more of the other terms, conditions, covenants or agreements of this Lease and the continuance of such failure for a period of thirty (30) days after written notice by Landlord specifying such failure (unless such failure requires work to be performed, acts to be done or conditions to be improved, as the case may be, within such thirty (30) day period, in which case no default shall be deemed to exist so long as Tenant shall have commenced curing the same within such thirty (30) day period, and shall diligently and continuously prosecute the same to completion).

c. If this Lease or the estate of Tenant hereunder shall be transferred to or assigned to or subleased to or shall pass to any person or party, except in a manner herein permitted.

d. If a levy under execution or attachment shall be made against Tenant and such execution or attachment shall not be vacated or removed by court order, bonding or otherwise within a period of thirty (30) days.

e. A rejection of the Lease by a trustee in bankruptcy appointed in connection with the bankruptcy of the Tenant.

f. A failure to vacate the Premises upon termination of the Lease.

No payment by Tenant or receipt by Landlord of an amount less than the required payment set forth in this Lease shall be considered as anything other than a partial payment of the amount due. No endorsement or statement to the contrary on any check shall be deemed an accord and satisfaction. Landlord may accept a partial payment without prejudicing Landlord's right to recover the balance of such payment which is still due, and without affecting any other remedies available to

Landlord. After an Event of Default, any and all sums which are/were due to the Landlord shall be deemed Additional Rent and bear interest from the date of default at the highest rate permitted by law until such sums have been in paid in full and received by Landlord.

24. REMEDIES Upon an "Event of Default" as defined above, Landlord at its option shall have the following non-exclusive remedies in addition to those provided by law:

a. Landlord may treat the Lease as terminated whereupon the right of Tenant to the possession of the Premises shall immediately terminate, and the mere retention or possession thereafter by Tenant shall constitute a forcible detainer.

b. Landlord may terminate Tenant's right of possession, without the termination of this Lease, in which event Landlord shall have the right to re-let the Premises as the agent for the Tenant and to hold the Tenant responsible for any deficiency between the amount of rent realized from such re-letting (including but not limited to renovation and repair expenses and brokerage expenses) and the amount which would have been payable by Tenant under the terms of this Lease. No re-entry or repossession by the Landlord shall serve to terminate this Lease, unless the Landlord so elects in writing, nor shall it release Tenant from any liability for the payment of any Rent stipulated to be paid pursuant to this Lease or for the performance or fulfillment of any other term or condition provided herein.

c. Landlord may declare all the installments of Rent for the whole term of this Lease to be immediately due and payable at once without further demand, in which event all sums payable to the Landlord shall bear interest from the date of default at the highest rate permitted by law.

d. Landlord shall have the right to take no immediate action and to hold the Tenant responsible for the Rent as it becomes due.

e. Any Base Minimum Rent which was abated or waived by Landlord shall also be immediately due and payable by Tenant to Landlord.

f. In the event of a holdover by Tenant after the termination of this Lease, Landlord shall have the right to collect double the amount of then applicable Base Minimum Rent. In addition, Tenant shall be responsible for any cost or expenses incurred by Landlord as a result of such holdover.

g. In the event of a default by the Landlord, then and in that event, the Tenant shall notify the Landlord in writing as to the nature of said default and the Landlord shall have thirty (30) days after receipt of said notice to cure said default. In the event that the default is not capable of being cured within thirty days, Landlord agrees to use its highest and best efforts to diligently cure said default. In the event that the default is not cured by the Landlord after the foretasted notice, the Tenant shall be free to pursue all remedies available to the Tenant whether at law or in equity.

25. ATTORNEYS' FEES In the event that Landlord shall employ the services of an attorney to enforce any of its rights under this Lease or to collect any sums due to it under this Lease or to remedy the breach of any covenant of this Lease on the part of Tenant to be kept or performed, regardless of whether suit be brought, Tenant shall pay to Landlord, as Additional Rent, such fee as shall be charged by Landlord's attorney for such services. Should suit be brought for the recovery of possession of the Premises, or for Rent or any other sum due Landlord under this Lease, or because

of the breach of any of Tenant's covenants under this Lease, Tenant shall pay to Landlord, as Additional Rent, all expenses of such suit and any appeals thereof, including reasonable attorney's fees. In the event of any litigation between Landlord and Tenant arising out of this Lease, the losing party shall pay to the prevailing party all costs and expenses, including reasonable attorneys' fees (including appellate proceedings) which the prevailing party may incur.

26. CERTIFICATES Either party shall, without charge, at any time and from time to time hereafter as may be commercially reasonable, within fifteen (15) days after written request of the other, certify by written instrument duly executed and acknowledged to any mortgagee or purchaser, or proposed mortgagee or proposed purchaser, or any other person, firm or corporation specified in such request:

a. As to whether this Lease has been supplemented or amended, and if so, the substance and manner of such supplement or amendment;

b. As to the validity and force and effect of this Lease, in accordance with its tenor as then constituted; and

c. As to any other matters as may reasonably be so requested.

Any such certificate may be relied upon by the party requesting it and any other person, firm or corporation to whom the same may be exhibited or delivered, and the contents of such certificate shall be binding on the party executing same.

Should any banking institution, savings and loan association or other institutional lender to whom Landlord is applying for a loan which, if granted, would make such lender a Landlord's mortgagee, request reasonable modification in this Lease, the effect of which would not make a change in the Rent or other economic terms of this Lease or increase Tenant's expenses, obligations or the risk to which Tenant is exposed, Tenant agrees that it shall not unreasonably withhold its agreement to such modification.

27. RADON GAS Radon is a naturally occurring radioactive gas that when it has accumulated in a building in sufficient quantities may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit.

28. STORMS Tenant agrees to exercise reasonable care to protect the Premises in the event a public warning should be issued that the Premises are threatened by a hurricane, tornado or storm of similar magnitude in accordance with the Storm Plan attached hereto as Exhibit C.

29. LANDLORD'S RIGHT TO PERFORM TENANT'S COVENANTS If Tenant shall at any time fail to make any payments in accordance with the provisions hereof, or to take out, pay for, maintain or deliver any of the insurance policies provided for herein, or shall fail to make any other payment or perform any other act on its part to be made or performed, then Landlord, after thirty (30)) day notice to Tenant (without notice in case of an emergency) and without waiving or releasing Tenant from any obligation of Tenant contained in this Lease, may (but shall be under no obligation to):

a. Pay any amount payable by Tenant pursuant to the provisions hereof, or

b. Make any other payment or perform any other act on Tenant's part to be made or performed as in this Lease provided, and may enter upon the Premises for the purpose and take all such action thereon as may be necessary therefore.

All sums so paid by Landlord and all costs and expenses incurred by Landlord in connection with the performance of any such act, shall be deemed Additional Rent and bear interest at the highest rate allowed by law.

30. NOTICE Unless otherwise provided in this Lease, all notices and requests required or permitted under this Lease to Landlord or Tenant shall be in writing and shall be addressed to the addresses indicated in this Lease or to any other address that Landlord or Tenant may designate in a notice to the other given at least fifteen (15) days in advance. All notices shall be deemed to be properly served if delivered to the appropriate address by registered or certified mail (with postage prepaid and return receipt requested), courier, or express delivery service (such as FEDEX, UPS or similar express services). The date of service of a notice served shall be the date of actual receipt or refusal of delivery. If any Mortgagee shall notify Tenant that it is the holder of a Mortgage affecting the Premises, no notice of default thereafter sent by Tenant to Landlord shall be effective unless and until a copy of the same shall also be sent to such Mortgagee in the manner prescribed in this Section and to such address as such Mortgagee shall designate.

Although the Parties may communicate from time to time by email or via facsimile, email and facsimile correspondence shall not be deemed to be effective notice under this Lease. Notices may be given on behalf of any party by such party's legal counsel. In the event of any litigation under this Lease, the foregoing notice provisions shall in no way prohibit notices from being given as provided in the rules of civil procedure of the State of Florida, as the same may be amended from time to time and any notice so given in any such litigation shall constitute notice herein

31. HAZARDOUS MATERIAL Tenant shall not knowingly cause or permit any hazardous material to be brought upon, kept, or used in or about the Premises by Tenant, its agents, employees, contractors or invitees except customary cleaning supplies and office materials. If the Premises are, through Tenant's fault, contaminated by hazardous materials, then Tenant shall indemnify, defend and hold Landlord harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses (including without limitation, diminution in value or useable space or of any amenity of the Premises), and sums paid in settlement of claims, attorney's fees (including any appeals) which arise during the Term as a result of any such contamination.

This indemnification by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any clean up, remediation, removal or restoration work required by any federal, state or local government agency or political subdivision because of hazardous material present in the soil or ground water on or under the Premises but only to the extent any such hazardous material is present due to Tenant's fault. Without limiting the foregoing, if Tenant knowingly brings any hazardous material on the Premises, Tenant shall promptly take all actions at its sole expense as are necessary to return the Premises to the condition existing immediately prior to the contamination or introduction of such hazardous material to the Premises; provided, however, that Landlord's approval of such actions shall first be obtained, which approval shall not be unreasonably withheld, so long as such actions would not potentially have any material adverse effect on the Premises.

As used herein, the term hazardous materials means any hazardous or toxic substance, material or waste, which is or becomes regulated by any local government authority, the State of Florida or the United States government. The term "hazardous material" includes, without limitation, any material or substance that is (1) defined as a "hazardous substance" under appropriate state law provisions, (2) petroleum, (3) asbestos, (4) designated as a "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 USC 1321), (5) defined as a hazardous waste pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, (42 USC 690), (6) defined as a hazardous substance pursuant to Section 10 of the Comprehensive Environmental Response, Compensation and Liability Act (42 USC 9601), or (7) defined as a regulated substance pursuant to Sub-Chapter VIII, Solid Waste Disposal Act (the regulation of underground storage tanks), (42 USC 4991).

32. TENANT'S BUSINESS None of the provisions of this Lease shall be deemed or construed as reserving to Landlord any right to exercise any control over the business or operations of Tenant conducted upon the Premises or to direct in any respect the details or manner in which any such business relationship other than a landlord/tenant relationship is found. Tenant is an independent businessperson and neither Tenant nor any party or parties employed by Tenant are agents, servants or employees of Landlord and Tenant agrees that in Tenant's dealing with the public, Tenant will not represent or hold its employees as agents, servants or employees of Landlord.

33. SIGNS Tenant's name and suite number shall be listed on the Building directory in the lobby or entrance area as well as outside the entrance to the Premises. Tenant shall not place or permit to be placed or maintained on any exterior door, wall or window of the Premises or the Property any sign, awning or canopy or advertising matter or other thing of any kind without Landlord's prior written approval and consent.

34. MISCELLANEOUS

The parties further agree as follows:

a. The covenants, conditions and agreements contained in this Lease shall bind and inure to the benefit of Landlord and Tenant and their respective heirs, successors, administrators, representatives and permitted assigns.

b. This Lease and the performance thereof shall be governed, interpreted, construed and regulated by the laws of the State of Florida, with venue to be the Circuit Court in and for Broward County, Florida.

c. The rights of the Landlord under the terms of this Lease shall be cumulative, and failure on the part of Landlord to exercise promptly any rights given under the terms of this Lease shall not operate to forfeit any of said rights nor shall the same be deemed a waiver of such rights.

d. The parties acknowledge that each have participated equally in the final wording of this Lease, and in the event of any dispute regarding the meaning of any of the terms herein, such terms shall not be construed against either party.

e. This Lease shall not be recorded in the Public Records.

f. This Lease represents the entire understanding between the parties, and supersedes

all prior agreements, oral or written, and this Lease may not be amended except by an instrument in writing signed by the parties hereto.

g. The submission of this document for examination does not constitute an option or offer to lease space at the Property. This document shall have no binding effect on the parties unless executed by the Landlord and the Tenant and a fully executed copy is delivered to the Tenant.

h. Intentionally omitted.

i. If any term, covenant, condition, or provision of this Lease or the application thereof to any person or circumstance shall, at any time or to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision of persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant, condition, and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

j. No judgment based on a default by Landlord hereunder shall be taken against any partner, subsidiary, officer, shareholder, director, employee, sister corporation or agent of Landlord and no writ of execution shall be levied against the assets of any partner, subsidiary, officer, shareholder, director, employee, sister corporation or agent of Landlord. Any liability of Landlord shall be limited to Landlord's interest in the Property.

k. The captions and headings of the Articles and Sections in this Lease are for convenience only and shall not in any way limit or be deemed to construe or interpret the terms and provisions hereof. The words "Landlord" and "Tenant," as used herein shall include the plural as well as the singular. Words used in the masculine gender include the feminine and neuter.

1. The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work a merger, and shall at the option of Landlord terminate any or all existing subleases or subtenancies, or operate as an assignment to Landlord of any or all of such subleases or subtenancies at Landlord's option.

m. The following Exhibits attached hereto are incorporated herein and made a part hereof by this reference:

Exhibit A – Rent Schedule; and

Exhibit B – Schedule of Landlord's Work, Space Plan.

Exhibit C – Storm Plan

35. BANKRUPTCY Notwithstanding anything herein to the contrary, in the event Tenant is the subject of any bankruptcy (including reorganization or arrangement proceedings pursuant to any bankruptcy), voluntary or involuntary, then Landlord shall have the right to immediately terminate this Lease.

36. BROKERAGE Landlord and Tenant warrant and represent to each other that neither has dealt with a broker in connection with the consummation of this Lease other than JC Commercial

Realty ("Broker"). Landlord agrees to pay Broker any fees associated with this Lease pursuant to a separate agreement, and in the event of any brokerage claims against the Landlord predicated upon prior dealings with the Tenant with any broker other than Broker, the Tenant agrees to defend the same and indemnify the Landlord against any such claim.

37. Intentionally Omitted.

38. PARKING Landlord shall make available for Tenant's exclusive use at the Property, twenty five (25) parking spaces, two (2) of which will be reserved covered spaces as designated by Landlord. The parties acknowledge that it is the Landlord's intention to utilize a valet for the parking of cars in the garage of the Building. The spaces contained in the garage of the Building have mechanical lifts installed so that two cars may be parked in one physical parking space by virtue of the mechanical lift.

39. JURY TRIAL WAIVER LANDLORD AND TENANT HEREBY KNOWINGLY AND VOLUNTARILY WAIVE ANY RIGHTS TO A TRIAL BY JURY IN ANY ACTION BASED UPON OR ARISING OUT OF OR IN CONJUNCTION WITH THIS LEASE

Tenant Initials _____ Landlord Initials _____

40. WAIVER OF NON-COMPULSORY COUNTERCLAIMS TENANT AGREES NOT TO INSTITUTE, ASSERT, RAISE OR INTERPOSE ANY NON-COMPULSORY CLAIM, DEFENSE OR COUNTERCLAIM IN ANY ACTION OR PROCEEDING INSTITUTED BY LANDLORD AGAINST TENANT PURSUANT TO THIS LEASE. TENANT HEREBY REPRESENTS AND ACKNOWLEDGES THAT NEITHER LANDLORD NOR ANY AGENT OF LANDLORD (INCLUDING LANDLORD'S ATTORNEYS), HAS REPRESENTED OR OTHERWISE INDICATED THAT LANDLORD WILL NOT SEEK TO ENFORCE THIS WAIVER OF NON-COMPULSORY COUNTERCLAIMS UNDER ANY CIRCUMSTANCES WHATSOEVER.

Tenant Initials _____

41. AUTHORITY Tenant is a duly authorized and existing entity, has full right and authority to enter into this Lease, and each person signing on behalf of Tenant is authorized to do so. Tenant shall take whatever actions are necessary to qualify itself and keep itself qualified to do business in the State of Florida. Tenant's failure to comply with this Article shall, at Landlord's option, constitute an Event of Default hereunder.

42. NO REPRESENTATIONS OR WARRANTIES Neither Landlord nor Landlord's agents or attorneys have made any representations or warranties with respect to the Premises, the Property or this Lease, except as expressly set forth herein, and no rights, easements or licenses are or shall be acquired by Tenant by implication or otherwise except as set forth herein.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day and year first above written.

LANDLORD: Victoriana Building, LLC, a Florida limited liability company

By: NOT PRESENT

Print Name: _____

Date: _____

TENANT: Motus GI Holdings, Inc., a Delaware corporation

By: [signature]

Print Name: Mark Pomeranz

Date: April 14, 2017

Notary Form

State of: New Jersey
County of: Somerset

On 4, 14, 2017, before me, JACQUELINE E. ZIAREK, (notary)

Personally appeared, MARK POMERANZ (signers)

[ ] Personally known to me

OR

[X] Proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and has hereby acknowledged to me that he/she/they have executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal

[signature]
Notary Signature

JACQUELINE E. ZIAREK
Print Name

Jacqueline Elizabeth Ziarek
Notary Public
New Jersey
My Commission Expires 8-13-19
No. 2449207

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day and year first above written.

LANDLORD: Victoriana Building, LLC, a Florida limited liability company

By: _____

Print Name: SEANN PAVLIK

Date: 4/24/17

TENANT: Motus GI Holdings, Inc., a Delaware corporation

By: Not Present

Print Name: _____

Date: _____

Notary Form

State of: Florida
County of: Broward

On 04/24/17, before me, Melanie Garcia, (notary),

Personally appeared, Seann Pavlik, (signers),

[✓] Personally known to me

OR

[ ] Proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and has hereby acknowledged to me that he/she/they have executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal

_____
Notary Signature

MELANIE GARCIA
MY COMMISSION # GG087853
EXPIRES March 25, 2021

Melanie Garcia
Print Name

EXHIBIT A

RENT SCHEDULE

Motus GI Rent Schedule

		SF Used for Base Rent & CAM Calculations	Base Rent / SF	Monthly Base Rent	Approx. Monthly CAM	Annual Base Rent	
Initial Term							
Year 1	Month 1-2	0	$ 26.50	$ -	$ -		
	Month 3-6	4,554	$ 26.50	$ 9,297.75	$ 4,899.35		
	Month 7-12	5,472	$ 26.50	$ 11,172.00	$ 5,886.96	$ 104,223.00	
Year 2*	Month 13-24	6,390	$ 25.17	$ 13,405.02	TBD	$ 160,860.26	
Year 3*	Month 25-36	6,390	$ 25.87	$ 13,773.66	TBD	$ 165,283.92	
Year 4*	Month 37-48	6,390	$ 26.58	$ 14,152.44	TBD	$ 169,829.23	
Year 5*	Month 49-60	6,390	$ 27.31	$ 14,541.63	TBD	$ 174,499.53	
Year 6*	Month 61-72	6,390	$ 28.08	$ 14,941.52	TBD	$ 179,298.27	
Year 7*	Month 73-84	6,390	$ 28.83	$ 15,352.41	TBD	$ 184,228.97	
Year 8*	Month 85-86	6,390	$ 29.62	$ 15,774.61	TBD	$ 31,549.21	*2 Months in 8th Year
						$ 1,169,772.39	Total Base Rent Payments for Initial Lease Term
Renewal Term							
Year 1*	Month 87-98	6,390	$ 30.44	$ 16,208.41	TBD	$ 194,500.89	
Year 2*	Month 99-110	6,390	$ 31.28	$ 16,654.14	TBD	$ 199,849.66	
Year 3*	Month 111-122	6,390	$ 32.14	$ 17,112.13	TBD	$ 205,345.53	
Year 4*	Month 123-134	6,390	$ 33.02	$ 17,582.71	TBD	$ 210,992.53	
Year 5*	Month 135-146	6,390	$ 33.93	$ 18,066.24	TBD	$ 216,794.82	
						$ 1,027,483.43	Total Base Rent Payments for Renewal Lease Term

* This rent schedule is based on approximately 6,390 RSF, pending confirmation of he exact dimensions. If the final dimensions cause the estimate of total rentable square footage to vary materially as determined in accordance with the guidelines generally established by the Standard Method For Measuring Floor Area in Office Buildings, ANSI/BOMA Z65.1 – 1996, then the Base Minimum Rent set forth in Section 3, the Tenant's Taxes and Utility Expenses set forth in Section 8, and Common Expenses set forth in Section 9 of the lease term as well as the rent schedule shall be adjusted by Amendment.

4/14/17

EXHIBIT B

1. Landlord's Work shall include:

    a. Build out of the space as per agreed upon plan and as approximately shown on the space plan attached hereto and made a part hereof.
    b. Paint touch ups
    c. Cleaning of carpet and tile floors

EXHIBIT C

STORM PLAN

SUBSCRIPTION AGREEMENT

FOR

MOTUS GI MEDICAL TECHNOLOGIES LTD.

Dated: _____, 2016

Motus GI Medical Technologies Ltd.
c/o Aegis Capital Corp.
810 Seventh Avenue – 18th Floor
New York, NY 10019

Ladies and Gentlemen:

1. Subscription. The undersigned (the "***Purchaser***") will purchase a 10% Convertible Promissory Note (the "***Note***", substantially in the form attached hereto as **Exhibit B**), together with a warrant (the "***Warrant***", substantially in the form attached hereto as **Exhibit C**) exerciseable for that number of shares of Series A Convertible Preferred Stock, nominal value NIS 0.01 per share (the "***Preferred Shares***") of Motus GI Medical Technologies Ltd. (the "***Company***"), equal to 33% of the principal amount (the "***Principal Amount***") being subscribed for as set forth on the signature page to this subscription agreement (the "***Subscription Agreement***").

2. **Payment.** The Purchaser will immediately make a wire transfer payment to the order of **JPMorgan Chase**, for credit to **Bank Leumi Le Israel**, for the account of, "**Motus GI Medical Technologies Ltd.**," in the Principal Amount being subscribed for. Together with the wire transfer of the full Principal Amount, the Purchaser is delivering a completed and executed Signature Page to this Subscription Agreement along with a completed and executed Investor Questionnaire, which is attached hereto as **Exhibit A**. **By executing this Subscription Agreement (this "*Subscription Agreement*"), you will also be deemed to have executed the Joinder to Convertible Notes Agreement (the "*Joinder*"), in the form of Exhibit D to this Subscription Agreement, and the Convertible Notes Agreement, dated June 9, 2015, as amended (the "*CNA*"), as an Additional Purchaser (as defined in the CNA) in a Deferred Closing (as defined in the CNA), in the form of Exhibit E to this Subscription Agreement (this Subscription Agreement, together with the Joinder, the CNA, the form of Note and the form of Warrant are collectively referred to herein as the "*Transaction Documents*"), and will be bound by the respective terms of this Subscription Agreement and the CNA.**

3. **Deposit of Funds.** All payments made as provided in Section 2 hereof will be deposited by the Purchaser as soon as practicable with the Company. If the Company or Aegis Capital Corp. ("***Aegis***" or the "***Placement Agent***") rejects a subscription, either in whole or in part (at the sole discretion of the Company or Aegis), the rejected subscription funds or the rejected portion thereof will be returned promptly to such Purchaser without interest, penalty, expense or deduction.

4. **Acceptance of Subscription.** The Purchaser understands and agrees that the Company or Aegis, each in its sole discretion, reserves the right to accept this or any other subscription for the Note and the Warrants, in whole or in part, notwithstanding prior receipt by the Purchaser of notice of acceptance of this or any other subscription. The Company will have no obligation hereunder until the Company executes an executed copy of the Subscription Agreement. If the Purchaser's subscription is rejected in whole (at the sole discretion of the Company or Aegis), all funds received from the Purchaser will be returned without interest, penalty, expense or deduction, and this Subscription Agreement will thereafter be of no further force or effect. If Purchaser's subscription is rejected in part (at the sole discretion of the Company or Aegis) and the Company accepts the portion not so rejected, the funds for the rejected portion of such subscription will be returned without interest, penalty, expense or deduction, and this Subscription Agreement will continue in full force and effect to the extent such subscription was accepted.

5. **Representations and Warranties of the Purchaser.** The Purchaser hereby acknowledges, represents, warrants, and agrees as follows:

(a) None of the Note, the Warrants, or the Preferred Shares (collectively referred to hereafter as the "***Securities***") are registered under the Securities Act of 1933, as amended (the "***Securities Act***"), or any state securities laws. The Purchaser understands that the offering and sale of the Securities is intended to be exempt from registration under the Securities Act, by virtue of Section 4(a)(2) thereof and the provisions of Regulation D promulgated thereunder, based, in part, upon the representations, warranties and agreements of the Purchaser contained in this Subscription Agreement and the CNA;

(b) The Purchaser and the Purchaser's attorney, accountant, purchaser representative and/or tax advisor, if any (collectively, "***Advisors***"), have received and have carefully reviewed this Subscription Agreement, and each of the Transaction Documents and all other documents requested by the Purchaser or its Advisors, if any, and understand the information contained therein, prior to the execution of this Subscription Agreement;

(c) Neither the Securities and Exchange Commission (the "***Commission***") nor any state securities commission has approved or disapproved of the Securities or passed upon or endorsed the merits of this offering or confirmed the accuracy or determined the adequacy of the Transaction Documents. The Transaction Documents have not been reviewed by any Federal, state or other regulatory authority. Any representation to the contrary may be a criminal offense;

(d) All documents, records, and books pertaining to the investment in the Securities including, but not limited to, all information regarding the Company and the Securities, have been made available for inspection and reviewed by the Purchaser and its Advisors, if any;

(e) The Purchaser and its Advisors, if any, have had a reasonable opportunity to ask questions of and receive answers from the Company's officers and any other persons authorized by the Company to answer such questions, concerning, among other related matters, the Securities, the Transaction Documents and the business, financial condition, results of operations and prospects of the Company and all such questions have been answered by the Company to the full satisfaction of the Purchaser and its Advisors, if any;

(f) In evaluating the suitability of an investment in the Company, the Purchaser has not relied upon any representation or other information (oral or written) other than as stated in the Transaction Documents;

(g) The Purchaser is unaware of, is in no way relying on, and did not become aware of the offering of the Securities through or as a result of, any form of general solicitation or general advertising including, without limitation, any article, notice, advertisement or other communication published in any newspaper, magazine or similar media or broadcast over television, radio or over the Internet, in connection with the offering and sale of the Securities and is not subscribing for the Securities and did not become aware of the offering through or as a result of any seminar or meeting to which the Purchaser was invited by, or any solicitation of a subscription by, a person not previously known to the Purchaser in connection with investments in securities generally;

(h) The Purchaser has taken no action which would give rise to any claim by any person for brokerage commissions, finders' fees or the like relating to this Subscription Agreement or the transactions contemplated hereby (other than fees to be paid by the Company to Aegis);

(i) The Purchaser, either alone or together with its Advisors, if any, has such knowledge and experience in financial, tax, and business matters, and, in particular, investments in securities, so as to enable it to utilize the information made available to it in connection with this offering to evaluate the merits and risks of an investment in the Securities and the Company and to make an informed investment decision with respect thereto;

(j) The Purchaser is not relying on the Company, Aegis or any of their respective employees or agents with respect to the legal, tax, economic and related considerations of an investment in any of the Securities and the Purchaser has relied on the advice of, or has consulted with, only its own Advisors;

(k) The Purchaser is acquiring the Securities solely for such Purchaser's own account for investment and not with a view to resale or distribution thereof, in whole or in part. The Purchaser has no agreement or arrangement, formal or informal, with any person to sell or transfer all or any part of any of the Securities and the Purchaser has no plans to enter into any such agreement or arrangement;

(l) The Purchaser understands and agrees that purchase of the Securities is a high risk investment and the Purchaser is able to afford an investment in a speculative venture having the risks and objectives of the Company. The Purchaser must bear the substantial economic risks of the investment in the Securities indefinitely because none of the Securities may be sold, hypothecated or otherwise disposed of unless subsequently registered under the Securities Act and applicable state securities laws or an exemption from such registration is available. Legends will be placed on the certificates representing the Note, the Warrants and the Preferred Shares issuable upon exercise of the Warrants to the effect that such securities have not been registered under the Securities Act or applicable state securities laws and appropriate notations thereof will be made in the Company's books;

(m) The Purchaser has adequate means of providing for such Purchaser's current financial needs and foreseeable contingencies and has no need for liquidity from its investment in the Securities for an indefinite period of time;

(n) The Purchaser is aware that an investment in the Securities involves a number of very significant risks and has carefully read and considered the matters set forth in the Transaction Documents and understands any risk may materially adversely affect the Company's operations and future prospects;

(o) At the time such Purchaser was offered the Securities, it was, and as of the date hereof it is, and on each date on which it exercises any Warrants, it will be an "accredited investor" within the meaning of Regulation D, Rule 501(a), promulgated by the Securities and Exchange Commission under the Securities Act and has truthfully and accurately completed the Investor Questionnaire attached as Exhibit A to this Subscription Agreement and will submit to the Company such further assurances of such status as may be reasonably requested by the Company;

(p) The Purchaser: (i) if a natural person, represents that the Purchaser has reached the age of 21 and has full power and authority to execute and deliver this Subscription Agreement and all other related agreements or certificates and to carry out the provisions hereof and thereof; (ii) if a corporation, partnership, or limited liability company, or association, joint stock company, trust, unincorporated organization or other entity, represents that such entity was not formed for the specific purpose of acquiring the Securities, such entity is duly organized, validly existing and in good standing under the laws of the state of its organization, the consummation of the transactions contemplated hereby is authorized by, and will not result in a violation of state law or its charter or other organizational documents, such entity has full power and authority to execute and deliver this Subscription Agreement and all other related agreements or certificates and to carry out the provisions hereof and thereof and to purchase and hold the Securities, the execution and delivery of this Subscription Agreement has been duly authorized by all necessary action, this Subscription Agreement has been duly executed and delivered on behalf of such entity and is a legal, valid and binding obligation of such entity; or (iii) if executing this Subscription Agreement in a representative or fiduciary capacity, represents that it has full power and authority to execute and deliver this Subscription Agreement in such capacity and on behalf of the subscribing individual, ward, partnership, trust, estate, corporation, or limited liability company or partnership, or other entity for whom the Purchaser is executing this Subscription Agreement, and such individual, partnership, ward, trust, estate, corporation, or limited liability company or partnership, or other entity has full right and power to perform pursuant to this Subscription Agreement and make an investment in the Company, and represents that this Subscription Agreement constitutes a legal, valid and binding obligation of such entity. The execution and delivery of this Subscription Agreement will not violate or be in conflict with any order, judgment, injunction, agreement or controlling document to which the Purchaser is a party or by which it is bound;

(q) The Purchaser and its Advisors, if any, have had the opportunity to obtain any additional information, to the extent the Company had such information in its possession or could acquire it without unreasonable effort or expense, necessary to verify the accuracy of the information contained in the Transaction Documents including, but not limited to, the terms and conditions of the Securities as set forth therein and all other related documents, received or reviewed in connection with the purchase of the Securities and have had the opportunity to have representatives of the Company provide them with such additional information regarding the terms and conditions of this particular investment and the financial condition, results of operations, business and prospects of the Company deemed relevant by the Purchaser or its Advisors, if any, and all such requested information, to the extent the Company had such information in its possession or could acquire it without unreasonable effort or expense, has been provided by the Company in writing to the full satisfaction of the Purchaser and its Advisors, if any;

(r) The Purchaser represents to the Company that any information which the undersigned has heretofore furnished or is furnishing herewith to the Company is complete and accurate and may be relied upon by the Company in determining the availability of an exemption from registration under Federal and state securities laws in connection with the offering of securities as described in the Transaction Documents;

(s) The Purchaser has significant prior investment experience, including investment in non-listed and unregistered securities. The Purchaser has a sufficient net worth to sustain a loss of its entire investment in the Company in the event such a loss should occur. The Purchaser's overall commitment to investments which are not readily marketable is not excessive in view of the Purchaser's net worth and financial circumstances and the purchase of the Securities will not cause such commitment to become excessive. This investment is a suitable one for the Purchaser;

(t) The Purchaser is satisfied that it has received adequate information with respect to all matters which it or its Advisors, if any, consider material to its decision to make this investment;

(u) The Purchaser acknowledges that any and all estimates or forward-looking statements or projections included in the Transaction Documents were prepared by the Company in good faith, but that the attainment of any such projections, estimates or forward-looking statements cannot be guaranteed, will not be updated by the Company and should not be relied upon;

(v) No oral or written representations have been made, or oral or written information furnished, to the Purchaser or its Advisors, if any, in connection with the offering of the Securities which are in any way inconsistent with the information contained in the Transaction Documents;

(w) Within five (5) days after receipt of a request from the Company, the Purchaser will provide such information and deliver such documents as may reasonably be necessary to comply with any and all laws and ordinances to which the Company is subject;

(x) THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF CERTAIN STATES AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF SAID ACT AND SUCH LAWS. THE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER SAID ACT AND SUCH LAWS PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE COMMISSION, ANY STATE SECURITIES COMMISSION OR ANY OTHER REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THE TRANSACTION DOCUMENTS. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL;

(y) In making an investment decision, investors must rely on their own examination of Company and the terms of this offering, including the merits and risks involved. Investors should be aware that they will be required to bear the financial risks of this investment for an indefinite period of time;

(z) **(For ERISA plans only)** The fiduciary of the ERISA plan (the "***Plan***") represents that such fiduciary has been informed of and understands the Company's investment objectives, policies and strategies, and that the decision to invest "plan assets" (as such term is defined in ERISA) in the Company is consistent with the provisions of ERISA that require diversification of plan assets and impose other fiduciary responsibilities. The Purchaser or Plan fiduciary (a) is responsible for the decision to invest in the Company; (b) is independent of the Company and any of its affiliates; (c) is qualified to make such investment decision; and (d) in making such decision, the Purchaser or Plan fiduciary has not relied on any advice or recommendation of the Company or any of its affiliates; and

(aa) The Purchaser has read in its entirety the Transaction Documents and all exhibits thereto, including, but not limited to, all information relating to the Company, and the Securities, and understands fully to its full satisfaction all information included in the Transaction Documents.

(bb) The Purchaser represents that (i) the Purchaser was contacted regarding the sale of the Securities by the Company or the Placement Agent (or another person whom the Purchaser believed to be an authorized agent or representative thereof) with whom the Purchaser had a prior substantial pre-existing relationship and (ii) it did not learn of the offering of the Securities by means of any form of general solicitation or general advertising, and in connection therewith, the Purchaser did not (A) receive or review any advertisement, article, notice or other communication published in a newspaper or magazine or similar media or broadcast over television or radio, whether closed circuit, or generally available; or (B) attend any seminar meeting or industry investor conference whose attendees were invited by any general solicitation or general advertising;

(cc) The Purchaser consents to the placement of a legend on any certificate or other document evidencing the Securities and, when issued, the Preferred Shares, that such securities have not been registered under the Securities Act or any state securities or "blue sky" laws and setting forth or referring to the restrictions on transferability and sale thereof contained in this Agreement. The Purchaser is aware that the Company will make a notation in its appropriate records with respect to the restrictions on the transferability of such Securities. The legend to be placed on each certificate shall be in form substantially similar to the following:

> "THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "ACT") OR ANY STATE SECURITIES OR "BLUE SKY LAWS," AND MAY NOT BE OFFERED, SOLD, TRANSFERRED, ASSIGNED, PLEDGED OR HYPOTHECATED ABSENT AN EFFECTIVE REGISTRATION THEREOF UNDER SUCH ACT OR COMPLIANCE WITH RULE 144 PROMULGATED UNDER SUCH ACT, OR UNLESS THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL, REASONABLY SATISFACTORY TO THE COMPANY AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED."

(dd) The Purchaser acknowledges that if he or she is a Registered Representative of a Financial Industry Regulatory Authority ("***FINRA***") member firm, he or she must give such firm the notice required by the FINRA's Rules of Fair Practice, receipt of which must be acknowledged by such firm prior to an investment in the Securities.

(ee) The Purchaser agrees not to issue any public statement with respect to this offering, the Purchaser's investment or proposed investment in the Company or the terms of any agreement or covenant between them and the Company without the Company's prior written consent, except such disclosures as may be required under applicable law.

(ff) The Purchaser understands, acknowledges and agrees with the Company that this subscription may be rejected, in whole or in part, by the Company, in the sole and absolute discretion of the Company, at any time notwithstanding prior receipt by the Purchaser of notice of acceptance of the Purchaser's subscription.

(gg) The Purchaser acknowledges that the information contained in the Transaction Documents or otherwise made available to the Purchaser is confidential and non-public and agrees that all such information shall be kept in confidence by the Purchaser and neither used by the Purchaser for the Purchaser's personal benefit (other than in connection with this subscription) nor disclosed to any third party for any reason, notwithstanding that a Purchaser's subscription may not be accepted by the Company; provided, however, that (a) the Purchaser may disclose such information to its affiliates and advisors who may have a need for such information in connection with providing advice to the Purchaser with respect to its investment in the Company so long as such affiliates and advisors have an obligation of confidentiality, and (b) this obligation shall not apply to any such information that (i) is part of the public knowledge or literature and readily accessible at the date hereof, (ii) becomes part of the public knowledge or literature and readily accessible by publication (except as a result of a breach of this provision) or (iii) is received from third parties without an obligation of confidentiality (except third parties who disclose such information in violation of any confidentiality agreements or obligations, including, without limitation, any subscription or other similar agreement entered into with the Company).

6. **Representations and Warranties of the Company.** The Company hereby acknowledges, represents, warrants, and agrees as follows:

(a) Organization, Good Standing and Qualification. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Israel and has full corporate power and authority to conduct its business as currently conducted. The Company is duly qualified as a foreign corporation to do business and is in good standing in every jurisdiction in which the property owned or leased by it or the nature of the business conducted by it makes such qualification necessary, except to the extent that the failure to be so qualified or in good standing would not have, individually or in the aggregate, a material adverse effect on the business, operations, conditions (financial or otherwise), assets, results of operations or prospects of that entity individually or of the Company and its subsidiaries as a whole.

(b) Authorization; Enforceability. The Company has all corporate right, power and authority to enter into this Subscription Agreement and to consummate the transactions contemplated hereby. All corporate action on the part of the Company, its directors and stockholders necessary for the authorization, execution, delivery and performance of this Subscription Agreement by the Company, the authorization, sale, issuance and delivery of the Securities contemplated herein and the performance of the Company's obligations hereunder has been taken. This Subscription Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to laws of general application relating to bankruptcy, insolvency and the relief of debtors and rules of law governing specific performance, injunctive relief or other equitable remedies, and to limitations of public policy. The issuance and sale of the Securities contemplated hereby will not give rise to any preemptive rights or rights of first refusal on behalf of any person.

(c) No Conflict; Governmental and Other Consents.

(i) The execution and delivery by the Company of this Subscription Agreement and the consummation of the transactions contemplated hereby will not result in the violation of any law, statute, rule, regulation, order, writ, injunction, judgment or decree of any court or governmental authority to or by which the Company or any subsidiary is bound, or of any provision of the Articles of Association of the Company or any subsidiary, and will not conflict with, or result in a breach or violation of, any of the terms or provisions of, or constitute (with due notice or lapse of time or both) a default under, any lease, loan agreement, mortgage, security agreement, trust indenture or other agreement or instrument to which the Company or any subsidiary is a party or by which it is bound or to which any of its properties or assets is subject, nor result in the creation or imposition of any lien upon any of the properties or assets of the Company or any subsidiary.

(ii) No consent, approval, authorization or other order of any governmental authority or other third-party is required to be obtained by the Company or any subsidiary in connection with the authorization, execution and delivery of this Subscription Agreement or with the authorization, issue and sale of the Securities, except such filings as may be required to be made with the Commission and with any state or foreign blue sky or securities regulatory authority.

(d) Litigation. There is no pending or, to the actual knowledge of any officer or director of the Company, after due investigation, threatened legal or governmental proceedings to which the Company is a party which could materially adversely affect the business, property, financial condition or operations of the Company or the Company's ability to perform its obligations under this Subscription Agreement.

7. **Indemnification.** The Purchaser agrees to indemnify and hold harmless the Company, Aegis and each of their respective officers, directors, managers, employees, agents, attorneys, control persons and affiliates from and against all losses, liabilities, claims, damages, costs, fees and expenses whatsoever (including, but not limited to, any and all expenses incurred in investigating, preparing or defending against any litigation commenced or threatened) based upon or arising out of any actual or alleged false acknowledgment, representation or warranty, or misrepresentation or omission to state a material fact, or breach by the Purchaser of any covenant or agreement made by the Purchaser herein or in any other document delivered in connection with this Subscription Agreement.

8. **Binding Effect.** This Subscription Agreement will survive the death or disability of the Purchaser and will be binding upon and inure to the benefit of the parties and their heirs, executors, administrators, successors, legal representatives, and permitted assigns. If the Purchaser is more than one person, the obligations of the Purchaser hereunder will be joint and several and the agreements, representations, warranties and acknowledgments herein will be deemed to be made by and be binding upon each such person and such person's heirs, executors, administrators, successors, legal representatives and permitted assigns.

9. **Modification.** This Subscription Agreement will not be modified or waived except by an instrument in writing signed by the party against whom any such modification or waiver is sought.

10. **Notices.** Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party notified, (b) when sent by confirmed email or facsimile if sent during normal business hours of the recipient, or if not confirmed, then on the next business day, (c) five days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. The Company and the Purchaser hereby consent to the delivery of communications and notices to such parties at their respective address, email or facsimile number set forth on the signature page hereto, or to such other address as such party shall have furnished in writing in accordance with the provisions of this Section 10.

11. **Assignability.** This Subscription Agreement and the rights, interests and obligations hereunder are not transferable or assignable by the Purchaser and the transfer or assignment of any of the Securities will be made only in accordance with all applicable laws.

12. **Applicable Law.** This Subscription Agreement will be governed by and construed under the laws of the State of New York as applied to agreements among New York residents entered into and to be performed entirely within New York. The parties hereto (1) agree that any legal suit, action or proceeding arising out of or relating to this Subscription Agreement will be instituted exclusively in New York State Supreme Court, County of New York, or in the United States District Court for the Southern District of New York, (2) waive any objection which the parties may have now or hereafter to the venue of any such suit, action or proceeding, and (3) irrevocably consent to the jurisdiction of the New York State Supreme Court, County of New York, and the United States District Court for the Southern District of New York in any such suit, action or proceeding. Each of the parties hereto further agrees to accept and acknowledge service of any and all process which may be served in any such suit, action or proceeding in the New York State Supreme Court, County of New York, or in the United States District Court for the Southern District of New York and agrees that service of process upon it mailed by certified mail to its address will be deemed in every respect effective service of process upon it, in any such suit, action or proceeding. THE PARTIES HERETO AGREE TO WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS SUBSCRIPTION AGREEMENT OR ANY DOCUMENT OR AGREEMENT CONTEMPLATED HEREBY.

13. **Blue Sky Qualification.** The purchase of Securities pursuant to this Subscription Agreement is expressly conditioned upon the exemption from qualification of the offer and sale of the Securities from applicable federal and state securities laws.

14. **Use of Pronouns.** All pronouns and any variations thereof used herein will be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the person or persons referred to may require.

15. **Confidentiality.** The Purchaser acknowledges and agrees that any information or data the Purchaser has acquired from or about the Company not otherwise properly in the public domain, was received in confidence. The Purchaser agrees not to divulge, communicate or disclose, except as may be required by law or for the performance of this Subscription Agreement, or use to the detriment of the Company or for the benefit of any other person or persons, or misuse in any way, any confidential information of the Company, including any trade or business secrets of the Company and any business materials that are treated by the Company as confidential or proprietary, including, without limitation, confidential information obtained by or given to the Company about or belonging to third parties.

16. **Miscellaneous.**

(a) This Subscription Agreement, together with the other Transaction Documents, constitute the entire agreement between the Purchaser and the Company with respect to the subject matter hereof and supersede all prior oral or written agreements and understandings, if any, relating to the subject matter hereof. The terms and provisions of this Subscription Agreement may be waived, or consent for the departure therefrom granted, only by a written document executed by the party entitled to the benefits of such terms or provisions.

(b) Each of the Purchaser's and the Company's representations and warranties made in this Subscription Agreement will survive the execution and delivery hereof and delivery of the Securities.

(c) Each of the parties hereto will pay its own fees and expenses (including the fees of any attorneys, accountants, appraisers or others engaged by such party) in connection with this Subscription Agreement and the transactions contemplated hereby whether or not the transactions contemplated hereby are consummated.

(d) This Subscription Agreement may be executed in one or more counterparts each of which will be deemed an original, but all of which will together constitute one and the same instrument.

(e) Each provision of this Subscription Agreement will be considered separable and, if for any reason any provision or provisions hereof are determined to be invalid or contrary to applicable law, such invalidity or illegality will not impair the operation of or affect the remaining portions of this Subscription Agreement.

(f) Paragraph titles are for descriptive purposes only and will not control or alter the meaning of this Subscription Agreement as set forth in the text.

17. **Signature Page. It is hereby agreed by the parties hereto that the execution by the Purchaser of this Subscription Agreement, in the place set forth hereinbelow, will be deemed and constitute the agreement by the Purchaser to be bound by all of the terms and conditions hereof as well as by the Joinder, the CNA and each of the other Transaction Documents, and will be deemed and constitute the execution by the Purchaser of all such Transaction Documents without requiring the Purchaser's separate signature on any of such Transaction Documents.**

[Remainder of page intentionally left blank.]

ANTI-MONEY LAUNDERING REQUIREMENTS

The USA PATRIOT Act

The USA PATRIOT Act is designed to detect, deter, and punish terrorists in the United States and abroad. The Act imposes new anti-money laundering requirements on brokerage firms and financial institutions. Since April 24, 2002 all brokerage firms have been required to have new, comprehensive anti-money laundering programs. To help you understand these efforts, we want to provide you with some information about money laundering and our steps to implement the USA PATRIOT Act.

What is money laundering?

Money laundering is the process of disguising illegally obtained money so that the funds appear to come from legitimate sources or activities. Money laundering occurs in connection with a wide variety of crimes, including illegal arms sales, drug trafficking, robbery, fraud, racketeering, and terrorism.

How big is the problem and why is it important?

The use of the U.S. financial system by criminals to facilitate terrorism or other crimes could well taint our financial markets. According to the U.S. State Department, one recent estimate puts the amount of worldwide money laundering activity at $1 trillion a year.

What are we required to do to eliminate money laundering?

Under new rules required by the USA PATRIOT Act, our anti-money laundering program must designate a special compliance officer, set up employee training, conduct independent audits, and establish policies and procedures to detect and report suspicious transaction and ensure compliance with the new laws.

As part of our required program, we may ask you to provide various identification documents or other information. Until you provide the information or documents we need, we may not be able to effect any transactions for you.

MOTUS GI MEDICAL TECHNOLOGIES LTD.
SIGNATURE PAGE TO
SUBSCRIPTION AGREEMENT

Purchaser hereby elects to purchase a 10% Convertible Promissory Note for a total principal amount of $_____, together with a Warrant exerciseable for that number of shares of Series A Convertible Preferred Stock of Motus GI Medical Technologies Ltd. equal to 33% of the principal amount of the Note (NOTE: to be completed by the Purchaser).

Date (NOTE: To be completed by the Purchaser): _____, 2016

If the Purchaser is an INDIVIDUAL, and if purchased as JOINT TENANTS, as TENANTS IN COMMON, or as COMMUNITY PROPERTY:

Print Name(s)	Social Security Number(s)
Print Name(s)	Social Security Number(s)
Signature(s) of Purchaser(s)	Signature
Address:	Date

If the Purchaser is a PARTNERSHIP, CORPORATION, LIMITED LIABILITY COMPANY or TRUST:

Name of Partnership, Corporation, Limited Liability Company or Trust	Federal Taxpayer Identification Number
By: Name: Title:	State of Organization
Address:	Date

AGREED AND ACCEPTED:

MOTUS GI MEDICAL TECHNOLOGIES LTD.

By: _____ _____
Name: Date
Title:

Exhibit A

FORM OF INVESTOR QUESTIONNAIRE

MOTUS GI MEDICAL TECHNOLOGIES LTD.

For Individual Investors Only

(All individual investors must *INITIAL* where appropriate. Where there are joint investors both parties must *INITIAL*):

Initial _____ I have an individual net worth, or joint net worth with my spouse, as of the date hereof in excess of $1 million. For purposes of calculating net worth under this category, (i) the undersigned's primary residence shall not be included as an asset, (ii) indebtedness that is secured by the undersigned's primary residence, up to the estimated fair market value of the primary residence at the time of the sale of securities, shall not be included as a liability, (iii) to the extent that the indebtedness that is secured by the primary residence is in excess of the fair market value of the primary residence, the excess amount shall be included as a liability, and (iv) if the amount of outstanding indebtedness that is secured by the primary residence exceeds the amount outstanding 60 days prior to the execution of this Subscription Agreement, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability.

Initial _____ I have had an annual gross income for the past two years of at least $200,000 (or $300,000 jointly with my spouse) and expect my income (or joint income, as appropriate) to reach the same level in the current year.

Initial _____ I am a director or executive officer of Motus GI Medical Technologies Ltd.

For Non-Individual Investors

(all Non-Individual Investors must *INITIAL* where appropriate):

Initial _____ The investor certifies that it is a partnership, corporation, limited liability company or business trust that is 100% owned by persons who meet at least one of the criteria for Individual Investors set forth above.

Initial _____ The investor certifies that it is a partnership, corporation, limited liability company or any organization described in Section 501(c)(3) of the Internal Revenue Code, Massachusetts or similar business trust that has total assets of at least $5 million and was not formed for the purpose of investing the Company.

Initial _____ The investor certifies that it is an employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, whose investment decision is made by a plan fiduciary (as defined in ERISA §3(21)) that is a bank, savings and loan association, insurance company or registered investment adviser.

Initial _____ The investor certifies that it is an employee benefit plan whose total assets exceed $5,000,000 as of the date of this Subscription Agreement.

Initial _____ The undersigned certifies that it is a self-directed employee benefit plan whose investment decisions are made solely by persons who meet either of the criteria for Individual Investors.

Initial _____ The investor certifies that it is a U.S. bank, U.S. savings and loan association or other similar U.S. institution acting in its individual or fiduciary capacity.

Initial _____ The undersigned certifies that it is a broker-dealer registered pursuant to §15 of the Securities Exchange Act of 1934.

Initial _____ The investor certifies that it is an organization described in §501(c)(3) of the Internal Revenue Code with total assets exceeding $5,000,000 and not formed for the specific purpose of investing in the Company.

Initial _____ The investor certifies that it is a trust with total assets of at least $5,000,000, not formed for the specific purpose of investing in the Company, and whose purchase is directed by a person with such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of the prospective investment.

Initial _____ The investor certifies that it is a plan established and maintained by a state or its political subdivisions, or any agency or instrumentality thereof, for the benefit of its employees, and which has total assets in excess of $5,000,000.

Initial _____ The investor certifies that it is an insurance company as defined in §2(13) of the Securities Act, or a registered investment company.

Initial _____ An investment company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of that Act.

Initial _____ A Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958.

Initial _____ A private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940.

MOTUS GI MEDICAL TECHNOLOGIES LTD.
Investor Profile **(*Must be completed by Investor)***
Section A - Personal Investor Information

For All Purchasers
Certificate Title: _____
Individual(s) executing this subscription: _____
Social Security Number(s) for all signatories / Entity Federal I.D. Number: _____
Date(s) of Birth: _____
Marital Status: _____
Years Investment Experience: _____
Aegis Capital Account Executive or Outside Broker/Dealer: _____
Check if you are a FINRA member or affiliate of a FINRA member firm: ____
Check Investment Objective(s) (See definitions on following page): ____Preservation of Capital ____Income
____Capital Appreciation ____Trading Profits ____Speculation
____Other (please specify)
The source of funds for this investment is my personal or my entity's assets _____Yes _____No

For Purchasers as Individual or as Joint Tenants, Tenants in Common, and Community Property
Annual Income(s): _____
Liquid Net Worth(s): _____
Net Worth(s) (excluding value of primary residence): _____
Select Tax Bracket(s): ____ 15% or below ____ 25% - 27.5% ____ Over 27.5%

For All Purchasers, by the Primary Contact
Home Street Address: _____
Home City, State & Zip Code: _____
Home Phone: _____ Home Fax: _____Home Email: _____
Employer: _____
Type of Business: _____
Employer Street Address: _____
Employer City, State & Zip Code: _____
Bus. Phone: _____Bus. Fax: _____Bus. Email: _____

For All Purchasers
If you are a ***United States citizen***, please list the number and jurisdiction of issuance of any other government-issued document evidencing residence and bearing a photograph or similar safeguard (such as a driver's license or passport), and provide a photocopy of each of the documents you have listed.
If you are ***NOT*** a ***United States citizen***, for each jurisdiction of which you are a citizen or in which you work or reside, please list (i) your passport number and country of issuance or (ii) alien identification card number AND (iii) number and country of issuance of any other government-issued document evidencing nationality or residence and bearing a photograph or similar safeguard, and provide a photocopy of each of these documents you have listed. These photocopies must be certified by a lawyer as to authenticity.

Government-Issued Identification Document Number(s) and Jurisdiction(s):_____
Please provide a legible photocopy of your Identification Document(s) along with your subscription

Section B – Securities Delivery Instructions
____ Please deliver securities to the Employer Address listed in Section A.
____ Please deliver securities to the Home Address listed in Section A.
____ Please deliver securities to the following address: _____

Section C –Wire Transfer Instructions
____ I will wire funds from my outside account according to the "Subscription Instructions" Page.
____ I will wire funds from my Aegis Capital Account.
____The funds for this investment are rolled over, tax deferred from _____ within the allowed 60 day window.

Investor Signature **Date**

Investor Signature **Date**

Investment Objectives: The typical investment listed with each objective are only some examples of the kinds of investments that have historically been consistent with the listed objectives. However, neither Motus GI Medical Technologies Ltd. nor Aegis Capital Corp. can assure that any investment will achieve your intended objective. You must make your own investment decisions and determine for yourself if the investments you select are appropriate and consistent with your investment objectives.

Neither Motus GI Medical Technologies Ltd. nor Aegis Capital Corp. assumes responsibility to you for determining if the investments you selected are suitable for you.

Preservation of Capital: An investment objective of *Preservation of Capital* indicates you seek to maintain the principal value of your investments and are interested in investments that have historically demonstrated a very low degree of risk of loss of principal value. Some examples of typical investments might include money market funds and high quality, short-term fixed income products.

Income: An investment objective of *Income* indicates you seek to generate income from investments and are interested in investments that have historically demonstrated a low degree of risk of loss of principal value. Some examples of typical investments might include high quality, short and medium-term fixed income products, short-term bond funds and covered call options.

Capital Appreciation: An investment objective of *Capital Appreciation* indicates you seek to grow the principal value of your investments over time and are willing to invest in securities that have historically demonstrated a moderate to above average degree of risk of loss of principal value to pursue this objective. Some examples of typical investments might include common stocks, lower quality, medium-term fixed income products, equity mutual funds and index funds.

Trading Profits: An investment objective of *Trading Profits* indicates you seek to take advantage of short-term trading opportunities, which may involve establishing and liquidating positions quickly. Some examples of typical investments might include short-term purchases and sales of volatile or low priced common stocks, put or call options, spreads, straddles and/or combinations on equities or indexes. This is a high-risk strategy.

Speculation: An investment objective of *Speculation* indicates you seek a significant increase in the principal value of your investments and are willing to accept a corresponding greater degree of risk by investing in securities that have historically demonstrated a high degree of risk of loss of principal value to pursue this objective. Some examples of typical investments might include lower quality, long-term fixed income products, initial public offerings, volatile or low priced common stocks, the purchase or sale of put or call options, spreads, straddles and/or combinations on equities or indexes, and the use of short-term or day trading strategies.

Other: Please specify.

Exhibit B

Form of 10% Convertible Promissory Note

Exhibit C

Form of Warrant

Exhibit D

Joinder to Convertible Notes Agreement

Exhibit E

Convertible Notes Agreement, As Amended

Exhibit B

Form of 10% Convertible Promissory Note

Date: _____

Purchaser: _____
Principal Amount: US$_____

CONVERTIBLE

PROMISSORY NOTE

For value received, **Motus GI Medical Technologies Ltd.**, an Israeli company ("**Company**") promises to pay to the Purchaser named above ("**Holder**"), the principal sum stated above (the "**Principal Amount**") in accordance with the terms set forth herein, as follows:

1. **Note Part of a Series**. This Note is being sold by the Company as part of a series of notes issued pursuant to that certain Convertible Notes Agreement dated as of June 9, 2015, by and among the Company and purchasers of such Notes, as amended (the "**CNA**"). The term "**Notes**" shall mean herein all Notes issued under the CNA.

2. **Interest**. Interest shall accrue on the unpaid Principal Amount of this Note from the date of this Note until the actual repayment of all amounts due hereunder, at an annual rate of 10% (ten percent), compounded annually. Interest shall be computed on the basis of a year of 360 days for the actual number of days occurring in the period for which such interest is payable. Upon conversion of the Principal Amount in accordance with the terms hereof, all interest accrued thereon shall be converted together with the Principal Amount or repaid to the Holder in cash, after deduction of all applicable taxes with respect thereto, as shall be determined by the Company, at its sole discretion. The actual amount to be converted in accordance with the Company's election, as specified in the preceding sentence, shall be hereinafter referred to as the "**Conversion Amount**."

3. **Automatic Conversion upon QFR**. To the extent not previously converted or repaid according to the terms specified herein, the Conversion Amount shall be automatically converted, immediately prior and subject to the closing of a QFR (as defined below), on the same terms and conditions applicable to the QFR, such that the Holder shall receive the same type of securities issued, and any other rights granted to the investors in such QFR (the "**QFR Securities**"), under the same terms as if the Holder had participated in the QFR as an investor (including any warrants or any other securities granted to the investors therein), but at a conversion price per share equal to the QFR Conversion Price (as defined below).

   It being agreed and acknowledged that (a) the original issue price (or any equivalent term used under the then applicable Articles of Association of the Company) of QFR Securities issued to the Holder shall be set to be the QFR Conversion Price, and any rights that are attached to the QFR Securities issued to the Holder which are determined, derived, calculated, triggered, or otherwise based on the original price of such shares (including, without limitation, liquidation and dividend preferences, anti-dilution rights or the like) shall be determined, calculated, triggered or otherwise based on the actual QFR Conversion Price; and (b) in the event that the QFR Securities also comprise of warrants to purchase, or other securities convertible into, shares of the Company (any such preceding convertible security a "**Convertible Security**"), then (i) upon such conversion, the Holder shall be entitled to receive such number of warrants and/or Convertible Securities of the same class or type that are issued to the investors in the framework of the QFR, in a number which shall be determined using the same warrant and/or Convertible Securities coverage ratio offered to the investors in such QFR, such that the ratio between the shares and the warrants and/or Convertible Securities issued to the Holder shall be equal to the ratio between the shares and the warrants and/or Convertible Securities issued to each investor in such QFR; and (ii) the discount rate reflected in the QFR Conversion Price shall not apply in respect of the exercise price or conversion price (as applicable) of such warrants and/or Convertible Securities.

For example, if the terms of the QFR are as follows:

- The QFR unit price is US$10.
- Each unit is comprised of two (2) Ordinary Shares and one (1) warrant to purchase one (1) Ordinary Share.
- The discount rate reflected in the QFR Conversion Price of the Holder is 10%.
- The exercise price of the warrants issued in the QFR is US$12.
- The Conversion Amount of the Holder is US$1,800.

then, in the framework of such QFR, the Holder shall be issued, upon conversion of the Conversion Amount, 200 Ordinary Shares ((US$1,800))/((1-10%)*US$10)) and 100 warrants to purchase 100 Ordinary Shares (100/2), at an exercise price per share of US$12, while an investor, who is not a holder of Notes, and invests in the QFR the same amount (i.e., US$1,800), shall be issued only 180 Ordinary Shares and 90 warrants to purchase 90 Ordinary Shares, at an exercise price per share of US$12.

The term "**QFR**" means the first financing round consummated by the Company after the date of the Note, through an equity investment (including an initial public offering but excluding the issuance of any convertible notes, or the issuance of shares upon conversion of such notes), either in one transaction or in a series of related transactions, with an aggregate investment amount of not less than US$3,000,000 (Three US Dollars), excluding the outstanding principal amount of the Notes and all accrued and unpaid interest thereon.

The term "**QFR Conversion Price**" means a conversion price reflecting the lower of (i) a 10% discount on the price paid by the investor(s) for the shares issued in the QFR; or (ii) US$1.15 per share. Notwithstanding the foregoing, in the event that the QFR in an initial public offering with gross proceeds to the Company of not less than US$25,000,000 (Twenty Five Million US Dollars) (including the outstanding principal amount of the Notes and all accrued and unpaid interest thereon) (the "**QIPO**"), the QFR Conversion Price shall mean a conversion price reflecting a 50% discount on the price paid for the shares issued in the QIPO and if the price in such QIPO is fixed per each unit offered in the QIPO, the discount shall be applicable to such unit price.

If this Note is converted in accordance with this Section 3, written notice shall be delivered to the Holder of this Note, notifying the Holder of the conversion, specifying the Conversion Amount, the date of such conversion, and the securities issued upon conversion. For the avoidance of doubt, in such event this Note shall be null and void even if not surrendered to the Company.

4 **Automatic Conversion upon M&A Event.**

4.1. In the event that, prior to the conversion of the Conversion Amount or its repayment according to the terms specified herein, an M&A Event (as defined below) shall occur, then immediately prior and subject to the closing of such M&A Event, the Conversion Amount shall be automatically converted into Series A Preferred Shares, par value NIS 0.01 per share, of the Company (the "**Preferred A Shares** "), at a conversion price equal to the price per share paid by the Company's investors in consideration for the Preferred A Shares (i.e., US$1) (the "**M&A Conversion Price**").

It being agreed and acknowledged that the original issue price (or any equivalent term used under the then applicable Articles of Association of the Company) of the Preferred A Shares issued to the Holder shall be set to be the M&A Conversion Price, and any rights that are attached to such Preferred A Shares issued to the Holder which are determined, derived, calculated, triggered, or otherwise based on the original price of such shares (including, without limitation, liquidation and dividend preferences, anti-dilution rights or the like) shall be determined, calculated, triggered or otherwise based on the actual M&A Conversion Price.

The term "**M&A Event**" means (i) a merger or consolidation of the Company in which the Company's shareholders immediately prior to such transaction do not own, directly or indirectly, more than 50% of the share capital of the surviving entity; (ii) the acquisition of more than 50% of the Company's outstanding share capital by a single unaffiliated person, entity or group ,or by persons or entities acting in concert; (iii) the sale or transfer of all or substantially all of the assets of the Company; or (iv) a reverse triangular merger in which the Company is the surviving entity but the shares of the Company's share capital outstanding immediately prior to the merger are converted by virtue of the merger into other property, whether in the form of securities, cash or otherwise.

4.2. Irrespective of any other provision of this Note, in the event that prior to the conversion of the Conversion Amount or its repayment according to the terms specified herein, the Company becomes a subsidiary of a newly-formed entity formed under the laws of one of the states of the United States ("**Newco**") either by way of a reverse triangular merger or by way of share swap or by way of any other similar transaction or series of related transactions, the result of which will be the capital stock of the Company being wholly owned by Newco (or any other entity into which or with which Newco merges), and simultaneously with or in connection with such transaction(s) or shortly thereafter, Newco (or any other entity into which or with which Newco merges), consummates an equity financing of at least US$ 10,000,000 (the "**New Financing**"), the Conversion Amount will be automatically exchanged for a number of securities (including any "units" or basket of securities that consist of stock together with warrants and/or securities or rights convertible or exchangeable for stock) sold in the New Financing calculated on the basis of an exchange price of 90% of the sale price of the units issued in such New Financing.

5. **Voluntary Conversion upon NQFR.** In the event that, prior to the conversion of the Conversion Amount or its repayment according to the terms specified herein, the Company shall consummate a financial round through an equity investment, either in one transaction or in series of transactions (including an initial public offering but excluding the issuance of any convertible notes or the issuance of shares upon conversion of such notes), which is not a QFR (a "**NQFR**"), then the holders of Notes reflecting 70% (Seventy percent) of the aggregate outstanding principal amount of the Notes (the "**Majority Holders**"), shall be entitled, no later than fourteen (14) days prior to the closing of such NQFR, to notify the Company in writing of their choice to convert the entire Conversion Amount of the Notes (the "**Aggregate Conversion Amount**"). In such event the entire Aggregate Conversion Amount shall be converted immediately prior and subject to the closing of the NQFR, on the same terms and conditions specified in Section 3 above ("**Automatic Conversion upon a QFR**"), *mutatis mutandis*. The election of the Majority Holders to convert the entire Aggregate Conversion Amount shall be binding on all of the holders of the Notes and each such holder shall be deemed to have elected to convert its respective portion of the Aggregate Conversion Amount in accordance with the terms and conditions specified herein.

6. **Maturity Date**. If not converted or repaid according to the terms set forth herein until thirty (30) months from the date of this Note (i.e., _____) (the "**Maturity Date**"), then at the Maturity Date the Conversion Amount shall be automatically converted into Preferred A Shares, at a conversion price per share equal to the price per share paid by the Company's investors in consideration for the Preferred A Shares (i.e., US$1) (the "**Maturity Conversion Price**").

   It being agreed and acknowledged that the original issue price (or any equivalent term used under the applicable Articles of Association of the Company) of the Preferred A Shares issued to the Holder shall be set to be the Maturity Conversion Price, and any rights that are attached to such Preferred A Shares issued to the Holder which are determined, derived, calculated, triggered, or otherwise based on the original price of such shares (including, without limitation, liquidation and dividend preferences, anti-dilution rights or the like) shall be determined, calculated, triggered or otherwise based on the actual Maturity Conversion Price.

7. **Event of Default**. In the event that, prior to the conversion of the Conversion Amount or its repayment according to the terms hereunder an Event of Default occurs, then the Conversion Amount shall be, at the election of the Holder, at its sole discretion, either: (i) become immediately due and payable to the Holder in cash; or (ii) converted into Preferred A Shares, at a conversion price per share equal to the price per share paid by the Company's investors in consideration for the Preferred A Shares (i.e., US$1) (the "**Default Conversion Price**").

   It being agreed and acknowledged that the original issue price (or any equivalent term used under the then applicable Articles of Association of the Company) of the Preferred A Shares issued to the Holder shall be set to be the Default Conversion Price, and any rights that are attached to such Preferred A Shares issued to the Holder which are determined, derived, calculated, triggered, or otherwise based on the original price of such shares (including, without limitation, liquidation and dividend preferences, anti-dilution rights or the like) shall be determined, calculated, triggered or otherwise based on the actual Default Conversion Price.

The term "**Event of Default**" means (a) dissolution, termination of existence, suspension or discontinuance of business or ceasing to operate as going concern for a period of more than thirty (30) days; (b) the appointment of a receiver, trustee, custodian or similar official, for the Company or any material portion of the property or assets of the Company and the continuation of such appointment without dismissal for a period of thirty (30) days or more; (c) the conveyance of any material portion of the assets of the Company to a trustee, mortgage or liquidating agent or an assignment for the benefit of creditors by the Company which is not dismissed within a period of thirty (30) days; (d) the commencement of any proceeding, whether federal or state, relating to bankruptcy, insolvency, dissolution, reorganization, composition, renegotiations of outstanding indebtedness, arrangement or otherwise to the relief or debtors or the readjustment of indebtedness, by or against the Company, which is not stayed, vacated or released within sixty (60) days of commencement; (e) any material breach by the Company of any covenant or obligation in the Note, CAN or any documents and agreements ancillary thereto (the "**Transaction Documents**") which is not cured, if curable, within thirty (30) days following receipt by the Company of a written notice of such breach; (f) any material misrepresentation has occurred in the Transaction Documents, which is not cured, if curable, within thirty (30) days following receipt by the Company of a written notice of such breach; (g) the Company shall fail to make any required payment of interest, principal or otherwise under the Notes, which is not cured within thirty (30) days following receipt by the Company of a written notice of such failure. The Company undertakes to notify the Holder immediately following occurrence of any of the events detailed in clauses (a) to (g) above.

8 **Conversion; Fractional Interests.** Each conversion shall be deemed to have been effected as to this Note (or the specified portion thereof) on the date on which the requirements set forth above in this Note required to be satisfied by the Holder, or the circumstances that are required to exist, have been satisfied as to this Note (or portion thereof), and the person whose name any certificate or certificates for shares shall be issuable upon such conversion shall be deemed to have become on said date the holder of record of the shares represented thereby. No fractional shares or scrip representing fractional shares shall be issued upon conversion of this Note and the number of shares issued shall be rounded to the nearest whole number.

9 **Payments; Taxes**

9.1. Payments. All payments of interest and of principal shall be in U.S. Dollar ("**US$**") or in the New Israeli Shekels ("**NIS**") equivalent. If any payment is paid in a NIS equivalent, it shall be paid in accordance with the representative rate of exchange of the U.S. Dollar against the NIS last published by the Bank of Israel immediately prior to the certain payment date.

9.2. Taxes on Payments. To the extent required pursuant to applicable law, VAT shall be added by the Company to any payment to be made by the Company pursuant to this Note. The Company shall be entitled to deduct and withhold any withholding taxes which the Company determines it is legally required to deduct or withhold from any payment to be made by the Company pursuant to this Note.

10. **Not a Shareholder.** Prior to the conversion of this Note or any portion thereof according to the provisions specified herein, the Holder, in its capacity as an Holder, shall not be entitled to any rights of a shareholder of the Company, including, without limitation, the right to vote or to receive dividends or other distributions, with respect to the Note and the shares issuable upon conversion of the Note.

11. **Miscellaneous**

11.1. Governing Law. This Note shall be deemed to be a contract made under the laws of the State of New York, and for all purposes shall be construed in accordance with the laws of said state, without regard to principles of conflict of laws. Any dispute arising under or in relation to this Agreement shall be resolved exclusively in the competent court in New York New York, and each of the parties hereby irrevocably submits to the exclusive jurisdiction of such court.

11.2. Successors and Assigns. Except as otherwise expressly limited herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors, and administrators of the parties hereto. None of the rights, privileges, or obligations set forth in, arising under, or created by this Note may be assigned or transferred without the prior consent in writing of each party to this Note.

11.3. Delays or Omissions; Waiver. No delay or omission to exercise any right, power, or remedy accruing to either the Company or the Holder upon any breach or default by the other under this Note shall impair any such right or remedy, nor shall it be construed to be a waiver of any such breach or default, or any acquiescence therein or in any similar breach or default thereafter occurring.

11.4. Entire Agreement**.** This Note, when read together with the CNA, contains the entire understanding of the parties with respect to its subject matter and all prior negotiations, discussions, commitments, and understandings heretofore had between them with respect hereto are merged therein. In the case of any discrepancy between the provisions of this Note and the provisions of any other agreement previously entered into by the Company or the Holder, the provisions of this Note and the CNA shall prevail.

11.5. Amendment. Any term of this Note – as well as of all other Notes - may be amended (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and the Majority Holders.

11.6. Headings. All article and section headings herein are inserted for convenience only and shall not modify or affect the construction or interpretation of any provision of this Note.

11.7. Notices. All notices and other communications made pursuant to this Note shall be in writing and shall be conclusively deemed to have been duly given if delivered in accordance with the notice provisions of the CNA.

11.8. Severability. If any provision of this Note is held by a court of competent jurisdiction to be unenforceable under applicable law, then such provision shall be excluded from this Note and the remainder of this Note shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms; provided, however, that in such event this Note shall be interpreted so as to give effect, to the greatest extent consistent with and permitted by applicable law, to the meaning and intention of the excluded provision as determined by such court of competent jurisdiction.

Motus GI Medical Technologies Ltd.
By: _____
Name: _____
Title: _____

Exhibit C

Form of Warrant

NEITHER THIS WARRANT CERTIFICATE NOR THE SHARES ISSUABLE UPON EXERCISE OF THIS WARRANT CERTIFICATE HAVE BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR ANY OTHER SECURITIES ACT, AND THIS WARRANT CERTIFICATE AND THE SHARES ISSUABLE UPON EXERCISE OF THIS WARRANT CERTIFICATE MAY NOT BE SOLD, OFFERED, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH APPLICABLE SECURITIES LAWS AND THE RESTRICTIONS, TERMS AND CONDITIONS SET FORTH HEREIN.

MOTUS GI MEDICAL TECHNOLOGIES LTD.

PREFERRED A SHARES WARRANT CERTIFICATE

To purchase
[_____] Preferred A Shares (subject to adjustment) of
Motus GI Medical Technologies Ltd. (the "**Company**")
at a per share price and subject to the terms detailed below
VOID AFTER 17:00 p.m. Israel Standard Time
on the last day of the Warrant Period (as defined below)

THIS IS TO CERTIFY THAT, [_____] (the "**Holder**"), is entitled to purchase from the Company, an aggregate of up to [_____] (as may be adjusted hereunder) Preferred A Shares of the Company, nominal value NIS 0.01 per share (the " **Warrant Shares**"), at an aggregate purchase price of US$ [_____], reflecting an exercise price per share of US$ 1.00 (the "**Exercise Price**"), during the Warrant Period.

This Warrant Certificate (this "**Warrant**") is issued to the Holder in connection with that certain Convertible Notes Agreement dated June 9, 2015 by and among the Company and the Purchasers listed on Exhibit A thereto, as amended (the "**Convertible Notes Agreement**").

1. EXERCISE OF WARRANT

1.1. Warrant Period. This Warrant may be exercised, subject to the terms and conditions hereof, in whole or in part, at one time or from time to time during the period commencing on _____[NTD: the date of the Closing/Deferred Closing] (the "**Initial Date**") until the earlier of: (i) seven (7) years thereafter (i.e., _____); and (ii) the closing of an Exit Event (as defined in Section 5 below); provided that such Exit Event is consummated within 180 days from the Exit Event Notice (each of (i) or (ii), the "**Expiry Date**"). The period between the Initial Date and the Expiry Date shall be referred to hereinafter as the "**Warrant Period**."

1.2. Exercise for Cash. This Warrant may be exercised by presentation and surrender thereof to the Company at its principal office or at such other office or agency as it may designate from time to time, accompanied by:

(a) A duly executed notice of exercise, in the form attached hereto as **Schedule 1.1** (the "**Exercise Notice**"); and

(b) Payment to the Company, for the account of the Company, of the Exercise Price for the number of Warrant Shares purchased payable in immediately available funds by wire transfer to the Company's bank account. The Exercise Price will be paid in United States Dollars or the equivalent sum in NIS according to the Bank of Israel exchange rate as published upon the date immediately prior to the exercise date.

1.3. Exercise on Net Issuance Basis. In lieu of payment to the Company as set forth in Section 1.1 above, the Holder may elect to exercise this Warrant into the number of Warrant Shares calculated pursuant to the formula below, by presentation and surrender thereof to the Company at its principal office or at such other office or agency it may designate from time to time, accompanied by a duly executed notice of exercise, in the form attached hereto as **Schedule 1.3** (the "**Net Issuance Notice**"):

$$X = \frac{Y*(A - B)}{A}$$

Where:

X = the number of Warrant Shares to be issued to the Holder;

Y = the number of Warrant Shares in respect of which the net issuance election is being made;

A = the Fair Market Value (as defined below) of one Warrant Share; and

B = the Exercise Price of one Warrant Share.

For purposes of this Section 1.3, the "**Fair Market Value**" of one Warrant Share as of a particular date (the **"Determination Date"**) shall be:

(a) I f the net issuance right is exercised in connection with and contingent upon an initial public offering of the Company's shares (an "**IPO**"), then the initial "price to public" (i.e., before deduction of discounts, commissions or expenses) specified in the final prospectus or registration statement with respect to such offering.

(b) If the net issuance right is exercised in connection with and contingent upon an Exit Event that is not an IPO, the price per Preferred A Share (or any securities to which the Preferred A Shares have been converted to in accordance with the Company's organizational documents and applicable law) in such Exit Event.

(c) If the net issuance right is not exercised in connection with and contingent upon an Exit Event, then as follows:

(i) If the Preferred A Share (or any securities to which the Preferred A Shares have been converted to in accordance with the Company's organizational documents and applicable law) are traded on a securities exchange, the Fair Market Value shall be deemed to be the average of the closing prices of such shares on such exchange over the fifteen (15) trading days immediately prior to (but not including) the Determination Date;

(ii) If the Preferred A Share (or any securities to which the Preferred A Shares have been converted to in accordance with the Company's organizational documents and applicable law) are quoted for trading on an over-the-counter system, the Fair Market Value shall be deemed to be the average of the closing bid prices of such shares over the fifteen (15) trading days immediately prior to (but not including) the Determination Date; and

(iii) If there is no public market for the Preferred A Shares (or any securities to which the Preferred A Shares have been converted to in accordance with the Company's organizational documents and applicable law), the Fair Market Value of the shares shall be determined in good faith by the Board of Directors of the Company.

1.4. Issuance of Warrant Shares. Upon presentation and surrender of this Warrant, accompanied by (a) the duly executed Exercise Notice and the payment of the applicable Exercise Price for the Warrant Shares being purchased pursuant to Section 1.1 above; or (b) the duly executed Net Issuance Notice pursuant to Section 1.3 above, as the case may be, the Company shall promptly (i) issue to the Holder the Warrant Shares to which the Holder is entitled; and (ii) deliver to the Holder the share certificate evidencing such Warrant Shares.

Upon receipt by the Company of this Warrant and the applicable duly executed notice of exercise (and the Exercise Price for the Warrant Shares being purchased, if applicable), together with any other documents and/or approvals that may be required by law, the Holder shall be deemed to be the holder of record of the Warrant Shares issuable upon such exercise, notwithstanding that the share transfer books of the Company shall then be closed or that certificates representing such shares shall not then be actually delivered to the Holder.

1.5. Fractional Shares. No fractions of shares shall be issued in connection with the exercise of this Warrant, and the number of shares issued shall be rounded to the nearest whole number.

1.6. Partial Exercise. If this Warrant is exercised in part only, the Company shall, upon surrender of this Warrant for cancellation, execute and deliver a new Warrant evidencing the rights of the Holder to purchase the balance of the Warrant Shares purchasable hereunder.

1.7. Additional Documents. The Holder will sign and deliver any and all documents or approvals required by law, to facilitate the issuance of the Warrant Shares upon exercise of this Warrant.

1.8. Loss or Destruction of Warrant. Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant, and (in the case of loss, theft or destruction) of reasonable reimbursement of expenses and satisfactory indemnification, and upon surrender and cancellation of this Warrant, if mutilated, the Company will execute and deliver a new Warrant of like tenor and date.

2. TAXES

2.1. The Holder acknowledges that the grant of the Warrant, the issuance of the Warrant Shares and the execution and/or performance of this Warrant may have tax consequences to the Holder and that the Company is not able to ensure or represent to the Holder the nature and extent of such tax consequences.

2.2. The Company shall pay all of the applicable taxes and other charges payable by the Company in connection with the issuance of the Warrant Shares and the preparation and delivery of share certificates in the name of the Holder (such as transfer taxes in respect of the issuance or delivery of Warrant Shares upon exercise of this Warrant), if any, but shall not pay any taxes payable by the Holder by virtue of the holding, issuance, exercise, sale of this Warrant or the Warrant Shares by the Holder.

3. RESERVATION OF SHARES; PRESERVATION OF RIGHTS OF HOLDER

3.1. Reservation of Shares. The Company hereby agrees that, at all times prior to the expiration or exercise of this Warrant, it will maintain and reserve, free from pre-emptive or similar rights, such number of authorized but unissued shares so that this Warrant may be exercised without additional authorization of shares.

3.2. Preservation of Rights. The Company will not, by amendment of its organizational documents or through reorganization, recapitalization, consolidation, merger, dissolution, transfer of assets, issue or sale of securities or any other voluntary act, avoid or seek to avoid the observance or performance of any of the covenants, stipulations, conditions or terms to be observed or performed hereunder, but will at all times in good faith assist in the carrying out of all the provisions hereof and in taking of all such actions and making all such adjustments as may be necessary or appropriate in order to fulfill the provisions hereof.

4. ADJUSTMENT

4.1. The number of Warrant Shares purchasable upon the exercise of this Warrant and the Exercise Price shall be subject to adjustment from time to time or upon exercise, as follows:

(a) Bonus Shares. In the event that during the Warrant Period the Company shall distribute a non-cash dividend or shares pursuant to a reclassification of its share capital, to all of the holders of shares of the Company (i.e., bonus shares), then this Warrant shall represent the right to acquire, in addition to the number of Warrant Shares indicated in the caption of this Warrant, the amount of such bonus shares that are distributed to persons holding the class of share capital for which the Warrant is exercisable and/or to receive the stock dividends which are distributed to persons holding the class of share capital for which the Warrant is exercisable, without payment of any additional consideration therefor, to which the Holder would have been entitled had this Warrant been exercised prior to the distribution of the stock dividends or the bonus shares.

(b) Consolidation and Division. In the event that during the Warrant Period the Company consolidates its share capital into shares of greater par value, or subdivides them into shares of lesser par value, then the number of Warrant Shares to be allotted on exercise of this Warrant after such consolidation or subdivision shall be reduced or increased accordingly, as the case may be, and in each case the Exercise Price shall be adjusted appropriately such that the aggregate consideration hereunder to the Company shall not change.

(c) Capital Reorganization. In the event that during the Warrant Period a reorganization of the share capital of the Company is effected (other than subdivision, combination or reclassification provided for elsewhere in this Section 4) and the Preferred A Shares are exchanged for other securities of the Company, then, as part of such reorganization, provision shall be made so that the Holder shall be entitled to purchase upon exercise of this Warrant such kind and number of shares or other securities of the Company to which the Holder would have been entitled had this Warrant been exercised without taking into effect such reorganization.

(d) Irrespective of any other provision of this Warrant, in the event that during the Warrant Period the Company becomes a subsidiary of a newly-formed entity formed under the laws of one of the states of the United States ("**Newco**") either by way of a reverse triangular merger or by way of share swap or by way of any other similar transaction or series of related transactions, the result of which will be the capital stock of the Company being wholly owned by Newco (or any other entity into which or with which Newco merges), and simultaneously with or in connection with such transaction(s) or shortly thereafter, Newco (or any other entity into which or with which Newco merges) consummates an equity financing of at least US$ 10,000,000(the "**New Financing**" and the "**Qualified Transaction**", respectively), this Warrant shall be automatically exchanged for five-year Newco (or any other entity into which or with which Newco merges) warrants exercisable for Newco (or any other entity into which or with which Newco merges) Common Stock at an exercise price per share of 100% of the original issue price of the securities (including any "units" or basket of securities that consist of stock together with warrants and/or securities or rights convertible or exchangeable for stock) issued in the New Financing (the "**Original Issue Price**"). The number of Common Stock underlying such new warrant shall be equal to one-third (1/3) of the principal amount of that certain Note dated [_____] issued by the Company to the Holder, divided by the Original Issue Price. For greater certainty, the Qualified Transaction described in this sub-section (d) shall not be deemed an Exit Event.

4.2. Whenever an adjustment is effected hereunder, the Company shall promptly compute such adjustment and deliver to the Holder a certificate setting forth the number of Warrant Shares (or any other securities) for which this Warrant is exercisable and the Exercise Price as a result of such adjustment, a brief statement of the facts requiring such adjustment and the computation thereof and when such adjustment has or will become effective.

4.3. Except as otherwise provided herein, Sections 4.1(a) to 4.1(d) hereof are intended to operate independently of one another. If an event occurs that requires the application of more than one subsection, all applicable subsections shall be given independent effect, but there shall be no duplicate adjustments if two separate subsections provide the same protection.

4.4. Notices of Certain Transactions. In case:

(a) the Company shall take a record of the holders of its Preferred A Shares (or other stock or securities at the time deliverable upon the exercise of this Warrant) for the purpose of entitling or enabling them to receive any dividend or other distribution, or

(b) of the voluntary or involuntary dissolution, liquidation or winding-up of the Company

then, and in each such case, the Company will mail or cause to be mailed to the Holder a notice specifying, as the case may be, (i) the date on which a record is to be taken for the purpose of such dividend or distribution, and stating the amount and character of such dividend or distribution, or (ii) the effective date on which such voluntary dissolution, liquidation or winding-up is to take place, and the time, if any is to be fixed, as of which the holders of record of Shares (or such other shares or securities at the time deliverable upon such voluntary dissolution, liquidation or winding-up) are to be determined. Such notice shall be mailed at least seven (7) days prior to the record date or effective date for the event specified in such notice.

5. EXERCISE OF THE WARRANT UPON AN EXIT EVENT

Notwithstanding anything to the contrary in this Warrant, if at any time during the Warrant Period, the Company consummates an Exit Event, or at the discretion of the Board of Directors of the Company, in the event that the Company believes that an Exit Event is likely to be consummated during such period, the Company shall provide written notice of such Exit Event (or, if applicable, an anticipated Exit Event) to the Holder (the "**Exit Event Notice**"). Within fourteen (14) days after Holder's receipt of the Exit Event Notice, Holder must notify the Company if it intends to exercise this Warrant pursuant to Section 1.2 or 1.3 of this Warrant, in which case such exercise shall be effective contingent upon and immediately prior to the consummation of the Exit Event. Thereafter, so long as the Company consummates such Exit Event within one hundred and eighty (180) days after Holder's receipt of the Exit Event Notice (to the extent the Exit Event shall not have occurred prior to the Exit Event Notice), Holder shall have no further rights hereunder and this Warrant shall be automatically terminated if not so exercised. If the Company fails to consummate such Exit Event within such time, then this Warrant shall remain in effect subject to the provisions contained herein

For the purposes hereof, an "**Exit Event**" shall mean the closing of (i) an initial public offering; (ii) a merger of the Company with or into another corporation, (iii) an acquisition of all or substantially all of the shares of the Company, (iv) the sale or license of all or substantially all of the assets of the Company, any with respect to (ii)-(iv), other than a merger or transaction in which the persons that beneficially owned, directly or indirectly, a majority of the share capital of the Company immediately prior to such merger or transaction, beneficially own, directly or indirectly, a majority of the total shares of capital stock of the surviving or transferee entity. For greater certainty, the Qualified Transaction described in Section 4.1(d) shall not be deemed an Exit Event and the provisions of this Section 5 shall not apply solely in connection with such Qualified Transaction.

6. RIGHTS OF THE HOLDER

6.1. This Warrant shall not entitle the Holder, by virtue hereof, to any voting rights or other rights as a shareholder of the Company, except for the rights expressly set forth herein.

6.2. The Holder acknowledges that the Warrant Shares shall be subject to such rights, privileges, restrictions and limitations as set forth in this Warrant and the organizational documents of the Company (or any other agreement with respect thereto), as may be amended from time to time, and that, as a result, *inter alia*, of such limitations, it may be difficult or impossible for the Holder to realize his investment and/or to sell or otherwise transfer the Warrant Shares. The Holder further acknowledges that the Company's shares are not publicly traded.

7. TERMINATION

Notwithstanding anything to the contrary, this Warrant and all the rights conferred hereby shall terminate and expire at the aforementioned time on the Expiry Date.

8. MISCELLANEOUS

8.1. Entire Agreement; Amendment. This Warrant sets forth the entire understanding of the parties with respect to the subject matter hereof and supersedes all existing agreements among them concerning such subject matter. All article and section headings herein are inserted for convenience only and shall not modify or affect the construction or interpretation of any provision of this Warrant. Subject to Section 8.8 below, no modification or amendment of this Warrant will be valid unless executed in writing by the Company and the Holder.

8.2. Waiver. No failure or delay on the part of any of the parties in exercising any right, power or privilege hereunder and/or under any applicable law or the exercise of such right or power in a manner inconsistent with the provisions of this Warrant or applicable law shall operate as a waiver thereof. Any waiver must be evidenced in writing signed by the party against whom the waiver is sought to be enforced.

8.3. Successors and Assigns; Assignment . Except as otherwise expressly limited herein, this Warrant shall inure to the benefit of, be binding upon, and be enforceable by the Holder and its respective successors, and administrators and is otherwise non-transferable without the prior consent of the Company. The Holder represents and warrants to the Company that this Warrant and the Warrant Shares, if and when purchased by the Holder, are for the Holder's own account and for investment purposes only and not with a view for resale or transfer and that all the rights pertaining to the Warrant or the Warrant Shares, by law or equity, shall be purchased and possessed by the Holder for the Holder exclusively.

8.4. Governing Law. This Warrant shall be exclusively governed and construed in accordance with the laws of the State of New York, without regard to conflicts of laws provisions thereof.

8.5. Notices. All notices and other communications made pursuant to this Warrant shall be in writing and shall be conclusively deemed to have been duly given if delivered in accordance with the notice provisions of the Convertible Notes Agreement.

8.6. Severability. If any provision of this Warrant is held by a court of competent jurisdiction to be unenforceable under applicable law, then such provision shall be excluded from this Warrant and the remainder of this Warrant shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms; provided, however, that in such event this Warrant shall be interpreted so as to give effect, to the greatest extent consistent with and permitted by applicable law, to the meaning and intention of the excluded provision as determined by such court of competent jurisdiction.

8.7. Counterparts. This Warrant may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument. Facsimile or electronic signatures of a party shall be binding as evidence of such party's agreement hereto and acceptance hereof.

8.8. Amendments. To the extent that any amendment(s) to the Convertible Notes Agreement or the transactions contemplated thereby result in a required amendment to the terms of this Warrant, this Warrant shall be deemed amended to the extent that the amendment(s) to the Convertible Notes Agreement are completed in accordance with the terms thereof.

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized.

Dated: _____

Motus GI Medical Technologies Ltd.

Signature: _____
Name: _____
Title: _____

Schedule 1.2

Exercise Notice

Date: _____

To: Motus GI Medical Technologies Ltd.

The undersigned, pursuant to the provisions set forth in the Warrant to which this Exercise Notice is attached (the "**Warrant**"), hereby elects to purchase _____ Warrant Shares (as such term is defined in the Warrant) pursuant to Section 1.1 of the Warrant, and herewith makes payment of _____, representing the full Exercise Price for such shares as provided for in such Warrant.

The undersigned hereby irrevocably directs that the said shares (or such other securities into which the Warrant is exercisable) be issued and registered in the name of the undersigned, as set forth below.

Names	Address	No. of Shares

Signature: _____

Address: _____

Schedule 1.3

Net Issuance Notice

Date: _____

To: Motus GI Medical Technologies Ltd.

The undersigned, pursuant to the provisions set forth in the Warrant to which this Exercise Notice is attached (the "**Warrant**"), hereby elects to exercise the Warrant for the purchase of Warrant Shares (as such term is defined in the Warrant), pursuant to the provisions of Section 1.3 of the Warrant.

The undersigned hereby irrevocably directs that the said shares (or such other securities into which the Warrant is exercisable) be issued and registered in the name of the undersigned, as set forth below.

Names	Address	No. of Shares

Signature: _____

Address: _____

Exhibit D

Joinder to Convertible Notes Agreement

JOINDER TO
CONVERTIBLE NOTES AGREEMENT

This Joinder to Convertible Notes Agreement (this "**Joinder**") is made as of _____, 2016 (the "**Effective Date**"), by and between Motus GI Medical Technologies Ltd., a company organized under the laws of the State of Israel, with offices at Keren Hayesod 22 Tirat Carmel, Israel (the "**Company**"), and _____, the following persons or entities, with offices at _____ (the "**Additional Purchaser**").

WHEREAS, on June 9, 2015, a Convertible Notes Agreement was entered into by and among the Company and the Purchasers identified on Exhibit A thereto, which was amended on December 29, 2015, on February 15, 201 on July 25, 2016, and on October __, 2016 attached hereto as **Exhibit A** (together, the "**CNA**"). Capitalized terms used, but not defined herein, shall have the meaning ascribed to such terms in the CNA, of which this Joinder constitutes an integral part; and

WHEREAS, pursuant to the CNA, the Company may consummate one or more Deferred Closing(s) during a period of one hundred and twenty (120) days following the Fifth Closing, in an aggregate amount that, together with the aggregate Loan Amount, shall not exceed US$12,000,000; and

WHEREAS, the Additional Purchaser desires to join the CNA and consummate a Deferred Closing, subject to the terms and conditions more fully set forth in this Joinder.

NOW THEREFORE, in consideration of the premises and the mutual promises herein made, and in consideration of the representations, warranties, and covenants herein contained, and intending to be legally bound hereby, the parties hereby agree as follows:

1. **Transaction**

1.1. At the Deferred Closing (as defined below), subject to the terms and conditions hereof, the Additional Purchaser shall transfer to the Company the amount of US$[_____] (the "**Additional Loan Amount**") and the Company will issue, sell, transfer, assign and deliver to the Additional Purchaser a convertible note in the form attached hereto as **Exhibit B** (the "**Deferred Closing Note**"). In addition, at the Deferred Closing and subject thereto, the Company will issue to the Additional Purchaser a warrant to purchase [_____] Preferred A Shares, all subject to the terms and the conditions of the warrant certificate attached hereto as **Exhibit C** (the "**Deferred Closing Warrant**").

2. By execution of this Joinder and upon payment of the Additional Loan Amount at the Deferred Closing, subject to the fulfillment of the conditions specified in Sections 4 and 5 hereof, the Additional Purchaser shall automatically become a party, as of the Deferred Closing, to the CNA and for all purposes under the CNA, the Additional Purchaser shall be deemed to be a "Purchaser" and the Additional Loan Amount shall be deemed to be part of the "Loan Amount".

3. Deferred Closing

3.1. **Time and Place of the Deferred Closing**. The sale of the Deferred Closing Notes and the issuance of the Deferred Closing Warrants, shall take place at a deferred closing (the "**Deferred Closing**") at the offices of Company's counsel, Fischer Behar Chen Well Orion & Co., at Ha-Migdal, 3 Dani'el Frisch St., Tel Aviv, on _____, 2016, or at such other time and place as the Company and the Additional Purchaser shall mutually agree in writing (the "**Deferred Closing Date**").

3.2. **Deliveries and Transactions at the Deferred Closing**. At the Deferred Closing, the following transactions shall occur simultaneously (no transaction shall be deemed to have been completed or any document delivered until all such transactions have been completed and all required documents delivered):

(a) Delivery of Deferred Closing Note. The Company shall deliver to the Additional Purchaser a validly executed Note, in the form of Exhibit B, reflecting the Deferred Closing Note purchased by the Additional Purchaser hereunder.

(b) Delivery of Deferred Closing Warrant. The Company shall deliver to the Additional Purchaser a validly executed Warrant, in the form of Exhibit C, reflecting the Deferred Closing Warrant of the Additional Purchaser.

(c) Payment. The Additional Purchaser shall pay to the Company the Additional Loan Amount, in accordance with Section 1.2 of the CNA.

4. **Conditions to the Deferred Closing by the Additional Purchaser.** The Additional Purchaser obligation to consummate the transactions contemplated hereby at the Deferred Closing is subject to the satisfaction and fulfillment, prior to or at the Deferred Closing, of each of the following conditions precedent (any or all of which may be waived, in whole or in part, by the Additional Purchaser, which waiver shall be at the sole discretion of the Additional Purchaser):

4.1. Accurate Representations and Warranties. The representations and warranties of the Company in Section 3 of the CNA (as qualified by the Disclosure Schedule and amended in the Third Amendment and Joinder to CNA), shall be true and correct when made and shall be true and correct in all material respects as of the Fifth Closing Date.

4.2. Compliance with Covenants. The Company shall have performed and complied with all of its covenants, agreements and undertakings set forth herein.

4.3. Actions Taken; Delivery of Documents. All the actions to be taken by the Company as set forth in Section 3.2 above, shall have been completed to the satisfaction of the Additional Purchaser.

4.4. Proceedings and Documents. All corporate and other proceedings in connection with the transactions contemplated by the Joinder shall be satisfactory in substance and form to the Additional Purchaser, and the Additional Purchaser shall have received all such counterpart copies of such documents as the Additional Purchasers may reasonably request.

5. **Conditions to Closing by the Company.** The Company's obligation to consummate the transactions contemplated hereby at the Deferred Closing is subject to the satisfaction and fulfillment, prior to or at the Deferred Closing, of each of the following conditions precedent (any or all of which may be waived, in whole or in part, by the Company, which waiver shall be at the sole discretion of the Company):

5.1. Accurate Representations and Warranties. The representations and warranties of the Additional Purchaser in this Joinder shall have be true and correct when made and shall be true and correct in all material respects as of the Deferred Closing Date.

5.2. Compliance with Covenants. The Additional Purchaser shall have performed and complied with all of his covenants, agreements, and undertakings as set forth in this Joinder.

5.3. Consents. The Company shall have secured all permits, consents and authorizations that shall be necessary or required lawfully to consummate the transactions contemplated by this Joinder, including without limitation, third party consents and approvals and corporate approvals including without limitation, in connection with the issuance of any securities upon conversion of the Deferred Closing Notes and the issuance of any securities upon exercise of the Deferred Closing Warrant.

6. Representations and Warranties of the Company.

The Company hereby represents and warrants to the Additional Purchaser that all representations and warranties set forth in Section 3 of the CNA (as qualified by the Disclosure Schedule and as amended in the Third Amendment and Joinder to CNA) shall have been true when made and shall have been true and correct in all material respects as of the Fifth Closing Date.

7. Representations and Warranties of the Additional Purchaser

The Additional Purchaser hereby represents and warrants to the Company and acknowledges that the Company is entering into the Joinder in reliance thereon, that all the representations and warranties set forth in Section 4 of the CNA are true and correct in respect of such Additional Purchaser as of the date hereof and shall be true and correct in all material respects as of the Deferred Closing, provided that any reference in Section 4 of the CNA to: (i) the CNA shall also include the Joinder; and (ii) the Closing shall refer for purposes herein to the Deferred Closing.

8. General

The Joinder together with the CNA constitutes the full and entire understanding and agreement between the parties hereto with regard to the subject matter hereof and thereof. The provisions of Section 9 of the CNA are incorporated herein by reference with any reference therein to the Agreement applying herein to this Joinder.

[*Signature Page to Follow*]

IN WITNESS WHEREOF, the parties hereto have executed this Joinder to Convertible Notes Agreement as of the date herein above set forth.

THE COMPANY:

Motus GI Medical Technologies Ltd.

By: _____

Name: _____

Title: _____

THE ADDITIONAL PURCHASER:

By: _____

Name: _____

Title: _____

EXHIBIT E

Convertible Notes Agreement, As Amended

CONVERTIBLE NOTES AGREEMENT

This Convertible Notes Agreement (this "**Agreement"**) is made and entered into as of the 9 day of June, 2015, by and among **Motus GI Medical Technologies Ltd.**, a company organized under the laws of the State of Israel, with offices at Keren Hayesod 22 Tirat Carmel, Israel (the **"Company"**), and the persons and entities identified in **Exhibit A** attached hereto (each, a '**Purchaser**' and together, the **"Purchaser"** and each Purchaser and the Company separately, a **"Party"** and together, the **"Parties"**).

WHEREAS, the Company requires additional funds to continue to operate its business; and

WHEREAS, in considering the terms and conditions of this proposed fundraising the Board of Directors of the Company (the **"Board"**) consulted the Company's management and identified and considered many factors, including the Company's current cash position, the cash requirements for the Company's future operations and projected cash flows from the Company's business and the lack of other immediately available funding alternatives, and after careful consideration the Board has concluded that it is in the best interests of the Company and its shareholders to raise funds by means of a convertible loan as proposed; and

WHEREAS, the Company is interested to sell to the Purchasers, and the Purchasers are willing to purchase from the Company, convertible promissory notes, all under and pursuant to the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the representations, warranties, and covenants herein contained, and intending to be legally bound hereby, the parties agree as follows:

1. Transaction

1.1. **Loan Amount; Sale and Purchase of Notes and Issuance of Warrants.** Subject to the terms and conditions of this Agreement, each of the Purchasers will lend to the Company the amount set forth opposite such Purchaser's name in **Exhibit A** attached hereto (such Purchaser's portion, the **"Loan Amount"**), to be transferred to the Company in four installments as follows:

At the First Closing (as defined below) and subject thereto, each Purchaser shall transfer to the Company the amount set forth next to such Purchaser's name in the column titled 'First Installment' in the table set forth in Exhibit A and the Company will issue, sell, transfer, assign and deliver to each of the Purchasers a convertible note in the form attached hereto as **Exhibit B1** (the **"First Notes"**), to be allocated among the Purchasers in accordance with the column titled 'First Installment' in the table set forth in Exhibit A (the **"First Installment"**). In addition, at the First Closing and subject thereto, the Company will issue to each Purchaser a warrant to purchase such number of Preferred A Shares, par value NIS 0.01 per share, of the Company (the **"Preferred A Shares"**) as set forth next to such Purchaser's name in the column titled 'First Warrant' in the table set forth in Exhibit A, all subject to the terms and the conditions of the warrant certificate attached hereto as **Exhibit B2** (the "**First Warrants**").

At the Second Closing (as defined below) and subject thereto, each Purchaser shall transfer to the Company the amount set forth next to such Purchaser's name in the column titled "Second Installment" in the table set forth in Exhibit A and the Company will issue, sell, transfer, assign and deliver to each of the Purchasers a convertible note in the form attached hereto as **Exhibit C1** (the "**Second Notes"**), to be allocated among the Purchasers in accordance with the column titled "Second Installment" in the table set forth in Exhibit A (the "**Second Installment**"). In addition, at the Second Closing and subject thereto, the Company will issue to each Purchaser a warrant to purchase such number of Preferred A Shares as set forth next to such Purchaser's name in the column titled "Second Warrant" in the table set forth in Exhibit A, all subject to the terms and the conditions of the warrant certificate attached hereto as **Exhibit C2** (the "**Second Warrants**").

At the Third Closing (as defined below) and subject thereto, each Purchaser shall transfer to the Company the amount set forth next to such Purchaser's name in the column titled "Third Installment" in the table set forth in Exhibit A and the Company will issue, sell, transfer, assign and deliver to each of the Purchasers a convertible note in the form attached hereto as **Exhibit D1** (the "**Third Notes**"), to be allocated among the Purchasers in accordance with the column titled "Third Installment" in the table set forth in Exhibit A (the "**Third Installment**"). In addition, at the Third Closing and subject thereto, the Company will issue to each Purchaser a warrant to purchase such number of Preferred A Shares as set forth next to such Purchaser's name in the column titled 'Third Warrant' in the table set forth in Exhibit A, all subject to the terms and the conditions of the warrant certificate attached hereto as **Exhibit D2** (the "**Third Warrants**").

At the Fourth Closing (as defined below) and subject thereto, each Purchaser shall transfer to the Company the amount set forth next to such Purchaser's name in the column titled "Fourth Installment" in the table set forth in Exhibit A and the Company will issue, sell, transfer, assign and deliver to each of the Purchasers a convertible note in the form attached hereto as **Exhibit E1** (the "**Fourth Notes**"), to be allocated among the Purchasers in accordance with the column titled "Fourth Installment" in the table set forth in Exhibit A (the "**Fourth Installment**"). In addition, at the Fourth Closing and subject thereto, the Company will issue to each Purchaser a warrant to purchase such number of Preferred A Shares as set forth next to such Purchaser's name in the column titled "Fourth Warrant" in the table set forth in Exhibit A, all subject to the terms and the conditions of the warrant certificate attached hereto as **Exhibit E2** (the "**Fourth Warrants**").

The First Notes, the Second Notes, the Third Notes and the Fourth Notes shall be referred to herein collectively as the "**Notes**". The First Warrants, the Second Warrants, the Third Warrants and the Fourth Warrants shall be referred to herein collectively as the "**Warrants**".

1.2. **Payment**. The Loan Amount will be paid in U.S. Dollars ("**US$**") or in the New Israeli Shekels ("**NIS**") equivalent. If the Loan Amount is paid in a NIS equivalent, it shall be paid in accordance with the representative rate of exchange of the US$ against the NIS last published by the Bank of Israel immediately prior to the applicable Closing Date

2. Closings

2.1. **Time and Place of the First Closing**. The sale of the First Notes and the issuance of the First Warrants shall take place at a first closing (the "**First Closing**") at the offices of Company's counsel, Fischer Behar Chen Well Orion & Co., at Ha-Migdal, 3 Dani'el Frisch St., Tel Aviv, Israel, on June 9, 2015, or at such later time and place as the Company and the Purchasers shall mutually agree in writing (the "**First Closing Date**").

2.2. **Deliveries and Transactions at the First Closing**. At the First Closing, the following transactions shall occur simultaneously (no transaction shall be deemed to have been completed or any document delivered until all such transactions have been completed and all required documents delivered):

2.2.1. Board Resolutions. Copies of duly executed resolutions of the Board, in the form attached hereto as **Exhibit 2.2.1** shall be delivered to the Purchasers, approving, inter alia, the execution, delivery and performance by the Company of this Agreement and all other documents and agreements ancillary to such agreements (collectively, the "**Transaction Documents**"), to which the Company is a party, and the transactions contemplated hereby and thereby, including the issuance of the Issued Securities (as defined below).

2.2.2. Shareholders Resolutions. Copies of duly executed resolutions of the Company's shareholders, in the form attached hereto as **Exhibit 2.2.2(a)**, shall be delivered to the Purchasers, approving, inter alia: (i) the execution, delivery and performance by the Company of the Agreement and the transactions contemplated hereby, including the issuance of the Issued Securities; and (ii) the replacement of the Company's current Articles of Association with the Third Amended and Restated Articles of Association, substantially in the form attached hereto as **Exhibit 2.2.2(c)** (the "**Amended Articles**").

2.2.3. Delivery of First Notes. The Company shall deliver to each Purchaser a validly executed Note, in the form of Exhibit B1, reflecting the First Notes purchased by each Purchaser hereunder.

2.2.4. Delivery of First Warrants. The Company shall deliver to each Purchaser a validly executed Warrant, in the form of Exhibit B2, reflecting the First Warrants of each Purchaser.

2.2.5. Payment. The Purchasers shall pay to the Company the First Installment, in accordance with Section 1.2 above.

2.3. **Time and Place of the Second Closing**. The sale of the Second Notes and the issuance of the Second Warrants shall take place at a second closing (the "**Second Closing**") at the offices of Company's counsel, Fischer Behar Chen Well Orion & Co., at Ha-Migdal, 3 Dani'el Frisch St., Tel Aviv, Israel, within ninety (90) days after the First Closing, or at such other time and place as the Company and the Purchasers shall mutually agree in writing (the "**Second Closing Date**").

2.4. **Deliveries and Transactions at the Second Closing**. At the Second Closing, the following transactions shall occur simultaneously (no transaction shall be deemed to have been completed or any document delivered until all such transactions have been completed and all required documents delivered):

2.4.1. Delivery of Second Notes. The Company shall deliver to each Purchaser a validly executed Note, in the forms of Exhibit C1, reflecting the Second Notes purchased by each Purchaser hereunder.

2.4.2. Delivery of Second Warrants. The Company shall deliver to each Purchaser a validly executed Warrant, in the form of Exhibit C2, reflecting the Second Warrants of each Purchaser.

2.4.3. Payment. The Purchasers shall pay to the Company the Second Installment, in accordance with Section 1.2 above.

2.5. **Time and Place of the Third Closing**. The sale of the Third Notes and the issuance of the Third Warrants shall take place at a third closing (the "**Third Closing**") at the offices of Company's counsel, Fischer Behar Chen Well Orion & Co., at Ha-Migdal, 3 Dani'el Frisch St., Tel Aviv, Israel, within one hundred and eighty (180) days after the First Closing, or at such other time and place as the Company and the Purchasers shall mutually agree in writing (the "**Third Closing Date**").

2.6. **Deliveries and Transactions at the Third Closing**. At the Third Closing, the following transactions shall occur simultaneously (no transaction shall be deemed to have been completed or any document delivered until all such transactions have been completed and all required documents delivered):

2.6.1. Delivery of Third Notes. The Company shall deliver to each Purchaser a validly executed Note, in the forms of Exhibit D1, reflecting the Third Notes purchased by each Purchaser hereunder.

2.6.2. Delivery of Third Warrants. The Company shall deliver to each Purchaser a validly executed Warrant, in the form of Exhibit D2, reflecting the Third Warrants of each Purchaser.

2.6.3. Payment. The Purchasers shall pay to the Company the Third Installment, in accordance with Section 1.2 above.

2.7. **Time and Place of the Fourth Closing**.The sale of the Fourth Notes and the Fourth Warrants shall take place at a fourth closing (the "**Fourth Closing**") at the offices of Company's counsel, Fischer Behar Chen Well Orion & Co., at Ha-Migdal, 3 Dani'el Frisch St., Tel Aviv, Israel, at such time and place as the Company and the Purchasers shall mutually agree in writing, but in any event not later than fourteen (14) days after the Board determines that the Company's cash position requires the infusion of additional funds to continue to operate its business (the "**Fourth Closing Date**").

2.8. **Deliveries and Transactions at the Fourth Closing**. At the Fourth Closing, the following transactions shall occur simultaneously (no transaction shall be deemed to have been completed or any document delivered until all such transactions have been completed and all required documents delivered):

2.8.1. Delivery of Fourth Notes. The Company shall deliver to each Purchaser a validly executed Note, in the forms of Exhibit E1, reflecting the Fourth Notes purchased by each Purchaser hereunder.

2.8.2. Delivery of Fourth Warrants. The Company shall deliver to each Purchaser a validly executed Warrant, in the form of Exhibit E2, reflecting the Fourth Warrants of each Purchaser.

2.8.3. Payment. The Purchasers shall pay to the Company the Fourth Installment, in accordance with Section 1.2 above.

3. Representations and Warranties of the Company. The Company hereby represents and warrants to the Purchasers, that the following representations and warranties are true and correct as of the date hereof and shall be true and correct in all material respects as of the First Closing Date, all except as set forth in a Disclosure Schedule attached hereto as **Exhibit 3** (the "**Disclosure Schedule**"):

3.1. Organization. The Company is duly organized and validly existing under the laws of the State of Israel, and has full corporate power and authority to own, lease and operate its properties and assets and to conduct its business as now being conducted and as proposed to be conducted.

3.2. Authorization and Approvals. All corporate action on the part of the Company necessary for the authorization, execution, delivery, and performance of all of the Company's obligations under this Agreement has been (or will be) taken prior to the First Closing. This Agreement, when executed and delivered by or on behalf of the Company, shall constitute the valid and legally binding obligations of the Company, legally enforceable against the Company in accordance with its terms. No consent, approval, order, license, permit, action by, or authorization of or designation, declaration, or filing with any governmental authority on the part of the Company is required that has not been, or will not have been, obtained by the Company prior to the First Closing, in connection with the valid execution, delivery and performance of this Agreement.

3.3. No Conflicts. This Agreement does not contravene any provisions of the Company's Articles of Association or any applicable law, and, to the knowledge of the Company, any judicial restriction binding on or affecting the Company.

3.4. Capitalization. The authorized share capital of the Company immediately prior to the First Closing shall consist of NIS 255,000 divided into (i) 12,000,000 Ordinary Shares, par value NIS 0.01 each, of which 4,296,786 are issued and outstanding, and (ii) 13,500,000 Series A Preferred Shares, par value NIS 0.01 each, all of which are issued and outstanding. An accurate capitalization table listing all of the Company's shares, options, and warrants (or other rights or securities convertible into or exchangeable for shares in the Company (collectively, the "**Equity Securities**") and their respective record holders and, to the knowledge of the Company, beneficial owners on a fully diluted basis is set forth in **Exhibit 3.4** attached hereto (the "**Cap Table**").

3.5. The Issued Securities. The securities contemplated to be issued by the Company in accordance with this Agreement and any shares issuable upon conversion or exercise thereof, including without limitation, the Notes, the shares issuable upon conversion thereof, the Warrants and the shares issuable upon exercise thereof (collectively, the "**Issued Securities**"), when issued in accordance with this Agreement (and assuming payment in full therefor), will be duly and validly issued and authorized, fully paid and nonassessable and will have the rights, preferences, privileges, and restrictions set forth in the Company's Articles of Association as shall be in effect from time to time

3.6. Litigation. Except as set forth on **Exhibit 3.6** attached hereto, no action, proceeding or governmental inquiry or investigation is pending or, to the knowledge of the Company, threatened against the Company or any of its officers, directors, or employees (in their capacity as such), or against any of the Company's properties, or with regard to the Company's business or assets, before any court, arbitration board or tribunal or administrative or other governmental agency, nor, to the knowledge of the Company, is there any basis for any of the foregoing nor is there any the Company intends to initiate.

3.7. Material Liabilities. Except as set forth on **Exhibit 3.7** attached hereto, the Company does not have any liability, debt or obligation, which exceeds US$200,000, whether accrued, absolute or contingent or otherwise, including to previous employees or consultants for any reason. The Company has not provided any loans or advances to any person or given a guarantee or created any charge, lien or other encumbrance on any of its assets and/or its un-issued share capital for any obligation of any person.

4. Representations and Warranties of the Purchasers. Each Purchaser, severally and not jointly, warrants and represents to the Company as follows:

4.1. The Purchaser is duly organized, validly existing and in good standing under the laws of jurisdiction of its incorporation or organization. All corporate action on the part of the Purchaser necessary for the authorization, execution, delivery, and performance of all of the Purchaser obligations under the Agreement has been taken. This Agreement, when executed and delivered by or on behalf of the Purchaser, shall constitute the valid and legally binding obligations of the Purchaser, legally enforceable against the Purchaser in accordance with their terms**.**

4.2. The execution and delivery of this Agreement and the consummation of the transactions contemplated herein will not result in the breach of any term of, or constitute a default under, any contract or agreement to which the Purchaser may be bound. No approval or consent from any person, entity or authority, is required by the Purchaser for the execution, delivery and performance by it of this Agreement that has not been, or will not have been, obtained by the Purchaser on or prior to the First Closing.

4.3. The Purchaser has knowledge and experience in financial and business matters, is capable of evaluating the merits and risks of the transactions evidenced by this Agreement, and can bear the economic consequences of its investment for an indefinite period of time. Without derogating from the Purchaser's right to rely on the representations and warranties of the Company set forth in Section 3 above, the Purchaser acknowledges that it and its advisers and representatives have had an opportunity to ask questions of, and receive answers from the Company and any other person acting on behalf of the Company concerning such investment.

4.4. The Purchaser understands that the Issued Securities, have not been, and may not be, registered under the Israeli securities law or any other securities regulations by reason of a specific exemption from the registration provisions of such securities regulations.

4.5. The Purchaser represents and agrees that the Issued Securities, when issued to such Purchaser hereunder, are or will be purchased only for investment purposes, for its own account, and not as a nominee or agent, and not with the view to, or for resale in connection with, any distribution thereof.

5. Conditions to Closing by the Purchasers. The Purchasers obligation to consummate the transactions contemplated hereby at each Closing is subject to the satisfaction and fulfillment, prior to or at the applicable Closing, of each of the following conditions precedent (any or all of which may be waived, in whole or in part, by each of the Purchasers, which waiver shall be at the sole discretion of each Purchaser with respect to itself):

5.1. Accurate Representations and Warranties. The representations and warranties of the Company in Section 3 of this Agreement shall be true and correct when made and shall be true and correct in all material respects as of the First Closing Date.

5.2. Compliance with Covenants. The Company shall have performed and complied with all of its covenants, agreements and undertakings set forth herein.

5.3. Actions Taken; Delivery of Documents. All the actions to be taken by the Company's shareholders or by the Company as set forth in Section 2.2, 2.4 or 2.6 above, as applicable, above shall have been completed to the satisfaction of the Purchasers.

5.4. Proceedings and Documents. All corporate and other proceedings in connection with the transactions contemplated by this Agreement shall be satisfactory in substance and form to the Purchasers, and the Purchasers shall have received all such counterpart copies of such documents as the Purchasers may reasonably request.

6. Conditions to Closing by the Company. The Company's obligation to consummate the transactions contemplated hereby at each Closing is subject to the satisfaction and fulfillment, prior to or at the applicable Closing, of each of the following conditions precedent (any or all of which may be waived, in whole or in part, by the Company, which waiver shall be at the sole discretion of the Company):

6.1. Accurate Representations and Warranties. The representations and warranties of the Purchasers in this Agreement shall be true and correct when made and shall be true and correct in all material respects as of the applicable Closing Date.

6.2. Compliance with Covenants. The Purchasers shall have performed and complied with all of their covenants, agreements, and undertakings as set forth in this Agreement.

6.3. Consents. The Company shall have secured all permits, consents and authorizations that shall be necessary or required lawfully to consummate the transactions contemplated by the Transaction Documents, including without limitation, third party consents and approvals, corporate approvals and waivers from shareholders of the Company entitled to preemptive rights, participation rights, anti-dilution rights or any other similar rights in connection with the transactions contemplated by the Transaction Documents, including without limitation, in connection with the issuance of any securities upon conversion of the Notes and the issuance of any securities upon exercise of the Warrants.

7. Covenants

7.1. Use of Proceeds. The Company will use the Loan Amounts and any part thereof to finance its activities in accordance with a budget approved and amended from time to time by the Board.

7.2. OCS Undertaking. To the extent that at any time hereinafter a Purchaser shall hold such number of securities of the Company such that it shall be legally required to sign an undertaking to the OCS, then such Purchaser shall sign such undertaking as may be required by the OCS at such time.

8. Taxes; Withholding

To the extent required pursuant to applicable law, VAT shall be added by the Company to any payment to be made by the Company pursuant to this Agreement. The Company shall be entitled to deduct and withhold any withholding taxes which the Company determines it is legally required to deduct or withhold from any payment to be made by the Company pursuant to this Agreement.

9. Miscellaneous

9.1. Governing Law. This Agreement shall be deemed to be a contract made under the laws of the State of New York, and for all purposes shall be construed in accordance with the laws of said state, without regard to principles of conflict of laws. Any dispute arising under or in relation to this Agreement shall be resolved exclusively in the competent court in New York, New York and each of the parties hereby irrevocably submits to the exclusive jurisdiction of such court.

9.2. Successors and Assigns. Except as otherwise expressly limited herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors, and administrators of the parties hereto. None of the rights, privileges, or obligations set forth in, arising under, or created by this Agreement may be assigned or transferred without the prior consent in writing of each party to this Agreement.

9.3. Delays or Omissions; Waiver. No delay or omission to exercise any right, power, or remedy accruing to either the Company or the Purchasers upon any breach or default by the other under this Agreement shall impair any such right or remedy, nor shall it be construed to be a waiver of any such breach or default, or any acquiescence therein or in any similar breach or default thereafter occurring.

9.4. Entire Agreement. This Agreement (together with the schedules and exhibits attached hereto) contains the entire understanding of the parties with respect to its subject matter and all prior negotiations, discussions, commitments, and understandings heretofore had between them with respect hereto are merged therein. In the case of any discrepancy between the provisions of this Agreement and the provisions of any other agreement previously entered into by the Company and/or any of the Purchasers, the provisions of this Agreement shall prevail.

9.5. Amendment. Any term of this Agreement may be amended (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and Purchasers who are holding 70% or more of the aggregate outstanding principal amount of the Notes.

9.6. Headings. All article and section headings herein are inserted for convenience only and shall not modify or affect the construction or interpretation of any provision of this Agreement.

9.7. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

9.8. Further Actions. At any time and from time to time, each party agrees, without further consideration, to take such actions and to execute and deliver such documents as may be reasonably necessary to effectuate the purposes of this Agreement.

9.9. Notices. All notices and other communications made pursuant to this Agreement shall be in writing and shall be conclusively deemed to have been duly given: (a) in the case of hand delivery to the address shown below, on the next Business Day (as defined below) after delivery; (b) in the case of delivery by an internationally recognized overnight courier to the address set forth below, freight prepaid, on the next Business Day after delivery; (c) in the case of a notice sent by facsimile transmission to the number, and addressed as, set forth below, on the next Business Day after delivery, if facsimile transmission is confirmed; (d) in the case of a notice sent by an email to the email address set forth below, on the next Business Day after delivery. The term "**Business Day**" means a day on which the banks are open for business in the country of receipt of any notice.

Contact details:

The Company	Motus GI Medical Technologies Ltd. Keren Hayesod 22 Tirat Carmel, Israel 3902638 Tel: _____ Fax: _____ e-mail: _____ with a copy to (which shall not constitute service of process): _____ _____ _____ _____ Tel: _____ Fax: _____ email: _____
Purchasers	To the addresses set forth in Exhibit A.

A party may change or supplement the contact details for service of any notice pursuant to this Agreement, or designate additional addresses or facsimile numbers for the purposes of this Section 9.9, by giving the other party written notice of the new contact details in the manner set forth above.

9.10. Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable under applicable law, then such provision shall be excluded from this Agreement and the remainder of this Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms; provided, however, that in such event this Agreement shall be interpreted so as to give effect, to the greatest extent consistent with and permitted by applicable law, to the meaning and intention of the excluded provision as determined by such court of competent jurisdiction.

IN WITNESS WHEREOF, the parties hereto have executed this Convertible Notes Agreement on the date first above written.

Motus GI Medical Technologies Ltd.

By: _____

Title: _____

[*Purchaser's Signature Pages to Follow*]

IN WITNESS WHEREOF, the parties hereto have executed this Convertible Notes Agreement on the date first above written.

Orchestra Medical Ventures II, L.P.

By: _____
Title: _____

Orchestra MOTUS Co-Investment Partners, LLC

By: _____
Title: _____

Ascent Biomedical Ventures II, L.P.(3)

By: _____
Title: _____

Ascent Biomedical Ventures Synecor, L.P.

By: _____
Title: _____

Jacobs Investments Company LLC

By: _____
Title: _____

[Purchasers' Signature Page to Convertible Notes Agreement]

Exhibit A

Loan Amount and Notes

Name	Loan Amount	First Installment	Second Installment	Third Installment	Fourth Installment	Address
Orchestra Medical Ventures II, L.P.	US$ 1,239,996	US$ 309,999	US$ 309,999	US$ $ 309,999	US$ 309,999	
Orchestra MOTUS Co-Investment Partners, LLC	US$ 977,511	US$ 325,837	US$ 325,837	US$ $ 325,837	US$ 0	
Ascent Biomedical Ventures II, L.P. (3)	US$ 1,665,108	US$ 416,277	US$ $ 416,277	US$ $ 416,277	US$ $ 416,277	
Ascent Biomedical Ventures Synecor, L.P.	US$ 831,304	US$ 207,826	US$ $ 207,826	US$ 207,826	US$ 207,826	
Jacobs Investments Company LLC	US$ 782,032	US$ 195,508	US$ 195,508	US$ $ 195,508	US$ 195,508	
Total	**US$ 5,495,951**	**US$ 1,455,447**	**US$ 1,455,447**	**US$ 1,455,447**	**US$ 1,129,610**	

Warrants

Name	First Warrants	Second Warrants	Third Warrants	Fourth Warrants	Total Warrants
Orchestra Medical Ventures II, L.P.	102,300	102,300	102,300	102,300	409,200
Orchestra MOTUS Co-Investment Partners, LLC	107,526	107,526	107,526	0	322,578
Ascent Biomedical Ventures II, L.P. (3)	137,371	137,371	137,371	137,371	549,484
Ascent Biomedical Ventures Synecor, L.P.	68,583	68,583	68,583	68,583	274,332
Jacobs Investments Company LLC	64,518	64,518	64,518	64,518	258,072
Total	**480,298**	**480,298**	**480,298**	**372,772**	**1,813,666**

EXHIBIT B1

_____, 2015

Purchaser: _____
Principal Amount: US$ _____

CONVERTIBLE
PROMISSORY NOTE

For value received, **Motus GI Medical Technologies Ltd.**, an Israeli company ("**Company**") promises to pay to the Purchaser named above ("**Holder**"), the principal sum stated above (the "**Principal Amount**") in accordance with the terms set forth herein, as follows:

1. **Note Part of a Series.** This Note is being sold by the Company as part of a series of notes issued pursuant to that certain Convertible Notes Agreement dated as of _____, 2015, by and among the Company and purchasers of such Notes (the "**CNA**"). The term "**Notes**" shall mean herein all Notes issued under the CNA.

2. **Interest.** Interest shall accrue on the unpaid Principal Amount of this Note from the date of this Note until the actual repayment of all amounts due hereunder, at an annual rate of 10% (ten percent), compounded annually. Interest shall be computed on the basis of a year of 360 days for the actual number of days occurring in the period for which such interest is payable. Upon conversion of the Principal Amount in accordance with the terms hereof, all interest accrued thereon shall be converted together with the Principal Amount or repaid to the Holder in cash, after deduction of all applicable taxes with respect thereto, as shall be determined by the Company, at its sole discretion. The actual amount to be converted in accordance with the Company's election, as specified in the preceding sentence, shall be hereinafter referred to as the "**Conversion Amount**."

3. **Automatic Conversion upon QFR**. To the extent not previously converted or repaid according to the terms specified herein, the Conversion Amount shall be automatically converted, immediately prior and subject to the closing of a QFR (as defined below), on the same terms and conditions applicable to the QFR, such that the Holder shall receive the same type of securities issued, and any other rights granted to the investors in such QFR (the "**QFR Securities**"), under the same terms as if the Holder had participated in the QFR as an investor (including any warrants or any other securities granted to the investors therein), but at a conversion price per share equal to the QFR Conversion Price (as defined below).

   It being agreed and acknowledged that (a) the original issue price (or any equivalent term used under the then applicable Articles of Association of the Company) of QFR Securities issued to the Holder shall be set to be the QFR Conversion Price, and any rights that are attached to the QFR Securities issued to the Holder which are determined, derived, calculated, triggered, or otherwise based on the original price of such shares (including, without limitation, liquidation and dividend preferences, anti-dilution rights or the like) shall be determined, calculated, triggered or otherwise based on the actual QFR Conversion Price; and (b) in the event that the QFR Securities also comprise of warrants to purchase, or other securities convertible into, shares of the Company (any such preceding convertible security a "**Convertible Security**"), then (i) upon such conversion, the Holder shall be entitled to receive such number of warrants and/or Convertible Securities of the same class or type that are issued to the investors in the framework of the QFR, in a number which shall be determined using the same warrant and/or Convertible Securities coverage ratio offered to the investors in such QFR, such that the ratio between the shares and the warrants and/or Convertible Securities issued to the Holder shall be equal to the ratio between the shares and the warrants and/or Convertible Securities issued to each investor in such QFR; and (ii) the discount rate reflected in the QFR Conversion Price shall not apply in respect of the exercise price or conversion price (as applicable) of such warrants and/or Convertible Securities.

For example, if the terms of the QFR are as follows:

- The QFR unit price is US$10.
- Each unit is comprised of two (2) Ordinary Shares and one (1) warrant to purchase one (1) Ordinary Share.
- The discount rate reflected in the QFR Conversion Price of the Holder is 10%.
- The exercise price of the warrants issued in the QFR is US$12.
- The Conversion Amount of the Holder is US$1,800.

then, in the framework of such QFR, the Holder shall be issued, upon conversion of the Conversion Amount, 200 Ordinary Shares ((US$1,800))/((1-10%)*US$10)) and 100 warrants to purchase 100 Ordinary Shares (100/2), at an exercise price per share of US$12, while an investor, who is not a holder of Notes, and invests in the QFR the same amount (i.e., US$1,800), shall be issued only 180 Ordinary Shares and 90 warrants to purchase 90 Ordinary Shares, at an exercise price per share of US$12.

The term "**QFR**" means the first financing round consummated by the Company after the date of the Note, through an equity investment (including an initial public offering but excluding the issuance of any convertible notes, or the issuance of shares upon conversion of such notes), either in one transaction or in a series of related transactions, with an aggregate investment amount of not less than US$10,000,000 (Ten Million US Dollars), including the outstanding principal amount of the Notes and all accrued and unpaid interest thereon.

The term "**QFR Conversion Price**" means a conversion price reflecting a 10% discount on the price paid by the investor(s) for the shares issued in the QFR and if the price in such QFR is fixed per each unit offered in the QFR, the discount shall be applicable to such unit price. Notwithstanding the foregoing, in the event that the QFR in an initial public offering with gross proceeds to the Company of not less than US$25,000,000 (Twenty Five Million US Dollars) (including the outstanding principal amount of the Notes and all accrued and unpaid interest thereon) (the "**QIPO**"), the QFR Conversion Price shall mean a conversion price reflecting a 50% discount on the price paid for the shares issued in the QIPO and if the price in such QIPO is fixed per each unit offered in the QIPO, the discount shall be applicable to such unit price.

If this Note is converted in accordance with this Section 4, written notice shall be delivered to the Holder of this Note, notifying the Holder of the conversion, specifying the Conversion Amount, the date of such conversion, and the securities issued upon conversion. For the avoidance of doubt, in such event this Note shall be null and void even if not surrendered to the Company.

4. **Automatic Conversion upon M&A Event.** In the event that, prior to the conversion of the Conversion Amount or its repayment according to the terms specified herein, an M&A Event (as defined below) shall occur, then immediately prior and subject to the closing of such M&A Event, the Conversion Amount shall be automatically converted into Series A Preferred Shares, par value NIS 0.01 per share, of the Company (the "**Preferred A Shares**"), at a conversion price equal to the price per share paid by the Company's investors in consideration for the Preferred A Shares (i.e., _____) (the "**M&A Conversion Price**").

It being agreed and acknowledged that the original issue price (or any equivalent term used under the then applicable Articles of Association of the Company) of the Preferred A Shares issued to the Holder shall be set to be the M&A Conversion Price, and any rights that are attached to such Preferred A Shares issued to the Holder which are determined, derived, calculated, triggered, or otherwise based on the original price of such shares (including, without limitation, liquidation and dividend preferences, anti-dilution rights or the like) shall be determined, calculated, triggered or otherwise based on the actual M&A Conversion Price.

The term "**M&A Event**" means (i) a merger or consolidation of the Company in which the Company's shareholders immediately prior to such transaction do not own, directly or indirectly, more than 50% of the share capital of the surviving entity; (ii) the acquisition of more than 50% of the Company's outstanding share capital by a single unaffiliated person, entity or group ,or by persons or entities acting in concert; (iii) the sale or transfer of all or substantially all of the assets of the Company; or (iv) a reverse triangular merger in which the Company is the surviving entity but the shares of the Company's share capital outstanding immediately prior to the merger are converted by virtue of the merger into other property, whether in the form of securities, cash or otherwise.

5. **Voluntary Conversion upon NQFR.** In the event that, prior to the conversion of the Conversion Amount or its repayment according to the terms specified herein, the Company shall consummate a financial round through an equity investment, either in one transaction or in series of transactions (including an initial public offering but excluding the issuance of any convertible notes or the issuance of shares upon conversion of such notes), which is not a QFR (a "**NQFR**"), then the holders of Notes reflecting [__]% (___ percent) of the aggregate outstanding principal amount of the Notes (the "**Majority Holders**"), shall be entitled, no later than fourteen (14) days prior to the closing of such NQFR, to notify the Company in writing of their choice to convert the entire Conversion Amount of the Notes (the "**Aggregate Conversion Amount**"). In such event the entire Aggregate Conversion Amount shall be converted immediately prior and subject to the closing of the NQFR, on the same terms and conditions specified in Section 3 above ("Automatic Conversion upon a QFR"), *mutatis mutandis*. The election of the Majority Holders to convert the entire Aggregate Conversion Amount shall be binding on all of the holders of the Notes and each such holder shall be deemed to have elected to convert its respective portion of the Aggregate Conversion Amount in accordance with the terms and conditions specified herein.

6. **Maturity Date**. If not converted or repaid according to the terms set forth herein until thirty (30) months from the date of this Note (i.e., _____) (the "**Maturity Date**"), then at the Maturity Date the Conversion Amount shall be automatically converted into Preferred A Shares, at a conversion price per share equal to the price per share paid by the Company's investors in consideration for the Preferred A Shares (i.e., _____) (the "**Maturity Conversion Price**").

   It being agreed and acknowledged that the original issue price (or any equivalent term used under the then applicable Articles of Association of the Company) of the Preferred A Shares issued to the Holder shall be set to be the Maturity Conversion Price, and any rights that are attached to such Preferred A Shares issued to the Holder which are determined, derived, calculated, triggered, or otherwise based on the original price of such shares (including, without limitation, liquidation and dividend preferences, anti-dilution rights or the like) shall be determined, calculated, triggered or otherwise based on the actual Maturity Conversion Price.

7. **Event of Default**. In the event that, prior to the conversion of the Conversion Amount or its repayment according to the terms hereunder an Event of Default occurs, then the Conversion Amount shall be, at the election of the Holder, at its sole discretion, either: (i) become immediately due and payable to the Holder in cash; or (ii) converted into Preferred A Shares, at a conversion price per share equal to the price per share paid by the Company's investors in consideration for the Preferred A Shares (i.e., _____) (the "**Default Conversion Price**").

   It being agreed and acknowledged that the original issue price (or any equivalent term used under the then applicable Articles of Association of the Company) of the Preferred A Shares issued to the Holder shall be set to be the Default Conversion Price, and any rights that are attached to such Preferred A Shares issued to the Holder which are determined, derived, calculated, triggered, or otherwise based on the original price of such shares (including, without limitation, liquidation and dividend preferences, anti-dilution rights or the like) shall be determined, calculated, triggered or otherwise based on the actual Default Conversion Price.

   The term "**Event of Default**" means (a) dissolution, termination of existence, suspension or discontinuance of business or ceasing to operate as going concern for a period of more than thirty (30) days; (b) the appointment of a receiver, trustee, custodian or similar official, for the Company or any material portion of the property or assets of the Company and the continuation of such appointment without dismissal for a period of thirty (30) days or more; (c) the conveyance of any material portion of the assets of the Company to a trustee, mortgage or liquidating agent or an assignment for the benefit of creditors by the Company which is not dismissed within a period of thirty (30) days; (d) the commencement of any proceeding, whether federal or state, relating to bankruptcy, insolvency, dissolution, reorganization, composition, renegotiations of outstanding indebtedness, arrangement or otherwise to the relief or debtors or the readjustment of indebtedness, by or against the Company, which is not stayed, vacated or released within sixty (60) days of commencement; (e) any material breach by the Company of any covenant or obligation in the Note, CAN or any documents and agreements ancillary thereto (the "**Transaction Documents**") which is not cured, if curable, within thirty (30) days following receipt by the Company of a written notice of such breach; (f) any material misrepresentation has occurred in the Transaction Documents, which is not cured, if curable, within thirty (30) days following receipt by the Company of a written notice of such breach; (g) the Company shall fail to make any required payment of interest, principal or otherwise under the Notes, which is not cured within thirty (30) days following receipt by the Company of a written notice of such failure. The Company undertakes to notify the Holder immediately following occurrence of any of the events detailed in clauses (a) to (g) above.

8. **Conversion; Fractional Interests.** Each conversion shall be deemed to have been effected as to this Note (or the specified portion thereof) on the date on which the requirements set forth above in this Note required to be satisfied by the Holder, or the circumstances that are required to exist, have been satisfied as to this Note (or portion thereof), and the person whose name any certificate or certificates for shares shall be issuable upon such conversion shall be deemed to have become on said date the holder of record of the shares represented thereby. No fractional shares or scrip representing fractional shares shall be issued upon conversion of this Note and the number of shares issued shall be rounded to the nearest whole number.

9. **Payments; Taxes**

9.1. Payments. All payments of interest and of principal shall be in U.S. Dollar ("**US$**") or in the New Israeli Shekels ("**NIS**") equivalent. If any payment is paid in a NIS equivalent, it shall be paid in accordance with the representative rate of exchange of the U.S.t Dollar against the NIS last published by the Bank of Israel immediately prior to the certain payment date.

9.2. Taxes on Payments. To the extent required pursuant to applicable law, VAT shall be added by the Company to any payment to be made by the Company pursuant to this Note. The Company shall be entitled to deduct and withhold any withholding taxes which the Company determines it is legally required to deduct or withhold from any payment to be made by the Company pursuant to this Note.

10. **Not a Shareholder.** Prior to the conversion of this Note or any portion thereof according to the provisions specified herein, the Holder, in its capacity as an Holder, shall not be entitled to any rights of a shareholder of the Company, including, without limitation, the right to vote or to receive dividends or other distributions, with respect to the Note and the shares issuable upon conversion of the Note.

11. **Miscellaneous**

11.1. Governing Law. This Note shall be deemed to be a contract made under the laws of the State of New York, and for all purposes shall be construed in accordance with the laws of said state, without regard to principles of conflict of laws. Any dispute arising under or in relation to this Agreement shall be resolved exclusively in the competent court in [_____], and each of the parties hereby irrevocably submits to the exclusive jurisdiction of such court.

11.2. Successors and Assigns. Except as otherwise expressly limited herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors, and administrators of the parties hereto. None of the rights, privileges, or obligations set forth in, arising under, or created by this Note may be assigned or transferred without the prior consent in writing of each party to this Note.

11.3. Delays or Omissions; Waiver. No delay or omission to exercise any right, power, or remedy accruing to either the Company or the Holder upon any breach or default by the other under this Note shall impair any such right or remedy, nor shall it be construed to be a waiver of any such breach or default, or any acquiescence therein or in any similar breach or default thereafter occurring.

11.4. Entire Agreement**.** This Note, when read together with the CNA, contains the entire understanding of the parties with respect to its subject matter and all prior negotiations, discussions, commitments, and understandings heretofore had between them with respect hereto are merged therein. In the case of any discrepancy between the provisions of this Note and the provisions of any other agreement previously entered into by the Company or the Holder, the provisions of this Note and the CNA shall prevail.

11.5. Amendment. Any term of this Note – as well as of all other Notes - may be amended (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and the Majority Holders.

11.6. Headings. All article and section headings herein are inserted for convenience only and shall not modify or affect the construction or interpretation of any provision of this Note.

11.7. Notices. All notices and other communications made pursuant to this Note shall be in writing and shall be conclusively deemed to have been duly given if delivered in accordance with the notice provisions of the CNA.

11.8. Severability. If any provision of this Note is held by a court of competent jurisdiction to be unenforceable under applicable law, then such provision shall be excluded from this Note and the remainder of this Note shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms; provided, however, that in such event this Note shall be interpreted so as to give effect, to the greatest extent consistent with and permitted by applicable law, to the meaning and intention of the excluded provision as determined by such court of competent jurisdiction.

Motus GI Medical Technologies Ltd.
By: _____
Name: _____
Title: _____

EXHIBIT B2

NEITHER THIS WARRANT CERTIFICATE NOR THE SHARES ISSUABLE UPON EXERCISE OF THIS WARRANT CERTIFICATE HAVE BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR ANY OTHER SECURITIES ACT, AND THIS WARRANT CERTIFICATE AND THE SHARES ISSUABLE UPON EXERCISE OF THIS WARRANT CERTIFICATE MAY NOT BE SOLD, OFFERED, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH APPLICABLE SECURITIES LAWS AND THE RESTRICTIONS, TERMS AND CONDITIONS SET FORTH HEREIN.

MOTUS GI MEDICAL TECHNOLOGIES LTD.

PREFERRED A SHARES WARRANT CERTIFICATE

To purchase
[____] Preferred A Shares (subject to adjustment) of
Motus GI Medical Technologies Ltd. (the "**Company**")
at a per share price and subject to the terms detailed below
VOID AFTER 17:00 p.m. Israel Standard Time
on the last day of the Warrant Period (as defined below)

THIS IS TO CERTIFY THAT, [_____] (the "**Holder**"), is entitled to purchase from the Company, an aggregate of up to [_____] (as may be adjusted hereunder) Preferred A Shares of the Company, nominal value NIS 0.01 per share (the "**Warrant Shares**"), at an aggregate purchase price of US$ [_____], reflecting an exercise price per share of US$ 1.00 (the "**Exercise Price**"), during the Warrant Period.

This Warrant Certificate (this "**Warrant**") is issued to the Holder in connection with that certain Convertible Notes Agreement dated _____ by and among the Company and the Purchasers listed on Exhibit A thereto (the "**Convertible Notes Agreement**").

1. EXERCISE OF WARRANT

1.1. Warrant Period. This Warrant may be exercised, subject to the terms and conditions hereof, in whole or in part, at one time or from time to time during the period commencing on _____[the applicable Closing Date] (the "**Initial Date**") until the earlier of: (i) seven (7) years thereafter (i.e., _____); and (ii) the closing of an Exit Event (as defined in Section 5 below); provided that such Exit Event is consummated within 180 days from the Exit Event Notice (each of (i) or (ii), the "**Expiry Date**"). The period between the Initial Date and the Expiry Date shall be referred to hereinafter as the "**Warrant Period**."

1.2. Exercise for Cash. This Warrant may be exercised by presentation and surrender thereof to the Company at its principal office or at such other office or agency as it may designate from time to time, accompanied by:

(a) A duly executed notice of exercise, in the form attached hereto as **Schedule 1.1** (the "**Exercise Notice**"); and

(b) Payment to the Company, for the account of the Company, of the Exercise Price for the number of Warrant Shares purchased payable in immediately available funds by wire transfer to the Company's bank account. The Exercise Price will be paid in United States Dollars or the equivalent sum in NIS according to the Bank of Israel exchange rate as published upon the date immediately prior to the exercise date.

1.3. Exercise on Net Issuance Basis. In lieu of payment to the Company as set forth in Section 1.2 above, the Holder may elect to exercise this Warrant into the number of Warrant Shares calculated pursuant to the formula below, by presentation and surrender thereof to the Company at its principal office or at such other office or agency it may designate from time to time, accompanied by a duly executed notice of exercise, in the form attached hereto as **Schedule 1.3** (the "**Net Issuance Notice**"):

$$X = \frac{Y*(A - B)}{A}$$

Where:

X = the number of Warrant Shares to be issued to the Holder;

Y = the number of Warrant Shares in respect of which the net issuance election is being made;

A = the Fair Market Value (as defined below) of one Warrant Share; and

B = the Exercise Price of one Warrant Share.

For purposes of this Section 1.3, the "**Fair Market Value**" of one Warrant Share as of a particular date (the **"Determination Date"**) shall be:

(a) If the net issuance right is exercised in connection with and contingent upon an initial public offering of the Company's shares (an "**IPO**"), then the initial "price to public" (i.e., before deduction of discounts, commissions or expenses) specified in the final prospectus or registration statement with respect to such offering.

(b) If the net issuance right is exercised in connection with and contingent upon an Exit Event that is not an IPO, the price per Preferred A Share (or any securities to which the Preferred A Shares have been converted to in accordance with the Company's organizational documents and applicable law) in such Exit Event.

(c) If the net issuance right is not exercised in connection with and contingent upon an Exit Event, then as follows:

(i) If the Preferred A Share (or any securities to which the Preferred A Shares have been converted to in accordance with the Company's organizational documents and applicable law) are traded on a securities exchange, the Fair Market Value shall be deemed to be the average of the closing prices of such shares on such exchange over the fifteen (15) trading days immediately prior to (but not including) the Determination Date;

(ii) If the Preferred A Share (or any securities to which the Preferred A Shares have been converted to in accordance with the Company's organizational documents and applicable law) are quoted for trading on an over-the-counter system, the Fair Market Value shall be deemed to be the average of the closing bid prices of such shares over the fifteen (15) trading days immediately prior to (but not including) the Determination Date; and

(iii) If there is no public market for the Preferred A Shares (or any securities to which the Preferred A Shares have been converted to in accordance with the Company's organizational documents and applicable law), the Fair Market Value of the shares shall be determined in good faith by the Board of Directors of the Company.

1.4. Issuance of Warrant Shares. Upon presentation and surrender of this Warrant, accompanied by (a) the duly executed Exercise Notice and the payment of the applicable Exercise Price for the Warrant Shares being purchased pursuant to Section 1.2 above; or (b) the duly executed Net Issuance Notice pursuant to Section 1.3 above, as the case may be, the Company shall promptly (i) issue to the Holder the Warrant Shares to which the Holder is entitled; and (ii) deliver to the Holder the share certificate evidencing such Warrant Shares.

Upon receipt by the Company of this Warrant and the applicable duly executed notice of exercise (and the Exercise Price for the Warrant Shares being purchased, if applicable), together with any other documents and/or approvals that may be required by law, the Holder shall be deemed to be the holder of record of the Warrant Shares issuable upon such exercise, notwithstanding that the share transfer books of the Company shall then be closed or that certificates representing such shares shall not then be actually delivered to the Holder.

1.5. Fractional Shares. No fractions of shares shall be issued in connection with the exercise of this Warrant, and the number of shares issued shall be rounded to the nearest whole number.

1.6. Partial Exercise. If this Warrant is exercised in part only, the Company shall, upon surrender of this Warrant for cancellation, execute and deliver a new Warrant evidencing the rights of the Holder to purchase the balance of the Warrant Shares purchasable hereunder.

1.7. Additional Documents. The Holder will sign and deliver any and all documents or approvals required by law, to facilitate the issuance of the Warrant Shares upon exercise of this Warrant.

1.8. Loss or Destruction of Warrant. Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant, and (in the case of loss, theft or destruction) of reasonable reimbursement of expenses and satisfactory indemnification, and upon surrender and cancellation of this Warrant, if mutilated, the Company will execute and deliver a new Warrant of like tenor and date.

2. TAXES

2.1. The Holder acknowledges that the grant of the Warrant, the issuance of the Warrant Shares and the execution and/or performance of this Warrant may have tax consequences to the Holder and that the Company is not able to ensure or represent to the Holder the nature and extent of such tax consequences.

2.2. The Company shall pay all of the applicable taxes and other charges payable by the Company in connection with the issuance of the Warrant Shares and the preparation and delivery of share certificates in the name of the Holder (such as transfer taxes in respect of the issuance or delivery of Warrant Shares upon exercise of this Warrant), if any, but shall not pay any taxes payable by the Holder by virtue of the holding, issuance, exercise, sale of this Warrant or the Warrant Shares by the Holder.

3. RESERVATION OF SHARES; PRESERVATION OF RIGHTS OF HOLDER

3.1. Reservation of Shares. The Company hereby agrees that, at all times prior to the expiration or exercise of this Warrant, it will maintain and reserve, free from pre-emptive or similar rights, such number of authorized but unissued shares so that this Warrant may be exercised without additional authorization of shares.

3.2. Preservation of Rights. The Company will not, by amendment of its organizational documents or through reorganization, recapitalization, consolidation, merger, dissolution, transfer of assets, issue or sale of securities or any other voluntary act, avoid or seek to avoid the observance or performance of any of the covenants, stipulations, conditions or terms to be observed or performed hereunder, but will at all times in good faith assist in the carrying out of all the provisions hereof and in taking of all such actions and making all such adjustments as may be necessary or appropriate in order to fulfill the provisions hereof.

4. ADJUSTMENT

4.1. The number of Warrant Shares purchasable upon the exercise of this Warrant and the Exercise Price shall be subject to adjustment from time to time or upon exercise, as follows:

(a) Bonus Shares. In the event that during the Warrant Period the Company shall distribute a non-cash dividend or shares pursuant to a reclassification of its share capital, to all of the holders of shares of the Company (i.e., bonus shares), then this Warrant shall represent the right to acquire, in addition to the number of Warrant Shares indicated in the caption of this Warrant, the amount of such bonus shares that are distributed to persons holding the class of share capital for which the Warrant is exercisable and/or to receive the stock dividends which are distributed to persons holding the class of share capital for which the Warrant is exercisable, without payment of any additional consideration therefor, to which the Holder would have been entitled had this Warrant been exercised prior to the distribution of the stock dividends or the bonus shares.

(b) Consolidation and Division. In the event that during the Warrant Period the Company consolidates its share capital into shares of greater par value, or subdivides them into shares of lesser par value, then the number of Warrant Shares to be allotted on exercise of this Warrant after such consolidation or subdivision shall be reduced or increased accordingly, as the case may be, and in each case the Exercise Price shall be adjusted appropriately such that the aggregate consideration hereunder to the Company shall not change.

(c) Capital Reorganization. In the event that during the Warrant Period a reorganization of the share capital of the Company is effected (other than subdivision, combination or reclassification provided for elsewhere in this Section 4) and the Preferred A Shares are exchanged for other securities of the Company, then, as part of such reorganization, provision shall be made so that the Holder shall be entitled to purchase upon exercise of this Warrant such kind and number of shares or other securities of the Company to which the Holder would have been entitled had this Warrant been exercised without taking into effect such reorganization.

4.2. Whenever an adjustment is effected hereunder, the Company shall promptly compute such adjustment and deliver to the Holder a certificate setting forth the number of Warrant Shares (or any other securities) for which this Warrant is exercisable and the Exercise Price as a result of such adjustment, a brief statement of the facts requiring such adjustment and the computation thereof and when such adjustment has or will become effective.

4.3. Except as otherwise provided herein, Sections 4.1(a) to 4.1(c) hereof are intended to operate independently of one another. If an event occurs that requires the application of more than one subsection, all applicable subsections shall be given independent effect, but there shall be no duplicate adjustments if two separate subsections provide the same protection.

4.4. Notices of Certain Transactions. In case:

(a) the Company shall take a record of the holders of its Preferred A Shares (or other stock or securities at the time deliverable upon the exercise of this Warrant) for the purpose of entitling or enabling them to receive any dividend or other distribution, or

(b) of the voluntary or involuntary dissolution, liquidation or winding-up of the Company

then, and in each such case, the Company will mail or cause to be mailed to the Holder a notice specifying, as the case may be, (i) the date on which a record is to be taken for the purpose of such dividend or distribution, and stating the amount and character of such dividend or distribution, or (ii) the effective date on which such voluntary dissolution, liquidation or winding-up is to take place, and the time, if any is to be fixed, as of which the holders of record of Shares (or such other shares or securities at the time deliverable upon such voluntary dissolution, liquidation or winding-up) are to be determined. Such notice shall be mailed at least seven (7) days prior to the record date or effective date for the event specified in such notice.

5. EXERCISE OF THE WARRANT UPON AN EXIT EVENT

Notwithstanding anything to the contrary in this Warrant, if at any time during the Warrant Period, the Company consummates an Exit Event, or at the discretion of the Board of Directors of the Company, in the event that the Company believes that an Exit Event is likely to be consummated during such period, the Company shall provide written notice of such Exit Event (or, if applicable, an anticipated Exit Event) to the Holder (the "**Exit Event Notice**"). Within fourteen (14) days after Holder's receipt of the Exit Event Notice, Holder must notify the Company if it intends to exercise this Warrant pursuant to Section 1.2 or 1.3 of this Warrant, in which case such exercise shall be effective contingent upon and immediately prior to the consummation of the Exit Event. Thereafter, so long as the Company consummates such Exit Event within one hundred and eighty (180) days after Holder's receipt of the Exit Event Notice (to the extent the Exit Event shall not have occurred prior to the Exit Event Notice), Holder shall have no further rights hereunder and this Warrant shall be automatically terminated if not so exercised. If the Company fails to consummate such Exit Event within such time, then this Warrant shall remain in effect subject to the provisions contained herein

For the purposes hereof, an "**Exit Event**" shall mean the closing of (i) an initial public offering; (ii) a merger of the Company with or into another corporation, (iii) an acquisition of all or substantially all of the shares of the Company, (iv) the sale or license of all or substantially all of the assets of the Company, any with respect to (ii)-(iv), other than a merger or transaction in which the persons that beneficially owned, directly or indirectly, a majority of the share capital of the Company immediately prior to such merger or transaction, beneficially own, directly or indirectly, a majority of the total shares of capital stock of the surviving or transferee entity.

6. RIGHTS OF THE HOLDER

6.1. This Warrant shall not entitle the Holder, by virtue hereof, to any voting rights or other rights as a shareholder of the Company, except for the rights expressly set forth herein.

6.2. The Holder acknowledges that the Warrant Shares shall be subject to such rights, privileges, restrictions and limitations as set forth in this Warrant and the organizational documents of the Company (or any other agreement with respect thereto), as may be amended from time to time, and that, as a result, *inter alia*, of such limitations, it may be difficult or impossible for the Holder to realize his investment and/or to sell or otherwise transfer the Warrant Shares. The Holder further acknowledges that the Company's shares are not publicly traded.

7. TERMINATION

Notwithstanding anything to the contrary, this Warrant and all the rights conferred hereby shall terminate and expire at the aforementioned time on the Expiry Date.

8. MISCELLANEOUS

8.1. Entire Agreement; Amendment. This Warrant sets forth the entire understanding of the parties with respect to the subject matter hereof and supersedes all existing agreements among them concerning such subject matter. All article and section headings herein are inserted for convenience only and shall not modify or affect the construction or interpretation of any provision of this Warrant. Subject to Section 8.8 below, no modification or amendment of this Warrant will be valid unless executed in writing by the Company and the Holder.

8.2. Waiver. No failure or delay on the part of any of the parties in exercising any right, power or privilege hereunder and/or under any applicable law or the exercise of such right or power in a manner inconsistent with the provisions of this Warrant or applicable law shall operate as a waiver thereof. Any waiver must be evidenced in writing signed by the party against whom the waiver is sought to be enforced.

8.3. Successors and Assigns; Assignment. Except as otherwise expressly limited herein, this Warrant shall inure to the benefit of, be binding upon, and be enforceable by the Holder and its respective successors, and administrators and is otherwise non-transferable without the prior consent of the Company. The Holder represents and warrants to the Company that this Warrant and the Warrant Shares, if and when purchased by the Holder, are for the Holder's own account and for investment purposes only and not with a view for resale or transfer and that all the rights pertaining to the Warrant or the Warrant Shares, by law or equity, shall be purchased and possessed by the Holder for the Holder exclusively.

8.4. Governing Law. This Warrant shall be exclusively governed and construed in accordance with the laws of the State of New York, without regard to conflicts of laws provisions thereof.

8.5. Notices. All notices and other communications made pursuant to this Warrant shall be in writing and shall be conclusively deemed to have been duly given if delivered in accordance with the notice provisions of the Convertible Notes Agreement.

8.6. Severability. If any provision of this Warrant is held by a court of competent jurisdiction to be unenforceable under applicable law, then such provision shall be excluded from this Warrant and the remainder of this Warrant shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms; provided, however, that in such event this Warrant shall be interpreted so as to give effect, to the greatest extent consistent with and permitted by applicable law, to the meaning and intention of the excluded provision as determined by such court of competent jurisdiction.

8.7. Counterparts. This Warrant may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument. Facsimile or electronic signatures of a party shall be binding as evidence of such party's agreement hereto and acceptance hereof.

8.8. Amendments. To the extent that any amendment(s) to the Convertible Notes Agreement or the transactions contemplated thereby result in a required amendment to the terms of this Warrant, this Warrant shall be deemed amended to the extent that the amendment(s) to the Convertible Notes Agreement are completed in accordance with the terms thereof.

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized.

Dated: _____

Motus GI Medical Technologies Ltd.

Signature: _____

Name: _____

Title: _____

Schedule 1.2

Exercise Notice

Date: _____

To: Motus GI Medical Technologies Ltd.

The undersigned, pursuant to the provisions set forth in the Warrant to which this Exercise Notice is attached (the "**Warrant**"), hereby elects to purchase _____ Warrant Shares (as such term is defined in the Warrant) pursuant to Section 1.2 of the Warrant, and herewith makes payment of _____, representing the full Exercise Price for such shares as provided for in such Warrant.

The undersigned hereby irrevocably directs that the said shares (or such other securities into which the Warrant is exercisable) be issued and registered in the name of the undersigned, as set forth below.

Names	Address	No. of Shares

Signature: _____

Address: _____

Schedule 1.3

Net Issuance Notice

Date: _____

To: Motus GI Medical Technologies Ltd.

The undersigned, pursuant to the provisions set forth in the Warrant to which this Exercise Notice is attached (the "**Warrant**"), hereby elects to exercise the Warrant for the purchase of Warrant Shares (as such term is defined in the Warrant), pursuant to the provisions of Section 1.3 of the Warrant.

The undersigned hereby irrevocably directs that the said shares (or such other securities into which the Warrant is exercisable) be issued and registered in the name of the undersigned, as set forth below.

Names	Address	No. of Shares

Signature: _____

Address: _____

THIRD AMENDED AND RESTATED ARTICLES OF ASSOCIATION

OF

MOTUS GI MEDICAL TECHNOLIGIES, LTD.

A PRIVATE COMPANY LIMITED BY SHARES

UNDER THE COMPANIES LAW, 5759-1999

* * * *

1. Definitions; Interpretation.

1.1 Definitions

In these Articles of Association, the following terms shall have the meaning appearing opposite them, unless another interpretation is expressly stated herein:

"**ABV**"-	means Ascent Biomedical Ventures II L.P., Ascent Biomedical Ventures Synecor, L.P., and all of their respective limited and general partners, members and any Permitted Transferee and any Permitted Transferee thereof of any of the foregoing;
"**ABV Director**"-	means the Director appointed by ABV except as otherwise provided for herein in Article 40;
"**Affiliates**" -	means, with respect to any Person, any other Person, directly or indirectly, through one or more intermediary Persons, controlling, controlled by or under common control with such Person;
"**Annual General Meeting**"-	means the annual general meeting of the Company's shareholders (if convened);
"**Articles**" -	means these Articles of Association, as amended from time to time;
"**ATI**" -	means Accelerated Technologies, Inc.;
"**Board**" or -	
"**Board of Directors**" -	means the Board of Directors of the Company;

"**Chairman**"-	means the Chairman of the Board of Directors as set forth in Article 50 herein;
"**Company**" -	means Motus GI Medical Technologies, Ltd.;
"**Companies Law**" -	means the Israeli Companies Law, 5759-1999, as the same shall be amended from time to time;
"**Conversion Notice**"	has the meaning set forth in Article 5(c).
"**Conversion Price**"	has the meaning set forth in Article 5(d).
"**Deemed Issuance**"	Deemed Issuance shall mean the issuance of options to purchase or rights to subscribe to any Additional Shares, or securities by their terms convertible of exchangeable for Additional Shares, or options to purchase or rights to subscribe to such convertible or exchangeable securities, which may be exercised of converted into Additional Shares;
"**Director**" -	means a member of the Board of Directors;
"Excluded Securities"	has the meaning set forth in Article 5(d)(ii)(G);
"**Extraordinary General Meeting(s)**" -	has the meaning set forth in Article 25;
"**Founder**" -	means Boris Shtul Identity number 307247049 and NGT to the extent pertaining to the Ordinary Shares held by NGT;
"**General Meeting(s)**" -	means either an Annual General Meeting or an Extraordinary General Meeting;
"**IPO**" -	means the closing of a bona fide initial underwritten offering of the Company's securities to the public on a recognized exchange (e.g. NASDAQ, AIM), pursuant to a registration statement under the U.S. Securities Act of 1933, as amended, the Israeli Securities Law - 1968, or similar securities laws of another jurisdiction;
"**Jacobs**" -	means Jacobs Investments LLC and any Permitted Transferee thereof;
"**NGT**"-	means N.G.T. New Generation Technologies Ltd. and any Permitted Transferee thereof;
"**NGT Director(s)**"-	means the Director appointed by NGT;

"**Office Holder**" -	means every Director and every officer of the Company, including without limitation, each of the persons defined as "*Nosei Misra*" in the Companies Law;
"**Orchestra**" -	means Orchestra Medical Ventures II, Orchestra Medical Ventures II Annex, Orchestra Medical Ventures GP, LLC, Orchestra Motus Co-Investment Partners LLC and all of their respective limited and general partners, members and any Permitted Transferee of any of the foregoing;
"**Orchestra Director(s)**"-	means the Director(s) appointed by Orchestra except as otherwise provided for herein in Article 40;
"**Ordinary Director**"-	means the Director appointed by the holders of the majority of the issued and outstanding Ordinary Shares;
"**Ordinary Shares**" -	means the Company's Ordinary Shares, nominal value NIS 0.01 each;
"**Original Issue Price**" -	means, with respect to a Preferred Share, the Price Per Share (subject to adjustment in the event of share splits, share dividends, reclassifications and other like events);
"**Permitted Transferee**" -	means, with respect to: (A) any shareholder: (i) any member of such shareholder's immediate family (including, with respect to Boris Shtul, Ms. Alexandra Pevzner I.D 307285841); (ii) any Person Affiliated with such shareholder subject to the approval of the Board which approval shall not be unreasonably withheld; (iii) any fund, or any beneficiary of any trust or any account or arrangement managed by such shareholder or by the general partner or managing entity of such shareholder, or by an affiliate thereof; (iv) any shareholder, member or other equity holder of such shareholder; or (B) with respect to Orchestra or ABV: any member, general partner or any limited partner of Orchestra or ABV, respectively; or (C) with respect to NGT: (i) any affiliate entity of NGT that shall be established pursuant to restructuring and/or reorganization of NGT or any transfer/sale of NGT's holdings to other entity controlled by NGT's shareholders pursuant to an assets purchase agreement or a merger; or (ii) NGT's, employees and consultants (each in this subsection (ii), an "**NGT Transferee**"), provided that a transfer(s) to such NGT's Transferee shall be limited to the aggregate amount of 300,000 Ordinary Shares of the Company and that such NGT's Transferee assumes NGT's rights and obligations towards the Company and/or its shareholders and is subject to the provisions of these Articles, as applicable;

"**Person**" -	means an individual, corporation, partnership, joint venture, trust, and any other body corporate or unincorporated organization;
"**Preferred Shareholder(s)**" -	means the holders of the Preferred Shares;
"**Preferred Share(s)**" -	means the Company's Series A Preferred Shares, nominal value NIS 0.01 each;
"**Price Per Share**" -	means, with respect to a Preferred Share, the price actually paid for such Preferred Share upon the issuance thereof;
"Qualified IPO"-	means the Company's IPO at a price per share which is at least 5 (five) times the Original Issue Price (adjusted for share combinations or splits or other recapitalizations of the Company's Shares), yielding gross proceeds to the Company of at least US$30,000,000 (Thirty Million US Dollars);
"**Register of Shareholders**" -	means the register of shareholders that must be maintained pursuant to Section 127 of the Companies Law;
"**Series A Director(s)**" -	means any of the Orchestra Director(s), the ABV Director and or the NGT director;
"**Series A Investors**" -	means the purchasers of Series A Preferred Shares under the Series A Share Purchase Agreement;
"**Series A SPA**" –	means the Series A Share Purchase Agreement dated September 15, 2011 entered into between the Company and each of the purchasers of Series A Preferred Shares thereunder; and
"**Year**" and "**Month**" -	a Gregorian month or year.

1.2 Interpretation

(a) Any capitalized term used but not otherwise defined in these Articles shall have the meaning ascribed to it in the Companies Law.

(b) Words and expressions importing the singular shall include the plural and vice versa; words and expressions importing the masculine gender shall include the feminine gender; and words and expressions importing persons shall include bodies corporate.

(c) The captions used in these Articles are for convenience only and shall not be deemed a part hereof or affect the construction of any portion hereof.

(d) Any use, reference or application of the terms "**conversion**", "**convert**", "**convertible**" or "**converting**" of Preferred Shares as detailed in these Articles shall be deemed to include conversion by way of reclassification to the extent reasonably applicable in the context.

(e) For the purposes of these Articles the phrase "**on an as-converted basis**" means that with respect to any given right in question, and for any calculation of shareholding in the Company, Preferred Shares shall be calculated as, and shall have the effect of, such number of Ordinary Shares into which such Preferred Shares are convertible at that time.

(f) All shares held (beneficially or of record), at the time of applicable calculation, by shareholders who are Permitted Transferees (including Affiliates) of each other, shall be aggregated together for the purpose of determining the availability to such holders of any rights under these Articles, and such rights – to the extent they are determined to be available at such time - may be exercised (up to the maximum extent so determined to be available in the aggregate to all such shareholders) by any, some or all of such shareholders who are Permitted Transferees (including Affiliates) of each other.

(g) In the event of a conflict between by English version of these Articles and the Hebrew version thereof, the English version shall govern.

2. Private Company; Objects of the Company

2.1 The Company is a private company, and accordingly:

(a) The Company may not offer its securities to the public.

(b) The right to transfer shares of the Company is restricted as provided in these Articles.

2.2 The number of shareholders of the Company at any time (other than employees or former employees of the Company who continue to be shareholders of the Company) shall not exceed 50; provided, however, that if two or more individuals hold a share or shares of the Company jointly, they shall be deemed to be one shareholder for purposes of this Article.

2.3 The objects of the Company shall be to engage in any lawful activity.

2.4 The Company may contribute reasonable amounts for any suitable purpose or categories of purposes even if such contributions do not fall within business considerations of the Company. The Board of Directors may determine the amounts of the contributions, the purpose or categories of purposes for which the contribution is to be made, and the identity of the recipient of any contribution.

3. Limitation of Liability. The liability of the shareholders is limited to the payment of the nominal value of the shares in the Company held thereby, and which remains unpaid, and only to that amount. If the Company's share capital shall at any time include shares without a nominal value, the liability of the holders of such shares shall be limited to the payment of up to NIS 0.01 for each such share held thereby, and which remains unpaid, and only to that amount.

SHARE CAPITAL

4. Share Capital

4.1 The authorized share capital of the Company is five hundred seventy two thousand New Israeli Shekels (NIS 572,000) divided into thirty four million (34,000,000) Ordinary Shares, of nominal value NIS 0.01 each, and twenty three million two hundred thousand (23,200,000) Series A Preferred Shares, of nominal value NIS 0.01 each.

4.2 The Preferred Shareholders shall have the rights, preference, privileges and restrictions granted to and imposed on the Preferred Shares as may be specifically indicated in these Articles and/or as the context may reasonably require. The Ordinary Shares shall have the rights and restrictions granted to and imposed on the same as set forth in these Articles.

4.3 The holders of Ordinary Shares are each entitled to receive notices of, and to attend, General Meetings of the shareholders of the Company, and for each share held, to one vote at such meetings for all purposes, and, subject to Article 54 hereof, to share in such dividends as may be declared in accordance with these Articles out of funds legally available therefore, and, subject to Articles 73 and 74 hereof, upon liquidation or dissolution, to share in the assets of the Company legally available for distribution to the shareholders after payment of all debts and other liabilities of the Company.

5. The Preferred Shares

The Preferred Shares confer on the holders thereof all rights accruing to holders of Ordinary Shares in the Company, and in addition, bear the following rights:

(a) Subject to any provisions hereof conferring special rights as to voting, or restricting the right to vote, every holder of Preferred Shares shall have one vote for each Ordinary Share into which the Preferred Shares held by him of record could be converted (as provided in this Article), on every resolution, without regard to whether the vote thereon is conducted by a show of hands, by written ballot or by any other means. The Preferred Shareholder shall be entitled to vote, together with the holders of Ordinary Shares. Except as provided otherwise in these Articles or as otherwise provided by law, the Preferred Shareholders shall vote together with the holders of the Ordinary Shares as a single class (on an as-converted basis).

(b) Each Preferred Share shall be initially convertible at the option of the holder thereof, at any time after the date of issuance of such share, at the registered office of the Company ("**Office**"), into such number of fully paid and non-assessable Ordinary Shares as is determined by dividing the applicable Original Issue Price by the applicable Conversion Price and subject to adjustment under Article 5(d)) at the time in effect for such share. Furthermore, each Preferred Share shall be converted into such number of fully paid and non-assessable Ordinary Shares as is determined by dividing the applicable Original Issue Price by the applicable Conversion Price and subject to adjustment under Article 5(d)) at the time in effect for such share immediately prior to the closing of a Qualified IPO.

(c) Before any holder of Preferred Shares shall be entitled (in the case of a conversion at such holder's option) to convert the same into Ordinary Shares, he/she/it shall surrender the certificate or certificates therefor, duly endorsed, at the Office, and shall give written notice by mail, postage prepaid, to the Company at its principal corporate office, of the election to convert the same and shall state therein the name or names of any nominee for such holder in which the certificate or certificates for Ordinary Shares are to be issued. In the event that any Preferred Shareholder holding conversion rights pursuant to Article 5 elects to convert any of its Preferred Shares into Ordinary Shares such shareholder shall surrender the certificate or certificates representing such shares, to the Office, and shall give written notice to the Company at its Office, accompanied with a detailed written explanation as to how many Preferred Shares the Preferred Shareholder wishes to reclassify ("**Conversion Notice**"). Within a reasonable time after the receipt of the Conversion Notice by the Company, the Company shall seek any shareholders' resolutions necessary to effectuate any such conversion by reclassification (if any). If no shareholders resolutions are required to give effect to such reclassification, such reclassification shall be deemed to have been effected immediately prior to the close of business on the date on which the Company received the Conversion Notice, or such later date as may be detailed in the Conversion Notice. However, if such reclassification requires an additional shareholders resolution(s), then in such event, such reclassification shall be deemed to have been effected immediately upon the adoption of the said resolution(s) or such later date as may be detailed in the Conversion Notice. The Company shall, as soon as practicable after the conversion by reclassification and tender of the certificate for the shares converted by reclassification, against the receipt of the original share certificate, issue and deliver a certificate or certificates for the number of Ordinary Shares to which such shareholder shall be entitled as a result of the aforesaid and shall indicate the same in the Register of Shareholders. If the conversion is in connection with a an IPO, then the conversion shall be deemed to have taken place automatically upon the reclassification of Preferred Shares into Ordinary Shares regardless of whether the certificates representing such shares have been tendered to the Company, but from and after such conversion any such certificates not tendered to the Company shall be deemed to evidence solely the Ordinary Shares received upon such conversion and the right to receive a certificate for such Ordinary Shares. If the conversion is in connection with a an IPO, the conversion may, at the option of any holder tendering Preferred Shares for conversion, be conditioned upon the closing with the underwriter of the sale of securities pursuant to such offering, in which event the person(s) entitled to receive the Ordinary Shares issuable upon such conversion of the Preferred Shares shall not be deemed to have converted such Preferred Shares until immediately prior to the closing of such offer of securities. The Company shall, as soon as practicable after the conversion and tender of the certificate for the Preferred Shares converted, issue and deliver at such office to such holder of Preferred Shares or to the nominee or nominees of such holder of Preferred Shares, a certificate or certificates for the number of Ordinary Shares to which such holder shall be entitled as aforesaid. In the event that at any time the Company receives a Conversion Notice or in the event of a Qualified IPO or any other conversion by reclassification contemplated in Article 5, each shareholder shall execute any document and/or resolution requested by the Company reasonably necessary in order to give effect to the reclassification privileges as set forth in Article 5.

(d) The initial conversion price for the Preferred Shares shall be the Original Issue Price (subject to any adjustments under this Article 5(d)) (the "**Conversion Price**"). The Conversion Price shall be adjusted from time to time as follows:

(i) (A) Upon each issuance (or Deemed Issuance, as defined above) by the Company of any Additional Shares (as defined below) at a price per share less than the applicable Conversion Price then in effect, except for an issuance described in Article 5(d)(iv) below, such Conversion Price will be reduced, for no additional consideration, in accordance with a weighted average anti-dilution formula, to a price (calculated to the nearest cent) determined by the following formula :

$$CP_2 = CP_1 * (A+B) / (A+C)$$

CP_2 = New Series A Conversion Price following the issuance of Additional Shares

CP_1 = Series A Conversion Price in effect immediately prior to the new issuance of Additional Shares

A = Number of Ordinary Shares deemed to be outstanding immediately prior to new issue of Additional Shares on an as converted basis, treating for this purpose as outstanding all Ordinary Shares issuable upon conversion of all issued Preferred Shares and all Ordinary Shares issuable upon conversion or exercise of any other then currently outstanding convertible securities, warrants or options, but such number of Ordinary Shares shall not include any convertible securities converting into the then applicable Additional Shares.

B = Aggregate consideration received by the Company with respect to the new issue of Additional Shares divided by CP_1. (i.e. Aggregate consideration / CP_1)

C = Number of Additional Shares issued

(B) No adjustments to the Conversion Price shall be made in an amount less than one agura (NIS 0.01) per share. No adjustment to the Conversion Price shall be made if it has the effect of increasing the Conversion Price beyond the applicable Conversion Price immediately prior to such adjustment.

(C) The consideration for the issuance of Additional Shares in the case of the issuance of Additional Shares for cash shall be deemed to be the amount of cash received therefor. In the case of the issuance of the Additional Shares for consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair value thereof as determined by the Board of Directors in good-faith. In the case of a Deemed Issuance of Additional Shares, the consideration for the Additional Shares shall be deemed to be the aggregate consideration received by the Company on the issuance of the securities themselves, taken together with any additional consideration (if any) to be paid to the Company on the exercise or conversion of the securities.

(D) In the case of the issuance of options to purchase or rights to subscribe for Ordinary Shares, or securities by their terms convertible into or exchangeable for Ordinary Shares or options to purchase or rights to subscribe for such convertible or exchangeable securities, the aggregate maximum number of Ordinary Shares deliverable upon exercise (assuming the satisfaction of any conditions to exercise, including without limitation, the passage of time, but without taking into account potential anti-dilution adjustments) of such options to purchase or rights to subscribe for Ordinary Shares, or upon the exchange or conversion of such security, shall be deemed to be Additional Shares issued at the time of the issuance of such options, rights or securities, at a consideration equal to the consideration (determined in the manner provided in Sub-article (d)(i)(C)), received by the Company upon the issuance of such options, rights or securities plus any additional consideration payable to the Company pursuant to the term of such options, rights or securities (without taking into account potential anti-dilution adjustments) for the Ordinary Shares covered thereby; provided, however, that if any options as to which an adjustment to the Conversion Price has been made pursuant to this Article 4(d)(i)(D) expire without having been exercised, then the Conversion Price shall be readjusted as if such options had not been issued (without any effect, however, on adjustments to the Conversion Price as a result of other events described in this Article).

(E) For purpose of Sub-article (d)(i) hereof, the consideration for any Additional Shares shall be taken into account at the U.S. Dollar equivalent thereof, on the day such Additional Shares are issued or deemed to be issued pursuant to Sub-article (d)(i)(D).

(ii) "**Additional Shares**" shall mean any Ordinary Shares issued, or deemed to have been issued pursuant to Subarticle (d)(i)(D), by the Company other than:

(A) Ordinary Shares or Preferred Shares issued or issuable upon a *pro-rata* share split, share dividend, or any subdivision of Ordinary Shares pursuant to a transaction described in Subarticles (d)(iii) or (d)(iv) hereof.

(B) Ordinary Shares (or options to purchase such Ordinary Shares) issued or issuable to employees, directors, consultants of the Company or other persons (including without limitation, corporate entities) pursuant to any option plan approved by the Board of Directors including an Orchestra Director and an ABV Director.

(C) Securities issuable upon conversion of any of the Preferred Shares, or as a dividend or distribution on the Preferred Shares.

(D) Securities issued upon the conversion of any debenture, warrant, option, or other convertible security (the issuance of which did not cause an adjustment hereunder).

(E) Any Ordinary Shares issuable to ATI pursuant to the Consulting Services Agreement between the Company and ATI dated September 15, 2011.

(F) Preferred Shares issuable in the Second Milestone Closing, Third Milestone Closing or Final Milestone Closing of the Series A SPA (as such terms are defined therein), including any shares issuable pursuant to any acceleration of any of the aforementioned closings, or pursuant to Section 2.2.6 of the Series A SPA, or Ordinary Share issued to or reclassified into Ordinary Shares for a Defaulting Purchaser under the Series A SPA.

(G) Securities issued by the Company in connection with an IPO or a Qualified IPO.

(I) Securities constituting not more than 5% of Ordinary Shares, calculated on a fully diluted as converted basis, to a strategic investor (as determined as such by the Board including an Orchestra Director and an ABV Director).

sub-Articles 5 (d)(ii) (A)-(G) inclusive, collectively referred to as "**Excluded Securities**".

(iii) If the Company subdivides or combines its Ordinary Shares, the Conversion Price shall be proportionately reduced, in case of subdivision of shares, as at the effective date of such subdivision, or if the Company fixes a record date for the purpose of so subdividing, as at such record date, whichever is earlier, or shall be proportionately increased, in the case of combination of shares, as at the effective date of such combination, or, if the Company fixes a record date for the purpose of so combining, as at such record date, whichever is earlier.

(iv) If the Company at any time pays a dividend, with respect to its Ordinary Shares only, payable in additional shares of Ordinary Shares or other securities or rights convertible into, or entitling the holder thereof to receive directly or indirectly, additional shares of Ordinary Shares, without any comparable payment or distribution to the holders of Preferred Shares (hereinafter referred to as "**Ordinary Shares Equivalents**"), then the Conversion Price shall be adjusted as at the date the Company fixes as a record date for the purpose of receiving such dividend (or if no such record date is fixed, as at the date of such payment) to that price determined by multiplying the applicable Conversion Price in effect immediately prior to such record date (or if no record date is fixed then immediately prior to such payment) by a fraction (a) the numerator of which shall be the total number of Ordinary Shares outstanding and those issuable with respect to Ordinary Shares Equivalents prior to the payment of such dividend, and (b) the denominator of which shall be the total number of shares of Ordinary Shares outstanding and those issuable with respect to such Ordinary Shares Equivalents immediately after the payment of such dividend (plus, in the event that the Company paid cash for fractional shares, the number of additional shares which would have been outstanding had the Company issued fractional shares in connection with such dividend).

(e) In the event the Company declares a distribution payable in securities of other persons, evidences of indebtedness issued by the Company or other persons, assets (excluding cash dividends) or options or rights not referred to in Subarticle (d)(iv) other than as part of a Deemed Liquidation, then, in each such case, the holders of the Preferred Shares shall be entitled to receive a proportionate share of any such distribution, in respect of their holdings on an as-converted basis as of the record date for such distribution.

(f) If at any time or from time to time there shall be a recapitalization of the Ordinary Shares (other than a subdivision, combination or merger or sale of assets transaction provided for elsewhere in this Article 5), provision shall be made so that the holders of the Preferred Shares shall thereafter be entitled to receive upon conversion of the Preferred Shares the number of Ordinary Shares or other securities or property of the Company or otherwise, to which a holder of Ordinary Shares deliverable upon conversion of the Preferred Shares would have been entitled immediately prior to such recapitalization. In any such case, appropriate adjustments shall be made in the application of the provisions of this Article 5 with respect to the rights of the holders of the Preferred Shares after the recapitalization to the end that the provisions of this Article 5 (including adjustments of the Conversion Price then in effect and the number of shares issuable upon conversion of the Preferred Shares) shall be applicable after that event as nearly equivalent as may be practicable.

(g) The Company will not, by amendment of these Articles or through any reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder in this Article 5 by the Company, but will at all times in good faith assist in the carrying out of all the provisions of this Article 5 and in taking of all such action as may be necessary or appropriate in order to protect the conversion rights of the holders of the Preferred Shares against impairment.

(h) No fractional shares shall be issued upon conversion of the Preferred Shares, and the number of shares of Ordinary Shares to be issued shall be rounded to the nearest whole share.

(i) Upon the occurrence of each adjustment or readjustment of the Conversion Price pursuant to this Article 5, the Company, at its expense, shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Preferred Shares a certificate setting forth each adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall furnish or cause to be furnished to such holder a like certificate setting forth (A) such adjustment or readjustment, (B) the Conversion Price at the time in effect, and (C) the number of shares of Ordinary Shares and the amount, if any, of other property which at the time would be received upon the conversion of a Preferred Share.

(j) [RESERVED]

(k) The Company shall at all times reserve and keep available out of its authorized but unissued Ordinary Shares, solely for the purpose of effecting the conversion of the Preferred Shares, such number of its Ordinary Shares as shall from time to time be sufficient to effect the conversion of all issued and outstanding Preferred Shares; and if at any time the number of authorized but unissued Ordinary Shares shall not be sufficient to effect the conversion of all then outstanding Preferred Shares, in addition to such other remedies as shall be available to the holders of such Preferred Shares, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued Ordinary Share capital to such number of shares as shall be sufficient for such purposes.

(l) Notwithstanding any of the aforesaid, in the event that a Purchaser (as defined in the Series A SPA) is a Defaulting Purchaser (as defined in the Series A SPA), any Preferred Shares which have already been issued to such Defaulting Purchaser hereunder, shall be immediately and automatically converted and/or reclassified into an equal number of Ordinary Shares on a non-preferential basis, and each of the shareholders irrevocably undertakes to pass any resolution required to give effect to such conversion and/or reclassification and to take any such actions as may be required to effect such conversion and/or reclassification.

6. Increase of Share Capital

(a) Subject to and in accordance with Article 75, the Company may, from time to time, by resolution of its shareholders, whether or not all the shares then authorized have been issued, and whether or not all the shares issued have been called up for payment, increase its authorized share capital. Any such increase shall be in such amount and shall be divided into shares of such nominal amounts, with such rights and preferences and subject to such restrictions, as such resolution shall provide.

(b) Except to the extent otherwise provided in such resolution, any new shares included in the authorized share capital increased as aforesaid shall be subject to all the provisions of these Articles which are applicable to shares included in the existing share capital, without regard to class (and, if such new shares are of the same class as a class of shares included in the existing share capital, to all of the provisions that are applicable to shares of such class included in the existing share capital).

7. Special Rights; Modification of Rights

(a) Subject to and in accordance with Article 75, and without prejudice to any special rights previously conferred upon the holders of existing shares in the Company the Company may, from time to time, by resolution of the holders of a majority of its shares provide for shares with such preferred or deferred rights or rights of redemption or other special rights or restrictions, whether in regard to dividends, voting, repayment of share capital or otherwise, as may be stipulated in such resolution.

(b) If at any time the share capital is divided into different classes of shares, the rights, preferences, privileges or powers of, or the restrictions attached to any class, subject to Article 75 and unless otherwise provided by these Articles, may be modified or abrogated by the Company by resolution of its shareholders, subject to the consent in writing, or vote at a separate meeting, of the holders of at least 50% of the issued shares of such class.

(c) The provisions of these Articles relating to General Meetings shall, *mutatis mutandis*, apply to any separate General Meeting of the holders of the shares of a particular class; provided, however, that the requisite quorum at any such separate General Meeting shall be one or more shareholders present in person or by proxy and holding at least 50% of the issued shares of such class.

(d) Unless otherwise provided for in these Articles, the enlargement of an authorized class of shares, or the issuance of additional shares of such a class out of the authorized and unissued share capital, shall not be deemed, for purposes of this Article 7 to modify or abrogate the rights, preferences, privileges or powers of, or the restrictions attached to previously issued shares of such class or of any other class;

(e) Any right or limitation provided for the express benefit of a specifically named shareholder may not be amended or waived without the prior written consent of such shareholder.

8. Consolidation, Subdivision, Cancellation and Reduction of Share Capital

(a) The Company may, from time to time, by a resolution by the holders of at least 50% of the voting power of the Company calculated on as converted basis (subject, however, to the provisions of Article 7(b) and 75 of these Articles and to applicable law):

(i) consolidate and divide all or any part of its issued or unissued authorized share capital into shares of a per share nominal value that is greater than the per share nominal value of its existing shares;

(ii) subdivide its shares (issued or unissued) or any of them into shares of lesser nominal value than is fixed by these Articles;

(iii) cancel any shares that, at the date of the adoption of such resolution, have not been purchased or subscribed for; or

(iv) reduce its share capital in any manner, and with and subject to any incident authorized, and consent required, by law.

(b) With respect to any consolidation of issued shares into shares of a greater nominal value per share, and with respect to any other action that may result in fractional shares, the Board of Directors may, subject to these Articles, settle any dispute that may arise with regard thereto as it deems fit, and in connection with any such consolidation or other action that may result in fractional shares may, subject to Article 75, without limitation:

(i) determine, as to any holder of shares so consolidated, which issued shares shall be consolidated into a share of a greater nominal value per share;

(ii) allot, in contemplation of or subsequent to such consolidation or other action, shares or fractional shares sufficient to preclude or remove fractional share holdings; or

(iii) redeem, in the case of redeemable preference shares and subject to applicable law, such shares or fractional shares sufficient to preclude or remove fractional share holdings.

SHARES

9. Issuance of Share Certificates: Replacement Certificates

(a) Share certificates shall bear the signature (or facsimile thereof) of one Director or of any other person or persons authorized by the Board of Directors.

(b) Each shareholder shall be entitled to one numbered certificate for all the shares of any class registered in his name, and if the Board of Directors so approves, to several certificates, each for one or more of such shares.

(c) A share certificate registered in the names of two or more persons shall be delivered to the person first named in the Register of Shareholders in respect of such co-ownership.

(d) A share certificate that has been defaced, lost or destroyed may be replaced, and the Company shall issue a new certificate to replace such defaced, lost or destroyed certificate upon payment of such fee, and upon the furnishing of such evidence of ownership and such indemnity, as the Board of Directors in its discretion deems fit.

10. Registered Holder

Except as otherwise provided in these Articles, the Company shall be entitled to treat the registered holder of each share as the absolute owner thereof, and accordingly shall not, except as ordered by a court of competent jurisdiction or as required by law, be obligated to recognize any equitable or other claim to, or interest in, such share on the part of any other person.

11. Allotment of Shares; Preemptive Rights.

(a) Subject to the provisions of Articles 11(b) and 75, the shares shall be under the control of the Board of Directors, who shall have the power to allot, issue or otherwise dispose of shares to such persons, at such times, on such terms and conditions (including, *inter alia*, terms relating to calls as set forth in Article 13 hereof), and either at par value, at a premium or, subject to the provisions of the Companies Law, at a discount or with payment of commission, all as the Board of Directors deems fit; and, the Board of Directors shall also have the power to give any person the option to acquire from the Company any shares, either at nominal value, at a premium or, subject to the provisions of the Companies Law, at a discount or with payment of commission, for such period and for such consideration as the Board of Directors deems fit.

(b) Until an IPO or a Deemed Liquidation, each Shareholder holding not less than 2% of the Ordinary Shares of the Company (on an as-converted basis) (the "**Preemptive Purchaser(s)**" and the "**Minimum Holdings**", respectively) shall have pre-emptive rights to purchase, pro-rata, all (or any part) of New Securities (as defined below) that the Company may, from time to time, propose to sell and issue. Each Preemptive Purchaser's pro rata share shall be the ratio of the number of shares of the Ordinary Shares of the Company (on an as-converted basis) then held by such Preemptive Purchaser as of the date of the Rights Notice (as defined in Article 11(b)(ii)), to the sum of the total number of Ordinary Shares (on an as-converted basis) issued and outstanding as of such date.

(i) "**New Securities**" shall mean any Ordinary Shares or preferred shares of any kind of the Company, whether now or hereafter authorized, and rights, options, or warrants to purchase said Ordinary Shares or preferred shares, and securities of any type whatsoever that are, or may become, convertible into or exchangeable for said Ordinary Shares or preferred shares; provided, however, that "New Securities" shall not include (i) Excluded Securities; or (ii) securities issued in an IPO or in connection with the acquisition of another corporation, business entity or line of business of another business entity by the Company by merger, consolidation, purchase of all or substantially all of the assets, or other reorganization as a result of which the Company owns not less than fifty percent (50%) of the voting power of such corporation; or (iii) Preferred Shares reclassified into Ordinary Shares pursuant to Section 8 of the Series A SPA;

(ii) If the Company proposes to issue New Securities, it shall give each Preemptive Purchaser written notice to its registered address (the "**Rights Notice**") of its intention, describing the New Securities, the price, the general terms upon which the Company proposes to issue them, and the number of shares that each Preemptive Purchaser has the right to purchase under this Article 11(b). Each Preemptive Purchaser shall have seven (7) days from delivery of the Rights Notice to agree to purchase all or any part of its pro-rata share of such New Securities. Additionally, only the Preferred Shareholders shall have seven (7) days from delivery of the Rights Notice to agree to purchase all or any part of the pro-rata share of any other Preemptive Purchaser entitled to such rights to the extent that such Preemptive Purchaser does not elect to purchase its pro-rata share, in each case for the price and upon the general terms specified in the Rights Notice, by giving written notice to the Company setting forth the quantity of New Securities to be purchased. If a Preemptive Purchaser does not respond to a Rights Notice within the aforesaid seven (7) day period, it shall be deemed to have waived its preemptive rights in full in connection with the issuance of the New Securities that are covered by such Rights Notice. If a Preferred Shareholder elects to purchase its full pro-rata shares and also elects to purchase additional shares such that the Preemptive Purchasers in the aggregate have elected to purchase more than 100% of the New Securities, such New Securities shall be issued to such Preferred Shareholder in accordance with its pro-rata share amongst the shares then held by all Preferred Shareholders.

(iii) To the extent that the Preemptive Purchasers fail to exercise in full their preemptive rights within the period or periods specified in Article 11(b)(ii), the Company shall have one hundred and twenty (120) days after delivery of the Rights Notice to sell the unsold portion of the New Securities at a price and upon general terms no more favorable to the purchasers thereof than specified in the Company's notice. If the Company has not sold the New Securities within said one hundred and twenty (120) day period the Company shall not thereafter issue or sell any New Securities without first offering such securities to the Preemptive Purchasers in the manner provided above.

(iv) Notwithstanding any of the aforesaid, in the event that the implementation of the provisions of this Article 11 may require, in the opinion of the Board of Directors, the publication of a prospectus under the Israeli Securities Law, as a result of the number of Shareholders who are entitled to receive a Rights Notice, then the pre-emptive right pursuant to this Article 11 shall be in effect only in respect of such number of Shareholders which shall not require the preparation of a prospectus (in accordance with the Israeli Securities Law), and the Preemptive Purchasers who are entitled to purchase the largest pro rata portion of the New Securities (as determined pursuant to Article 11(b) above) among all those Shareholders that are entitled to the pre-emptive right hereunder.

12. Payment in Installments

If, pursuant to the terms of allotment or issuance of any share, all or any portion of the price thereof shall be payable in installments, every such installment shall be paid to the Company on the due date thereof by the then registered holder(s) of the share or the person(s) then entitled thereto.

13. Calls on Shares

(a) The Board of Directors may, from time to time, as it in its discretion deems fit, make calls for payment upon shareholders in respect of any sum that has not been paid up in respect of shares held by such shareholders and which is not, pursuant to the terms of allotment or issuance of such shares or otherwise, payable at a fixed time. Each shareholder shall pay the amount of every call so made upon him (and of each installment thereof if the same is payable in installments), to the Company at the time(s) and place(s) designated by the Board of Directors, as any such time(s) may subsequently be extended or place(s) changed. Unless otherwise stipulated in the resolution of the Board of Directors (and in the notice referred to below), each payment in response to a call shall be deemed to constitute a pro rata payment on account of all the shares of the shareholder making payment in respect of which such call was made.

(b) Notice of any call for payment by a shareholder shall be given in writing to such shareholder not less than fourteen (14) days prior to the time of payment fixed in such notice, and shall specify the time and place of payment, and the person to whom such payment is to be made. Prior to the time for any such payment fixed in a notice of a call given to a shareholder, the Board of Directors may in its absolute discretion, by notice in writing to such shareholder, revoke such call in whole or in part, extend the time fixed for payment of such call or designate a different place of payment or person to whom payment is to be made. In the event of a call payable in installments, only one notice thereof need be given.

(c) If pursuant to the terms of allotment or issuance of a share, or otherwise, an amount is made payable at a fixed time (whether on account of such share or by way of premium), such amount shall be payable at such time as if it were payable by virtue of a call made by the Board of Directors and for which notice was given in accordance with sub-articles (a) and (b) of this Article 13, and the provisions of these Articles with regard to calls (and the nonpayment thereof) shall be applicable to such amount (and the non-payment thereof).

(d) Joint holders of a share shall be jointly and severally liable to pay all calls for payment in respect of such share and all interest payable thereon.

(e) Any amount called for payment that is not paid when due shall bear interest from the date fixed for payment until actual payment, at such rate (not exceeding the then prevailing debitory rate charged by leading commercial banks in Israel) and shall be payable at such time(s) as the Board of Directors may prescribe.

(f) Upon the allotment of shares, the Board of Directors may provide for differences among the allottees of such shares as to the amounts and times for payment and of calls for payment in respect of such shares.

14. Prepayment

With the consent of the Board of Directors any shareholder may pay to the Company any amount not yet payable in respect of his shares, and the Board of Directors may approve the payment by the Company of interest on any such amount until the same would be payable if it had not been paid in advance, at such rate and time(s) as may be approved by the Board of Directors. The Board of Directors may at any time cause the Company to repay all or any part of the money so advanced, without premium or penalty. Nothing in this Article 14 shall derogate from the right of the Board of Directors to make any call for payment before or after receipt by the Company of any such advance.

15. Forfeiture and Surrender

(a) If any shareholder fails to pay an amount payable by virtue of a call, or interest thereon as provided for in accordance with these Articles, on or before the day fixed for payment of the same, the Board of Directors may at any time after the day fixed for such payment, so long as such amount or any portion thereof remains unpaid, forfeit all or any of the shares in respect of which such payment was called for. All expenses incurred by the Company in attempting to collect any such amount or interest thereon, including, without limitation, attorneys' fees and costs of legal proceedings, shall be added to, and shall for all purposes (including the accrual of interest thereon) constitute a part of the amount payable to the Company in respect of such call.

(b) Upon the adoption of a resolution as to the forfeiture of a shareholder's share, the Board of Directors shall cause notice thereof to be given to such shareholder, which notice shall state that, in the event of the failure to pay the entire amount so payable by a date specified in the notice (which date shall be not less than fourteen (14) days after the date such notice is given and which may be extended by the Board of Directors), such shares shall *ipso facto* be forfeited; provided, however, that prior to such date the Board of Directors may nullify such resolution of forfeiture, but no such nullification shall stop the Board of Directors from adopting a further resolution of forfeiture in respect of the non-payment of the same amount.

(c) Without derogating from Articles 56 and 61 of these Articles, whenever shares are forfeited as herein provided, all dividends, if any, theretofore declared in respect thereof and not actually paid shall be deemed to have been forfeited at the same time.

(d) The Company, by resolution of the Board of Directors, may accept the voluntary surrender of any share.

(e) Any share forfeited or surrendered as provided herein shall become the property of the Company, and the same, subject to the provisions of these Articles, may be sold, re-allotted or otherwise disposed of as the Board of Directors deems fit.

(f) Any shareholder whose shares have been forfeited or surrendered shall cease to be a shareholder in respect of the forfeited or surrendered shares, but shall nonetheless be liable to pay and shall promptly pay, to the Company all calls, interest and expenses owing upon or in respect of such shares at the time of forfeiture or surrender, together with interest thereon from the time of forfeiture or surrender until actual payment at the rate prescribed in Article 13(e) above, and the Board of Directors, in its discretion, may enforce the payment of such moneys or any part thereof. In the event of such forfeiture or surrender, the Company, by resolution of the Board of Directors, may accelerate the date(s) of payment of any or all amounts then owed to the Company by the shareholder in question (but not yet due) in respect of all shares owned by such shareholder, solely or jointly with another.

(g) The Board of Directors may at any time, before any share so forfeited or surrendered shall have been sold, re-allotted or otherwise disposed of, nullify the forfeiture or surrender on such conditions as it deems fit, but no such nullification shall stop the Board of Directors from re-exercising its powers of forfeiture pursuant to this Article 15.

16. Lien

(a) Except to the extent that the same may be waived or subordinated in writing, the Company shall have a first and paramount lien upon all the shares registered in the name of each shareholder (without regard to any equitable or other claim or interest in such shares on the part of any other person), and upon the proceeds of the sale thereof, for his debts, liabilities and obligations to the Company arising from any amount payable by such shareholder in respect of any unpaid or partly paid share, whether or not such debt, liability or obligation has matured. Such lien shall extend to all dividends from time to time declared or paid in respect of such share. Unless otherwise provided, the registration by the Company of a transfer of shares shall be deemed to be a waiver on the part of the Company of any lien existing on such shares immediately prior to such transfer.

(b) The Board of Directors may cause the Company to sell a share subject to such a lien when the debt, liability or obligation giving rise to such lien has matured, in such manner as the Board of Directors deems fit, but no such sale shall be made unless such debt, liability or obligation has not been satisfied within fourteen (14) days after written notice of the intention to sell shall have been served on such shareholder, his executors or administrators.

(c) The net proceeds of any such sale, after payment of the costs thereof, shall be applied in or toward satisfaction of the debts, liabilities or obligations of such shareholder in respect of such share, and any residue shall be paid to the shareholder, his executors, administrators or assigns.

17. Sale After Forfeiture or Surrender or in Enforcement of Lien

Upon any sale of a share after forfeiture or surrender or for enforcing a lien, the Board of Directors may appoint any person to execute an instrument of transfer of the share so sold and cause the purchaser's name to be entered in the Register of Shareholders in respect of such share. The purchaser shall be registered as the shareholder and shall not be bound to see to the regularity of the sale proceedings or to the application of the proceeds of such sale, and after his name has been entered in the Register of Shareholders in respect of such share, the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

18. Redeemable Shares.

The Company may, subject to applicable law and Article 74, issue redeemable shares and redeem the same.

TRANSFER OF SHARES

19. Prohibited Transfers; Rights of First Refusal; and Permitted Transfers.

(a) Prohibited Transfers

(i) The Ordinary Shares of employees of the Company shall not be transferable for so long as they are employed by the Company.

(ii) Until the earlier of an (a) an IPO (b) a Deemed Liquidation, (c) 36 months from the date of the Initial Closing (as defined in the Series A SPA) and (d) the Third Milestone Closing Date (as such term is defined in the Series A SPA), the Ordinary Shares held by NGT and/or Boris Shtul (only after he is no longer employed by the Company) shall be transferable (subject to the rights of first refusal set out herein) only with the prior written consent of Orchestra and ABV, provided however, that Orchestra and/or ABV shall only have the right to reject such transferee(s) on reasonable grounds. After the Third Milestone Closing Date such shares shall be transferable subject to the rights of first refusal set out below.

(iii) Legend. Each certificate representing shares of the Holders shall be endorsed with the following legend:

THE SALE OR TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO THE TERMS AND CONDITIONS SET FORTH IN THE ARTICLES OF ASSOCIATION OF THE COMPANY. COPIES OF SUCH ARTICLES MAY BE OBTAINED UPON WRITTEN REQUEST TO THE SECRETARY OF THE COMPANY.

(b) Rights of First Refusal.

Until an IPO or a Deemed Liquidation Event (as defined in Article 74), except for: (i) transfers and/or dispositions to Permitted Transferees, or (ii) disposition as of the result of a realization of a pledge of ordinary shares held by NGT in favor of the State of Israel or the Office of the Chief Scientist (up to an aggregate amount of 1,350,000 ordinary shares), any transfer of shares by any shareholder shall be subject to the following:

(i) Each holder of Ordinary Share and/or Preferred Shares proposing to transfer all or any of its shares, pursuant to the terms of a bona fide offer received from any person or entity, except to a Permitted Transferee (the "**Offeror**") shall first request the Company, by written notice (which shall contain all the information necessary to enable the Company to do so), to offer such shares (for purposes of this Article 19(b), the "**Offered Shares**"), on the terms of the proposed transfer, to the Preferred Shareholders (the " **Primary Offeree(s)**" and "**Primary Right**", respectively). The Company shall comply with such request by sending the Primary Offerees a written notice (the "**Offer**"), stating therein the identity of the Offeror and of the proposed transferee(s) and the proposed terms of sale of the Offered Shares. Any Primary Offeree may accept such Offer in respect of all or any of the Offered Shares by giving the Company notice to that effect within twenty-one (21) days after being served with the Offer. Any Primary Offeree that fails to respond to an Offer within the aforesaid twenty-one (21) day period shall be deemed to have waived its rights in connection with the sale of the Offered Shares pursuant to such Offer.

(ii) If the acceptances with respect to the Primary Right, in the aggregate, are in respect of all of, or more than, the Offered Shares, then the accepting Primary Offerees shall acquire the Offered Shares, on the terms aforementioned, in proportion to their respective holdings, provided, that no Primary Offeree shall be entitled to acquire under the provisions of this Article 19(b) more than the number of Offered Shares initially accepted by such Primary Offeree, and upon the allocation to it of the full number of shares so accepted, it shall be disregarded in any subsequent computations and allocations hereunder. Any shares remaining after the computation of such respective entitlements shall be re-allocated among the accepting Primary Offerees (other than those to be disregarded as aforesaid), in the same manner, until one hundred percent (100%) of the Offered Shares have been allocated as aforesaid.

(iii) In the event that none of the Primary Offerees have elected to exercise the Primary Right in accordance with Article 19(b) above, or if the amount of the Offered Shares the Primary Offerees elect to purchase does not equal or exceed the total amount of the Offered Shares, the Company shall give notice of the Offer terms in writing to the Ordinary Shareholders holding at least 1% of the outstanding Ordinary Shares who do not hold Preferred Shares (the "**Secondary Offeree(s)**"). Each Secondary Offeree shall have the right (the "**Secondary Right**") to purchase from the Offeror at the same price and on the same terms (x) that portion of the Offered Shares as the aggregate number of shares of Ordinary Shares held by such Secondary Offeree bears to the total number of shares of Ordinary Shares held by all the Secondary Offerees (the "**Secondary Basic Amount(s)**") and (y) such additional portion of the remaining Offered Shares as any Secondary Offeree indicates it will purchase, for a period of seven (7) business days after delivery of such notice (the "**Secondary Right Period**"). Any shares remaining after the computation of such respective entitlements shall be re-allocated among the accepting Secondary Offerees, in the same manner, until one hundred percent (100%) of the Offered Shares have been allocated as aforesaid.

(iv) If the acceptances set forth above, in the aggregate, are in respect of less than the number of Offered Shares, then the accepting Primary Offerees and Secondary Offerees shall not be entitled to acquire the Offered Shares, and the Offeror, at the expiration of the aforementioned twenty-one (21) day period or seven (7) day period (as applicable), shall be entitled to transfer all (but not less than all) of the Offered Shares to the proposed transferee(s) identified in the Offer, provided, however, that in no event shall the Offeror transfer any of the Offered Shares to any transferee other than such proposed transferee(s) or transfer the same on terms more favorable to the proposed transferee than those stated in the Offer, and, provided, further, that any of the Offered Shares not transferred within ninety (90) days after the expiration of such twenty-one (21) day period shall again be subject to the provisions of this Article 19(b).

(v) For the purposes of any Offer under this Article 19(b), the respective holdings of any number of accepting Primary Offerees and Secondary Offerees shall mean the respective proportions of the aggregate number of Ordinary and/or Preferred Shares held by such accepting Primary Offerees and Secondary Offerees as determined prior to such Offer.

(vi) The provisions of Article 19 shall apply, *mutatis mutandis*, to the transfer of any other Company securities that are convertible or exercisable, into Preferred Shares and/or Ordinary Shares of the Company.

(c) Permitted Transfers.

Notwithstanding Articles 19(a) and (b), any Shareholder of the Company may transfer (whether or not for consideration) shares to a Permitted Transferee without being subject to the provision of Articles 19(a) and (b). No transfer under this Article 19 shall be made to any transferee, unless such transferee agrees in writing to be bound by all agreements binding upon the transferor immediately prior to such transfer. No subsequent transfer of any of such shares may be made except in conformity with the provisions of this Article 19. Should any shareholder wish to transfer shares to more than 2 Permitted Transferees, in a single transfer or a series of transfers, in accordance with these Articles, such Permitted Transferees shall enter into a proxy or similar arrangement reasonably acceptable to the Board, which proxy shall apply to all such Permitted Transferees as a group.

20. Approval and Registration of Transfers.

(a) No transfer, other than transfers to Permitted Transferees, shall be effective until approved by the Board, which approval shall not be unreasonably withheld. The Board may reasonably and in good faith, subject to these Articles and subject to any of the Company's written agreements with or undertakings in writing towards any shareholder of the Company, refuse to approve such transfer of shares to: (i) a direct competitor of the Company; (ii) any third party, until such time as the Board is satisfied in its reasonable discretion that all applicable provisions of these Articles have been complied with in full and in good faith in connection with such proposed transfer. The determination of whether a proposed transferee is a direct competitor shall be in the sole discretion of the Board, provided that such determination is done reasonably and in good faith. Prior to the registration of a transfer of shares, the Board may require proof of compliance with the provisions of these Articles in respect of such transfer. If the Board makes use of its powers in accordance with this Article and refuses to register a transfer of shares, it must provide written notice of its refusal to the transferee within fourteen (14) days from the date the deed of transfer was furnished to the Company.

(b) No transfer of shares shall be registered unless there has been compliance with the procedure set forth in Article 19, and made in writing in the form appearing below, or any other form satisfactory to the Board of Directors from time to time. Such form of transfer shall be delivered to the offices of the Company, together with share certificate(s) and such other evidence of title as the Board of Directors may reasonably require. Until the transferee has been registered in the Register of Shareholders in respect of the shares so transferred, the Company may continue to regard the transferor as the owner thereof.

Deed of Transfer of Shares

_____ (the "**Transferor**") hereby transfers to _____, of _____ (the "**Transferee**") _____ share(s) having nominal value of NIS _____ each in Motus GI Medical Technologies, Ltd., to the Transferee, its executors, administrators, and assigns, subject to the several conditions on which the Transferor held the same at the time of the execution hereof; and the Transferee, does hereby agree to take said share(s) subject to the conditions aforesaid. As witness we have hereunto set our hands the ____ day of _____ 20__.

[Name of Transferee]	[Name of Transferor]
By: _____	By: _____
Name: _____	Name: _____
Address: _____	Address: _____
[Name of Witness to Transferee]	[Name of Witness to Transferor]
By: _____	By: _____
Name: _____	Name: _____
Address: _____	Address: _____

(c) The deed of share transfer shall be executed both by the transferor and transferee, and the transferor shall be deemed to remain a holder of the share until the name of the transferee is entered into the Register of Shareholders in respect thereof.

(d) The Board of Directors may, to the extent it deems necessary in its discretion, close the Register of Shareholders for registrations of transfers of shares during any year for one period, not to exceed two weeks, determined by the Board of Directors, and no registrations of transfers of shares shall be made by the Company during any such period during which the Register of Shareholders is so closed.

21. Record Date for Notices of General Meetings. Despite any contrary provision of these Articles, the Board of Directors may fix a date, not exceeding forty-five (45) days prior to the date of any General Meeting, as the date as of which shareholders entitled to notice of and to vote at such meeting shall be determined, and only those persons who were holders of record of voting shares on such date shall be entitled to notice of and to vote at such meeting.

TRANSMISSION OF SHARES

22. Decedent's Shares.

(a) In case of a share registered in the names of two or more holders, the Company may recognize the survivor(s) as the sole owner(s) thereof unless and until the provisions of Article 22(b) of these Articles have been effectively invoked.

(b) Any person becoming entitled to a share in consequence of the death of any person, upon producing evidence of the grant of probate or letters of administration or declaration of succession (or such other evidence as the Board of Directors may reasonably deem sufficient), shall be registered as a shareholder in respect of such share and such transfer shall not be subject to articles 19(a) and 19(b) hereof, or may, subject to the articles as to transfer herein contained, transfer such share.

23. Receivers and Liquidators.

(a) Notwithstanding Articles 19(a) and (b) hereof, the Company may recognize any receiver, liquidator or similar official appointed to wind up, dissolve or otherwise liquidate a corporate shareholder, and a trustee, manager, receiver, liquidator or similar official appointed in bankruptcy or in connection with the reorganization of, or similar proceeding with respect to a shareholder or its properties, as being entitled to the shares registered in the name of such shareholder.

(b) Such receiver, liquidator or similar official appointed to wind up, dissolve or otherwise liquidate a corporate shareholder, and such trustee, manager, receiver, liquidator or similar official appointed in bankruptcy or in connection with the reorganization of, or similar proceeding with respect to a shareholder or its properties, upon producing such evidence as the Board of Directors may deem sufficient as to his authority to act in such capacity or under this Article, shall with the consent of the Board of Directors (which the Board of Directors may grant or refuse in its absolute discretion), be registered as a shareholder in respect of such shares, or may, subject to the regulations as to transfer contained in these Articles, transfer such shares.

GENERAL MEETINGS

24. Annual General Meeting.

The Company shall not be required to hold an Annual General Meeting unless required for the purposes of appointing an auditor or unless one of the shareholders or Directors requests the Company to hold such a meeting, provided, however, that the Directors' report and the Company's financial statements for that year are sent to all shareholders no later than fifteen (15) months after the holding of the last preceding General Meeting (or the mailing of the last preceding Directors' report and financial statements as per this Article).

25. Extraordinary General Meeting.

All General Meetings other than Annual General Meetings (if convened) shall be called "**Extraordinary General Meetings**"**.** The Board of Directors may, whenever it deems fit, convene an Extraordinary General Meeting, at such time and place, within the State of Israel, as may be determined by the Board of Directors, and shall be obligated to do so upon a request in writing in accordance with Sections 63 or 64 of the Companies Law.

26. Notice of General Meetings; Omission to Give Notice.

(a) Notice of a General Meeting shall be delivered at least seven (7) days prior to the date for convening of the meeting (but not more than forty-five (45) days before such date) to each of the shareholders listed in the Register of Shareholders to its registered address in the manner specified in these Articles. Each such notice shall specify the place and the date and hour of the meeting, the agenda, reasonable detail of the matters to be discussed at the meeting, and arrangements for voting by proxy if the matters on the agenda for the meeting include matters in respect of which shareholders may vote by proxy under any law or in accordance with these Articles. If the agenda of the meeting includes a proposal to amend these Articles, the text of the proposed amendment shall be specified.

(b) A resolution may be proposed and adopted at a meeting even though the notice prescribed in this Article has not been given, subject to the consent of all of the shareholders entitled to vote thereon.

(c) The non-receipt of notice sent to a shareholder to his/her/its registered address, shall not invalidate the proceedings at such meeting.

PROCEEDINGS AT GENERAL MEETINGS

27. Quorum.

(a) No business shall be transacted at a General Meeting, or at any adjournment thereof, unless the quorum required under these Articles for such General Meeting or such adjourned meeting, as the case may be, is present when the meeting proceeds to business.

(b) In the absence of contrary provisions in these Articles, two or more shareholders (not in default in payment of any sum referred to in Article 33(a) of these Articles), present in person or by proxy within half an hour after the time set for the General Meeting and holding in the aggregate at least 50% of the outstanding voting power of the Company calculated on an as-converted basis shall constitute a quorum of General Meetings.

(c) If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon request under Sections 63 or 64 of the Companies Law, shall be dissolved, but in any other case it shall be adjourned to the same day in the next week, at the same time and place, or to such day and at such time and place as the Chairman of the meeting may determine with the consent of the holders of at least 50% of the voting power represented at the meeting in person or by proxy and voting on the question of adjournment. No business shall be transacted at any adjourned meeting except business that might lawfully have been transacted at the meeting as originally called. At such adjourned meeting (other than an adjourned separate meeting of a particular class of shares as referred to in Article 7 of these Articles), any two shareholders (not in default as aforesaid) present in person or by proxy holding in the aggregate at least 50% of the outstanding voting power of the Company calculated above on an as-converted basis shall constitute a quorum.

28. Chairman.

The Chairman of the Board of Directors shall preside at every General Meeting of the Company. If at any meeting the Chairman is not present within 15 minutes after the time fixed for holding the meeting or is unwilling to take the chair, the shareholders present shall choose someone of their number to be the chairman of such meeting. The office of Chairman shall not entitle the holder thereof to a casting vote.

29. Adoption of Resolutions at General Meetings.

(a) Subject to the provisions of Article 75, a resolution shall be deemed adopted if approved by the holders of at least 67% of the voting power represented at the meeting in person or by proxy and voting thereon.

(b) Every question submitted to a General Meeting shall be decided by a count of votes.

(c) A declaration by the Chairman of the meeting that a resolution has been carried unanimously, or carried by a particular majority, or defeated, and an entry to that effect in the minute book of the Company, shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favor of or against such resolution.

(d) Shareholders may participate in a general meeting by means of a conference telephone call or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Article shall constitute presence in person at such meeting.

30. Resolutions in Writing.

A resolution in writing signed by all shareholders of the Company then entitled to attend and vote at General Meetings or to which all such shareholders have given their written consent (by letter, telegram, telex, facsimile or otherwise) shall be deemed to have been unanimously adopted by a General Meeting duly convened and held.

31. Power to Adjourn.

The Chairman of a General Meeting at which a quorum is present may, with the consent of the holders of a majority of the voting power represented in person or by proxy and voting on the question of adjournment, and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business that might lawfully have been transacted at the meeting as originally called.

32. Voting Power.

Subject to the provisions of Articles 5 and 33(a) and subject to any provisions of these Articles conferring special rights as to voting, or restricting the right to vote, every shareholder shall have one vote for each share held by him of record, on every resolution, without regard to whether the vote thereon is conducted by a show of hands, by written ballot or by any other means.

33. Voting Rights.

(a) No shareholder shall be entitled to vote at any General Meeting (or be counted as part of the quorum) unless all calls then payable by him in respect of his shares in the Company have been paid.

(b) A company or other corporate body being a shareholder of the Company may duly authorize any person to be its representative at any meeting of the Company or to authorize or deliver a proxy on its behalf. Any person so authorized shall be entitled to exercise on behalf of such shareholder all the power that the latter could have exercised if it were a natural person. Upon the request of the Chairman of the meeting, written evidence of such authorization (in form acceptable to the Chairman) shall be delivered to him.

(c) Any shareholder entitled to vote may vote either in person or by proxy (who need not be a shareholder of the Company), or if the shareholder is a company or other corporate body by a representative authorized pursuant to Article 33(b).

(d) If two or more persons are registered as joint holders of any share, the vote of the senior who tenders a vote, in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s). For the purposes of this Article 33(d), seniority shall be determined by the order of registration of the joint holders in the Register of Shareholders.

PROXIES

34. Instrument of Appointment.

(a) An instrument appointing a proxy shall be in writing and shall be substantially in the following form:

"I [Name of Shareholder] of [Address of Shareholder] being a shareholder of Motus GI Medical Technologies, Ltd. hereby appoint [Name of Proxy] of [Address of Proxy] as my proxy to vote for me and on my behalf at the General Meeting of the Company to be held on the _____ day of _____ and at any adjournment(s) thereof.

Signed this ____ day of _____, [signature of appointer]."

or in any usual or common form or in such other form as may be approved by the Board of Directors. Such proxy shall be duly signed by the appointor or such person's duly authorized attorney or, if such appointor is a company or other corporate body, under its common seal or stamp or the hand of its duly authorized agent(s) or attorney(s).

(b) The instrument appointing a proxy (and the power of attorney or other authority, if any, under which such instrument has been signed) shall either be delivered to the Company (at its principal place of business or at the offices of its registrar or transfer agent, or at such place as the Board of Directors may specify) not less than 24 hours before the time fixed for the meeting at which the person named in the instrument proposes to vote, or presented to the Chairman at such meeting.

35. Effect of Death of Appointor or Transfer of Share or Revocation of Appointment.

(a) A vote cast in accordance with an instrument appointing a proxy shall be valid despite the prior death or bankruptcy of the appointing shareholder (or of his attorney-in-fact, if any, who signed such instrument), or the transfer of the share in respect of which the vote is cast, unless written notice of such matters shall have been received by the Company or by the Chairman of such meeting prior to such vote being cast.

(b) An instrument appointing a proxy shall be deemed revoked (i) upon receipt by the Company or the Chairman, subsequent to receipt by the Company of such instrument, of written notice signed by the person who signed such instrument or by the shareholder appointing such proxy canceling the appointment thereunder (or the authority pursuant to which such instrument was signed) or of an instrument appointing a different proxy (and such other documents, if any, required under Article 34(b) for such new appointment), provided such notice of cancellation or instrument appointing a different proxy were so received at the place and within the time for delivery of the instrument revoked thereby as referred to in Article 34(b) of these Articles, or (ii) if the appointing shareholder is present in person at the meeting for which such instrument of proxy was delivered, upon receipt by the Chairman of such meeting of written notice from such shareholder of the revocation of such appointment, or if and when such shareholder votes at such meeting. A vote cast in accordance with an instrument appointing a proxy shall be valid despite the revocation or purported cancellation of the appointment, or the presence in person or vote of the appointing shareholder at a meeting for which it was rendered, unless such instrument of appointment was deemed revoked in accordance with the foregoing provisions of this Article 35(b) at or prior to the time such vote was cast.

BOARD OF DIRECTORS

36. Powers of Board of Directors.

(a) General.

The management of the business of the Company shall be vested in the Board of Directors, which may exercise all such powers and do all such acts and things as the Company is authorized to exercise and do, and are not required by law or these Articles to be done by the Company by action of its shareholders at a General Meeting. The authority conferred on the Board of Directors by this Article 36 shall be subject to the provisions of the Companies Law, these Articles and any regulation or resolution consistent with these Articles adopted from time to time by the Company by action of its shareholders at a General Meeting; provided, however, that no such regulation or resolution shall invalidate any prior act done by or pursuant to a decision of the Board of Directors that would have been valid if such regulation or resolution had not been adopted.

(b) Borrowing Power.

Subject to Article 75, the Board of Directors may from time to time, at its discretion, cause the Company to borrow or guaranty the payment of any sum or sums of money for the purposes of the Company, and may secure or provide for the repayment of such sum or sums in such manner, at such times and upon such terms and conditions as it deems fit, and in particular by the issuance of bonds, perpetual or redeemable debentures, debenture stock, or any mortgages, charges or other security interest on the whole or any part of the property of the Company, both present and future, including its uncalled or called but unpaid capital for the time being.

(c) Reserves.

The Board of Directors may, from time to time, set aside any amount(s) out of the profits of the Company as a reserve or reserves for any purpose(s) that the Board of Directors, in its absolute discretion, shall deem fit, and may invest any sum so set aside in any manner and from time to time deal with and vary such investments and dispose of all or any part thereof, and employ any such reserve or any part thereof in the business of the Company without being bound to keep the same separate from other assets of the Company, and may subdivide or re-designate any reserve or cancel the same or apply the funds therein for another purpose, all as the Board of Directors may from time to time think fit.

37. Exercise of Powers of Board of Directors.

(a) A meeting of the Board of Directors at which a quorum is present shall be competent to exercise all the authorities, powers and discretion vested in or exercisable by the Board of Directors.

(b) Subject to Article 75 below, a resolution proposed at any meeting of the Board of Directors shall be deemed adopted if approved by a majority of the Directors lawfully entitled to vote thereon and present when such resolution is put to a vote and voted thereon.

(c) A resolution may be adopted by the Board of Directors without convening a meeting as a resolution in writing signed (by letter, telegram, telex, facsimile or otherwise) by all of the Directors then in office and lawfully entitled to vote thereon.

38. Delegation of Powers.

(a) Subject to Section 112 of the Companies Law, the Board of Directors may delegate any or all of its powers to committees, each comprising of at least: (i) one Orchestra Director, (ii) one ABV Director and (iii) up until the Second Milestone Closing Date, one NGT Director or Ordinary Director) in each case if appointed, and it may from time to time revoke such delegation or alter the composition of any such committee. Any committee so formed (in these Articles referred to as a "**Committee of the Board of Directors**"), shall, in the exercise of the powers so delegated, conform to any regulations imposed on it by the Board of Directors. The meetings and proceedings of any such Committee of the Board of Directors shall, *mutatis mutandis*, be governed by the provisions herein contained for regulating the meetings of the Board of Directors, so far as not superseded by any regulations adopted by the Board of Directors under this Article. Unless otherwise expressly provided by the Board of Directors in delegating powers to a Committee of the Board of Directors, such Committee shall not be empowered to further delegate such powers.

(b) Without derogating from the provisions of Article 52, the Board of Directors may, subject to the provisions of the Companies Law, from time to time appoint a secretary to the Company, as well as officers, agents, employees and independent contractors, as the Board of Directors may think appropriate, and may terminate the service of any such person. The Board of Directors may, subject to the provisions of the Companies Law, determine the powers and duties, as well as the terms and conditions of employment, of all such persons, and may require security in such cases and in such amounts as it thinks appropriate.

(c) The Board of Directors may from time to time, by power of attorney or otherwise, appoint any person, company, firm or body of persons to be the attorney or attorneys of the Company at law or in fact for such purpose(s) and with such powers, authorities and discretions, and for such period and subject to such conditions, as it thinks fit, and any such power of attorney or other appointment may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board of Directors may think fit, and may also authorize any such attorney to delegate all or any of the powers, authorities and discretions vested in him.

39. Number of Directors.

The Board of Directors shall consist of up to seven (7) Directors, to be appointed as follows:

(a) the Ordinary Shareholders, (by a majority class vote) shall be entitled to appoint one (1) Director;

(b) Orchestra shall be entitled to appoint two (2) Directors;

(c) ABV shall be entitled to appoint one (1) Director;

(d) NGT shall be entitled to appoint one (1) Director;

(e) Mr. Mark Pomeranz shall be appointed by the Directors appointed in accordance with the provisions of sub-Sections 39(a)-(d), as a Director of the Company, and shall serve as a Director of the Company for as long as he continues to serve as the Chief Executive Officer of the Company; and

(f) the members of the Board of Directors (by a majority vote), shall be entitled to elect (1) Director, who shall be an independent industry expert.

40. Defaulting Purchasers

(a) In the event that Orchestra funds all of ABV's obligations under the Series A SPA, or visa versa, then in such case, Orchestra or ABV, as the case may be, shall have the right to appoint the ABV Director or the Orchestra Directors, as the case may be.

(b) In the event that Orchestra funds only a portion of ABV's obligations under the Series A SPA, or visa versa, and the remaining deficiency is met by the other shareholders, then in such case, the Orchestra Directors or ABV Director, shall be appointed by the holders of the majority of the Preferred Shares taken up from the Defaulting Purchaser.

(c) In the event that any of (i) ABV; (ii) Orchestra; (iii) NGT shall have become a Defaulting Purchaser (as such term is defined in the Series A SPA) in connection with any Milestone Closing (as defined is the Series A SPA), then such Defaulting Purchaser shall ipso facto cease to have any right to nominate its Director(s), and, subject to Article 40(a) and 40(b) above, any Director(s) theretofore appointed thereby shall automatically cease to serve as Directors. The aforesaid shall not affect any rights hereunder to elect the Ordinary Director.

41. Appointment and Removal of Directors.

(a) Except as otherwise provided in these Articles, Directors shall not be elected but shall be appointed as provided for herein.

(b) The appointment or removal of a Director shall be effected by the delivery of a notice to the Company at its principal office, signed by the holders of the shares entitled to effect such appointment or removal. Any appointment or removal shall become effective on the date fixed in the notice or upon delivery of the notice to the Company, whichever is later.

42. Qualification of Directors.

No person shall be disqualified to serve as a Director by reason of his not holding shares in the Company or by reason of his having served as a Director in the past.

43. Continuing Directors in the Event of Vacancies.

Subject to Article 39, in the event of one or more vacancies in the Board of Directors, the remaining Directors may continue to act in every matter and, pending the filling of any vacancy pursuant to the provisions of Articles 39 and 41, may appoint Directors to fill any such vacancy temporarily (such temporarily appointed Director being automatically deemed to be removed from the Board upon the appointment of a Director to fill the previous vacancy in accordance with Articles 39 and 41); provided, however, that if they number less than a majority of the number provided for pursuant to Article 39 of these Articles, they may act only in an emergency or to fill the office of Director that has become vacant up to the minimum number or in order to call a General Meeting of the Company for the purpose of electing Directors to fill any or all vacancies, so that at least a majority of the number of Directors provided for pursuant to Article 39 are in office as a result of such meeting.

44. Vacation of Office.

(a) The office of a Director shall be vacated, *ipso facto*, upon his death, or if he be found lunatic or become of unsound mind, or if he becomes bankrupt (or if the Director is a company, upon its winding-up).

(b) The office of a Director shall be vacated by his written resignation. Such resignation shall become effective on the date fixed therein or upon the delivery to the Company, whichever is later.

45. Remuneration of Directors; Reimbursement of Expenses

A Director may be paid remuneration by the Company for his services as a Director, to the extent such remuneration shall have been approved by a General Meeting of the Company. The Company shall reimburse Directors for reasonable expenses incurred in connection with their service on the Board of Directors.

46. Conflict of Interests.

Subject to the provisions of the Companies Law, no Director shall be disqualified by virtue of his office from holding any office or relationship of profit with the Company or with any company in which the Company shall be a shareholder or have another interest, or from contracting with the Company as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director shall in any way be interested, be avoided, nor, other than as required under the Companies Law, shall any Director be liable to account to the Company for any profit arising from any such office or relationship of profit or realized from such contract or arrangement by reason only of such Director's holding that office or of the fiduciary relations thereby established, but the nature of his interest, as well as any material fact or document, must be disclosed by him at the meeting of the Board of Directors at which the contract or arrangement is first considered, if his interest then exists, or in any other case no later than the first meeting of the Board of Directors after the acquisition of his interest.

47. Alternate Directors.

(a) A Director may, by written notice to the Company, appoint an alternate for himself (in these Articles referred to as an "**Alternate Director**"), remove such Alternate Director and appoint another Alternate Director in place of any Alternate Director appointed by him whose office has been vacated for any reason whatsoever. Unless the appointing Director, by the instrument appointing an Alternate Director or by written notice to the Company, limits such appointment to a specified period of time or restricts it to a specified meeting or action of the Board of Directors, or otherwise restricts its scope, the appointment shall be for an indefinite period, and for all purposes.

(b) Any notice given to the Company pursuant to Article 47(a) shall become effective on the date fixed therein, or upon the delivery thereof to the Company, whichever is later.

(c) An Alternate Director shall have all the rights and obligations of the Director who appointed him, provided, however, that he may not in turn appoint an alternate for himself, and provided further, that an Alternate Director shall have no standing at any meeting of the Board of Directors or any committee thereof while the Director who appointed him is present.

(d) Any person that meets the qualifications of a director under the Companies Law may act as an Alternate Director. One person may act as an Alternate Director for more than one Director, and a person serving as a director of the Company may act as an Alternate Director.

(e) An Alternate Director shall have the duties and responsibility of a Director. The appointment of an Alternate Director shall not negate the responsibility of the Director who appointed him.

(f) The office of an Alternate Director shall be vacated under the circumstances, *mutatis mutandis*, set forth in Article 44, and such office shall ipso facto be vacated if the Director who appointed such Alternate Director ceases to be a Director.

PROCEEDINGS OF THE BOARD OF DIRECTORS

48. Meetings.

(a) The Board of Directors may meet and adjourn its meetings and otherwise regulate such meetings and proceedings as the Directors deem fit, provided, however, that the Board of Directors shall meet at least quarterly, unless otherwise agreed by a vote of the majority of the Directors.

(b) Any one (1) Director may at any time, and the Chairman of the Board of Directors upon the request of any Director shall, convene a meeting of the Board of Directors, but not less than five (5) days notice shall be given of any meeting so convened, provided, that the Board of Directors may convene a meeting without such prior notice with the consent of all of the Directors. Notice of any such meeting may be given in writing or by mail, telex, email, telegram or facsimile. Despite anything to the contrary in these Articles, failure to deliver notice to a Director of any such meeting in the manner required hereby may be waived by such Director, and a meeting shall be deemed to have been duly convened despite such defective notice if such failure or defect is waived prior to action being taken at such meeting by all Directors entitled to participate in such meeting to whom notice was not duly given.

(c) Directors may attend any meeting via telephone so long as all may hear and be heard.

49. Quorum.

Until otherwise unanimously decided by the Board of Directors, a quorum at a meeting of the Board of Directors shall be constituted by the presence in person or by telephone conference of a majority of the number of Directors appointed pursuant to Article 39 and lawfully entitled to vote on the subject matter of the relevant meeting, including at least one (1) Orchestra Director and the ABV Director (in each case if appointed) and until the Second Milestone Closing Date, the NGT Director, provided, that, all members of the Board of Directors received due notice of such meeting or telephone conference. No business shall be transacted at a meeting of the Board of Directors unless the requisite quorum is present (in person or by telephone conference) when the meeting proceeds to business. If within half an hour from the time appointed for the meeting a quorum is not present it shall be adjourned to the next business day, at the same time and place, unless a majority of the Board of Directors decides otherwise. No business shall be transacted at any adjourned meeting except business that might lawfully have been transacted at the meeting as originally called. At such adjourned meeting the Directors (appointed pursuant to Article 39) present, and lawfully entitled to vote on the subject matter of the relevant meeting shall constitute a quorum. A Director who waives his/her right to be present at a meeting of the Board of Directors shall not be taken into account for the purpose of establishing the quorum requirements provided in this Article 49.

50. Chairman of the Board of Directors.

The Board may from time to time (by a majority vote) elect a Chairman from the acting Directors, and decide the period of time he shall hold such an office, and he shall preside at the meetings of the Board of Directors. The Chairman shall preside at every meeting of the Board of Directors, but if there is no such Chairman, or if at any meeting he is not present within fifteen (15) minutes of the time fixed for the meeting, or if he is unwilling to take the chairmanship, the Directors present shall choose one of their number to be the chairman of such meeting. The Chairman shall not have a casting or deciding vote.

51. Validity of Acts Despite Defects.

All acts done bona fide at any meeting of the Board of Directors, or of a committee of the Board of Directors, or by any person(s) acting as Director(s), shall, even if it is subsequently discovered that there was some defect in the appointment of the participants in such meeting or any of them or any person(s) acting as aforesaid, or that they or any of them were disqualified, be as valid as if there were no such defect or disqualification.

GENERAL MANAGER

52. General Manager.

The Board of Directors may from time to time appoint one or more persons, whether or not Directors, as General Manager, and may confer upon such person(s), and from time to time modify or revoke, such title(s) and such duties and authorities as the Board of Directors may deem fit, subject to such limitations and restrictions as the Board of Directors may from time to time prescribe. Unless otherwise determined by the Board of Directors, the General Manager shall have authority with respect to management of the Company in the ordinary course of business.

MINUTES

53. Minutes.

(a) Minutes of each General Meeting, of each meeting of the Board of Directors and of each meeting of a Committee of the Board of Directors shall be recorded and duly entered in books provided for that purpose, and shall be held by the Company at its principal office or such other place as shall be determined by the Board of Directors. Such minutes shall, in all events, set forth the name of the persons present at the meeting and all resolutions adopted at the meeting.

(b) Any such minutes, if purporting to be signed by the Chairman of the Board of Directors, shall constitute prima facie evidence of the matters recorded therein.

DIVIDENDS

54. Declaration of Dividends; Dividend Preference.

Subject to Article 75, the holders of Preferred Shares shall be entitled to non-cumulative dividends (whether paid in cash or otherwise), at a rate of eight percent (8%) per year, payable out of funds legally available therefore, prior and in preference to the payment of dividends on any other class of shares of the Company (the "**Dividend Preference**"). Such dividends shall be payable only when, as and if approved by the Board of Directors.

Following the full payment of the Dividend Preference, the holders of Preferred Shares shall be entitled to participate, *pro rata*, in any dividends paid on the Ordinary Shares, on an as-converted basis.

55. Funds Available for Payment of Dividends.

No dividend shall be paid otherwise than in accordance with the provisions of the Companies Law.

56. Amount Payable by Way of Dividends.

Subject to the rights of the holders of Preferred Shares as to dividends pursuant to Article 54 above, any dividend paid by the Company shall be allocated among the shareholders entitled thereto in proportion to the sums paid up or credited as paid up on account of the nominal value of their respective holdings of the shares in respect of which such dividend is being paid without taking into account the premium paid up for the shares. The amount paid up on account of a share that has not yet been called for payment or fallen due for payment and upon which the Company pays interest to the shareholder shall not be deemed, for the purposes of this Article, to be a sum paid on account of the share.

57. Interest.

No dividend shall carry interest as against the Company.

58. Payment in Specie.

Upon the resolution of the Board of Directors, the Company (i) may cause any moneys, investments or other assets forming part of the undivided profits of the Company, standing to the credit of a reserve fund or to the credit of a reserve fund for the redemption of capital, or in the control of the Company and available for dividends, or representing premiums received on the issuance of shares and standing to the credit of the share premium account, to be capitalized and distributed among such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportion, on the basis that they become entitled thereto as capital, or may cause any part of such capitalized fund to be applied on behalf of such shareholders in paying up in full, either at par or at such premium as the resolution may provide, any unissued shares or debentures or debenture stock of the Company that shall be distributed accordingly, in payment, in whole or in part, of the uncalled liability on any issued shares or debentures or debenture stock; and (ii) may cause such distribution or payment to be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum.

59. Implementation of Powers under Article 58.

For the purpose of giving full effect to any resolution under Article 58, and without derogating from the provisions of Article 7 hereof, the Board of Directors may settle any difficulty that may arise in regard to the distribution as it deems expedient, and in particular may issue fractional certificates, and may fix the value for distribution of any specific assets, and may determine that cash payments shall be made to any shareholders upon the basis of the value so fixed, or that fractions of less value than the nominal value of one share may be disregarded in order to adjust the rights of all parties, and may vest any such cash, shares, debentures, debentures stock or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalized fund as may seem expedient to the Board of Directors.

60. Dividends on Unpaid Shares.

Without derogating from Article 56, the Board of Directors may give an instruction that shall prevent the distribution of a dividend to the holders of shares on which the full nominal amount has not been paid up.

61. Retention of Dividends.

(a) The Board of Directors may retain any dividend or other moneys payable or property distributable in respect of a share on which the Company has a lien, and may apply the same in or toward satisfaction of the debts, liabilities or obligations in respect of which the lien exists.

(b) The Board of Directors may retain any dividend or other moneys payable or property distributable in respect of a share in respect of which any person is, under Articles 22 and 23, entitled to become a shareholder, or which any person is, under such Articles, entitled to transfer, until such person shall become a shareholder in respect of such share or shall transfer the same.

62. Unclaimed Dividends.

All unclaimed dividends or other moneys payable in respect of a share may be invested or otherwise made use of by the Board of Directors for the benefit of the Company until claimed. The payment by the Board of Directors of any unclaimed dividend or such other moneys into a separate account shall not constitute the Company a trustee in respect thereof. The principal (and only the principal) of an unclaimed dividend or such other moneys shall be, if claimed, paid to a person entitled thereto.

63. Mechanics of Payment.

Any dividend or other moneys payable in cash in respect of a share may be paid by check or draft sent through the post to, or left at, the registered address of the person entitled thereto or by transfer to a bank account specified by such person (or, if two or more persons are registered as joint holders of such share or are entitled jointly thereto in consequence of the death or bankruptcy of the holder or otherwise, to the joint holder whose name is registered first in the Register of Shareholders or his bank account or the person whom the Company may then recognize as the owner thereof or entitled thereto under Article 22 or 23 hereof, as applicable, or such person's bank account), or to such person and at such other address as the person entitled thereto may by writing direct. Every such check or draft shall be made payable to the order of the person to whom it is sent, or to such person as the person entitled thereto as aforesaid may direct, and payment of the check or draft by the bank upon which it is drawn shall be a good discharge to the Company.

64. Receipt from a Joint Holder.

If two or more persons are registered as joint holders of any share, or are entitled jointly thereto in consequence of the death or bankruptcy of the holder or otherwise, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable in respect of such share.

ACCOUNTS; AUDITS

65. Books of Account.

The Board of Directors shall cause accurate books of account to be kept in accordance with the provisions of the Companies Law and of any other applicable law. Such books of account shall be kept at the principal office of the Company, or at such other place or places as the Board of Directors may deem fit, and they shall always be open to inspection by all Directors. Such books of account and other corporate documents and records shall also be open to inspection by the shareholders and by auditors appointed by the members, provided that such shareholders and auditors shall enter into confidentiality undertakings reasonably satisfactory to the Board of Directors.

66. Audit.

At least once in every fiscal year the accounts of the Company shall be audited and the correctness of the profit and loss account and balance sheet certified by one or more duly qualified auditors.

67. Auditors.

The appointment, authorities, rights and duties of the auditor(s) of the Company shall be regulated by Companies Law; provided, however, that the Board of Directors shall have the authority to fix the remuneration of the auditor(s).

RIGHTS OF SIGNATURE, STAMP AND SEAL

68. Rights of Signature, Stamp and Seal.

(a) The Board shall be entitled to authorize any person or persons (who need not be Directors) to act and sign on behalf of the Company, and the acts and signature(s) of such person(s) on behalf of the Company shall bind the Company to the extent such person acted and signed within the scope of his or their authority.

(b) The Board may provide for a seal. If the Board so provides, it shall also provide for the safe custody thereof. Such seal shall not be used except by the authority of the Board of Directors and in the presence of the person(s) authorized to sign on behalf of the Company, who shall sign every instrument to which such seal is affixed.

NOTICES

69. Notices.

(a) For purposes of this Section, the term "Business Day" means a day on which the banks are open for business in the country of receipt of any notice.

(b) All notices and other communications made pursuant to these Articles shall be in writing and shall be conclusively deemed to have been duly given:

(i) in the case of hand delivery to the address of the respective Person, on the next Business Day after delivery;

(ii) in the case of delivery by an internationally recognized overnight courier to the address of the respective Person, freight prepaid, on the next Business Day after delivery;

(iii) in the case of a notice sent by facsimile transmission to the fax number of the respective Person, on the next Business Day after delivery, if facsimile transmission is confirmed;

(iv) in the case of a notice sent by email to the email address of the respective Person (if any), on the date of written acknowledgment of receipt of such e-mail by the recipient.

(c) In the event that notices are given pursuant to one of the methods listed in sub-clauses (b)(i) to (iii) above, a copy of the notice should also be sent by email (if one is provided).

(d) A Person may change or supplement the contact details for service of any notice pursuant to these Articles, or designate additional addresses, facsimile numbers and email addresses for the purposes of this Section, by giving the other Persons written notice of the new contact details in the manner set forth above.

EXEMPTION, INDEMNITY AND INSURANCE

70. Exemption From Liability

Subject to the provisions of the Companies Law, the Company may exempt an Office Holder in advance from all or part of such Officer Holder's responsibility or liability for damages caused to the Company due to any breach of such Office Holder's duty of care towards the Company.

71. Indemnification

(a) Subject to the provisions of the Companies Law, the Company may indemnify any Office Holder to the fullest extent permitted by the Companies Law, with respect to the following liabilities and expenses, provided that such liabilities or expenses were imposed on or incurred by such Office Holder in such Office Holder's capacity as an Office Holder of the Company:

(i) A financial obligation imposed on an Office Holder in favor of another person by a court judgment, including a compromise judgment or an arbitrator's award approved by a court of law;

(ii) Reasonable legal expenses, including attorney's fees, expended by the Office Holder as a result of an investigation or proceeding instituted against the Office Holder 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; and

(iii) Reasonable legal expenses, including attorney's fees, 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 or by another on behalf of the Company, 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.

(b) Subject to the provisions of the Companies Law, the Company may undertake to indemnify an Office Holder as aforesaid (i) prospectively, provided, that, in respect of Article 71(a)(i), the undertaking is limited to events which, in the opinion of the Board of Directors are foreseeable in light of the Company's actual operations when the undertaking to indemnify is given, and to an amount or criteria set by the Board of Directors as reasonable under the circumstances, and further provided that such events and amount or criteria are set forth in the undertaking to indemnify, and (ii) retroactively.

72. Insurance

(a) Subject to the provisions of the Companies Law, the Company may enter into a contract to insure an Office Holder for all or part of the 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 the Company, with respect to each of the following:

(i) breach of his duty of care to the Company or to another person;

(ii) breach of his duty of loyalty to the Company, provided that the Office Holder acted in good faith and had reasonable grounds to assume that the action in question would not prejudice the interests of the Company; and

(iii) a financial obligation imposed on him in favor of another person.

(b) Articles 70, 71 and 72(a) shall not apply under any of the following circumstances:

(i) a breach of an Office Holder's fiduciary duty, in which the Office Holder did not act in good faith and with reasonable grounds to assume that the action in question would not prejudice the interests of the Company;

(ii) a grossly negligent or intentional violation of an Office Holder's duty of care;

(iii) an intentional action by an Office Holder in which such Office Holder intended to reap a personal gain illegally; and

(iv) a fine or ransom levied on an Office Holder.

(c) The Company may procure insurance for or indemnify any person who is not an Office Holder, including without limitation, any employee, agent, consultant or contractor, provided, however, that any such insurance or indemnification is in accordance with the provisions of these Articles and the Companies Law.

(d) The Company may procure insurance for or indemnify any person who is not an Office Holder, including without limitation, any employee, agent, consultant, the Observer or contractor (and in case of an Officer holders - to the extent that the insurance, release or indemnity is not prohibited by law), provided, however, that any such insurance or indemnification is in accordance with the provisions of these Articles and the Companies Law, and was duly approved by the Board of Directors.

WINDING UP

73. Winding Up.

In the event of a liquidation, bankruptcy, winding-up, dissolution, or reorganization of the Company (other than a solvent reorganization), the following shall apply:

(a) First, each Preferred Share shall entitle its holder to a per share distribution in the amount of the applicable Original Issue Price (adjusted for share combinations or subdivisions or other recapitalizations of the Company's shares) multiplied by 1.5, less the amount of the Dividend Preference and other distributions actually paid, plus an amount equal to declared but unpaid dividends, if any, on each Preferred Share prior to payments to the other shareholders of the Company (the "**Preference**"). In the event that the assets of the Company available for distribution shall be insufficient to pay the Preference in full to the Preferred Shareholders, all of such assets shall be distributed among the holders of the Preferred Shares in proportion to the full Preference such holders would otherwise be entitled to receive, subject to applicable law.

(b) In the event of a Deemed Liquidation Event, and to the extent that the assets of the Company available for distribution and are being distributed shall exceed the amount necessary to pay the Preference, any remaining assets, up to an aggregate amount of US$350,000, shall be distributed to NGT or its assignee in preference to all holders of Ordinary Shares to cover the obligations of NGT and/or the Company to the Office of the Chief Scientist in Israel ("**NGT Payment**").

(c) In the event that the assets of the Company that available for distribution shall exceed the amount necessary to pay the Preference and the NGT Payment, the remaining assets shall be distributed among the holders of the Preferred Shares and the Ordinary Shares in proportion to the respective percentage holdings of all of the Ordinary Shares (assuming conversion of the Preferred Shares).

74. Deemed Liquidation Event

For purposes of Article 73, in addition to any liquidation, dissolution, reorganization or winding up of the Company under applicable law, the Company shall be deemed to be liquidated (a "**Deemed Liquidation Event**"): (a) in the event of a consolidation, merger, acquisition, or reorganization of the Company with or into, or a sale of all or substantially all of the Company's assets, or substantially all of the Company's issued and outstanding share capital, to, any other company, or any other entity or person, other than a wholly-owned subsidiary of the Company, excluding a transaction in which shareholders of the Company prior to the transaction will maintain voting control of the surviving or acquiring entity after the transaction (provided, however, that shares of the surviving or acquiring entity held by shareholders of the Company acquired by means other than the exchange or conversion of the shares of the Company shall not be used in determining if the shareholders of the Company own more than fifty percent (50%) of the voting power of the surviving or acquiring entity (or its parent)), but shall be used for determining the total outstanding voting power of the surviving or acquiring entity); (b) in the event that pursuant to a transaction or series of transactions a person or entity acquires, fifty percent (50%) or more of the issued and outstanding shares of the Company; or (c) in the event of any lease, transfer or exclusive license of all or substantially all of the assets of the Company (other than to a wholly owned subsidiary of the Company). Upon any deemed liquidation event of the Company as described in this Article 74, at the closing of the transaction at which the Company is deemed for purposes of this Article 74 to be liquidated, the shareholders shall be paid in cash, securities or a combination thereof, an amount equal to the amount per share which would be payable to the shareholders of the Company, respectively, pursuant to Article 73 as if all consideration being received by the Company and its shareholders in connection with such transaction were being distributed in a liquidation of the Company.

MAJOR DECISIONS

75. Major Decisions.

(a) Subject to Article 75(d) below, the Company shall not and shall ensure that no subsidiary of the Company shall, without first obtaining: (A) the written consent of the holders of 67% of the Preferred Shares if the matter is brought before the Shareholders; or (B) the affirmative vote of the majority of the ABV Director or the Orchestra Director(s) (if appointed) if the matter is brought before the Board, either directly or by amendment, merger, consolidation or otherwise, do any of the following or cause any subsidiary to carry out any of such actions:

(i) Any amendment or replacement of the articles of association of the Company ("**Amendment to Articles**");

(ii) any amendment or change of the rights, preferences, privileges or powers of, or the restrictions provided for the benefit of, the Preferred Shares;

(iii) Any issuance of any class of shares having rights, preferences or privileges equal to or more favorable than the rights, preferences or privileges of the Preferred Shares;

(iv) Any increase in the authorized share capital of the Company, or any increase in the number of issued Preferred Shares, except as contemplated by the Series A SPA;

(v) Any purchase, redemption, subdivision, consolidation, re-designation or other variation of or in the share capital of the Company (including any action that reclassifies any outstanding shares) or the rights attaching to shares in the share capital of the Company;

(vi) Any reduction in the amount standing to the Company's capital redemption or share premium reserve;

(vii) Any merger, consolidation, acquisition or similar transaction of the Company with one or more other companies in which the shareholders of the Company prior to such transaction, or series of transactions, would hold shares representing less than a majority of the voting power of the outstanding shares of the surviving corporation immediately after such transaction, or series of transactions;

(viii) The sale of all or substantially all of the Company's assets;

(ix) Any transaction or series of transactions whereby the Company acquires another company, including the acquisition of shares representing a majority of the voting power of the outstanding shares of another company, or an acquisition of all or substantially all of another company's assets;

(x) Any resolution for the winding up or liquidation of the Company;

(xi) Any declaration or payment of a dividend or resolution to declare a dividend;

(xii) [Reserved]

(xiii) Material change in the nature of the business of the Company or in the Company's business plan or budget ("**Change of Business Plan or Budget**");

(xiv) Any increase or decrease in the authorized number of directors of the Company;

(xv) Instruct or enter into any engagement, agreement or understanding whatsoever with any broker, advisor (including, without limitation, financial, accounting, auditing or legal advisors), investment bank or similar party (each a "**Service Provider**"), to provide any services in connection with the listing of any of the Company's shares or the merger or consolidation of the Company with or into, or the sale of all or substantially all of the assets or shares of the Company to, any person or entity;

(xvi) issue or sell Series A Preferred Shares other than pursuant to the Series A SPA;

(xvii) create, or hold capital stock in, or make any loan or advance to any subsidiary that is not wholly owned (either directly or through one or more other subsidiaries) by the Company, or sell, transfer or otherwise dispose of any capital stock of any direct or indirect subsidiary of the Company, or permit any direct or indirect subsidiary to sell, lease, transfer, exclusively license or otherwise dispose (in a single transaction or series of related transactions) of all or substantially all of the assets of such subsidiary; or

(xviii) enter into any contract, arrangement or transaction with an affiliate of the Company or any office holder of the Company or any of their family members, unless such contract, arrangement or transaction (A) is on terms that are no less favorable to the Company than those the Company would have been reasonably likely to obtain as a result of arms-length negotiations with an unrelated third party and (B) has been approved by a majority vote of the disinterested members of the Board of Directors of the Company ("**Related Party Transaction**"). For the avoidance of doubt any transfer of shares by a shareholder to a Permitted Transferee shall not be deemed to be a Related Party Transaction.

(b) Subject to Article 75(d) below, the Company shall not: (i) make an Amendment to the Articles; (ii) make any Change of Business Plan or Budget; or (iii) enter into a Related Party Transaction: without (A) the written consent, not to be unreasonably withheld or delayed, of NGT, if the matter is brought before the Shareholders; or (B) the affirmative vote, not to be unreasonably withheld or delayed, of the NGT Director, if the matter is brought before the Board.

(c) Notwithstanding anything in these Articles to the contrary, with respect to any exclusive rights granted to a specific named shareholder (not by virtue of such shareholders holdings) (the "**Specific Rights**"), the Company shall not and shall ensure that no subsidiary of the Company shall amend, change, or modify such Specific Rights, without the prior specific written consent of the holder(s) of the relevant Specific Rights proposed to be amended, changed or modified.

(d) Notwithstanding the foregoing any veto rights granted to NGT in Article 75(b)(i) (Amendment to the Articles) and in Article 75(b)(iii) (Related Party Transaction) shall terminate (and the affirmative vote of the NGT Director shall not be required to have been obtained) (x) when the Second Milestone Closing has been fully consummated by ABV and Orchestra as contemplated in the Series A SPA, (y) if or NGT shall have become a Defaulting Purchaser, or (z) if the Second Milestone is not met by the Second Milestone Closing Date (as such terms are defined in the Series A SPA). Notwithstanding the foregoing any veto rights granted to NGT in Article 75(b)(ii) (Change of Business Plan or Budget) shall terminate (and the affirmative vote of the NGT Director shall not be required to have been obtained) (x) when the Third Milestone Closing has been fully consummated by ABV and Orchestra as contemplated in the Series A SPA, (y) if or NGT shall have become a Defaulting Purchaser, or (z) if the Third Milestone is not met by the Third Milestone Closing Date (as such terms are defined in the Series A SPA).

76. Bring Along.

(a) Subject to the provisions of and without derogating from Article 75 above and the provisions of Section 341 of the Companies Law, notwithstanding anything in these Articles to the contrary, until a Qualified IPO, if any person or entity offers to purchase all of the issued and outstanding share capital of the Company (the "**Bring Along Transaction** "), and shareholders holding more than (i) seventy percent (70%) of the voting power in the Company calculated on an as converted basis; and (ii) 67% of the Preferred Shares, indicate their acceptance of such offer (the "**Proposing Shareholders**"), and such offer is approved by a majority of the Board, then at the closing of such transaction, all holders of all classes of shares in the Company will transfer their shares to such person or entity at the same price and on the same terms and conditions as the Proposing Shareholders subject to any adjustments as may be necessary in order to give full effect to Article 74 hereof. The distribution of the consideration of such Bring Along Transaction shall be distributed in accordance with the provisions of Article 74 above, and in the order of preference and priority as set forth therein, and shall not derogate from the liquidation preferences set forth in such Article 73 and Article 74 in relation to a Deemed Liquidation Event.

Disclosure Schedule

Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement. Each disclosure is listed in a numbered Exhibit in accordance with the numbered section of the Agreement for which it is most relevant. Any information disclosed under a specific Exhibit shall be deemed to be disclosed and incorporated only under that Exhibit except to the extent that it is readily apparent from a reading of the disclosure that such disclosure is applicable to other Exhibits, in which case such information shall be deemed to be disclosed and incorporated under such other Exhibit.

Nothing in these Exhibits is intended to expand the scope of any representation or warranty of the Company contained in the Agreement.

Inclusion of any item in these Exhibits (i) does not necessarily represent a determination by the Company that such item is material nor shall it necessarily be deemed to establish a standard of materiality, (ii) does not necessarily represent a determination by the Company that such item did not arise in the ordinary course of business, and (iii) shall not constitute, or be deemed to be, an admission to any third party, except the Purchasers, concerning such item by the Company. Without derogating from the representations contained in Section 3 of the Agreement, these Exhibits include descriptions of instruments or brief summaries of certain aspects of the Company and its business, which descriptions are not necessarily complete and the brief summaries and identification provided in these Exhibits are meant to identify documents or other materials. Any reference to an agreement or document includes reference to all exhibits and schedules attached thereto.

Unless otherwise indicated, all information included is provided as of the date of the Agreement.

Exhibit 3.4

Cap Table

Exhibit 3.6

Litigation

Zohar will send a description of the claims and proceedings in connection with the lease agreement.

Mark – are there any other actions, proceedings or governmental inquiry or investigation pending or, to the knowledge of the Company, threatened against the Company or any of its officers, directors, or employees (in their capacity as such), or against any of the Company's properties, or with regard to the Company's business or assets, before any court, arbitration board or tribunal or administrative or other governmental agency, or, to the knowledge of the Company, is there any basis for any of the foregoing, or any actions or proceedings that the Company intends to initiate?

Exhibit 3.7

Material Liabilities

AMENDMENT AND JOINDER TO CONVERTIBLE NOTES AGREEMENT

This Amendment and Joinder to Convertible Notes Agreement (this "**Joinder**") is made as of December __, 2015 (the "**Effective Date**"), by and among Motus GI Medical Technologies Ltd., a company organized under the laws of the State of Israel, with offices at Keren Hayesod 22 Tirat Carmel, Israel (the "**Company**"), the Purchasers listed on **Exhibit A** to the CNA (the "**Initial Purchasers**") and the persons and entities listed on **Schedule I** attached hereto (the "**New Purchasers**") (each of the Initial Purchasers and each of the New Purchasers, a "**Purchaser**" and together, the "**Purchasers**" and each Purchaser and the Company separately, a "**Party**" and together, the "**Parties**").

WHEREAS, the Company and the Initial Purchasers are parties to a Convertible Notes Agreement dated June 9, 2015, attached hereto as **Exhibit A** (the "**CNA**") (capitalized not defined herein shall have the meaning ascribed to them in the CNA, unless it is specifically provided otherwise); and

WHEREAS, pursuant to the CNA, the Initial Purchasers have committed to extend to the Company a convertible loan in the aggregate principal amount of US$ 5,495,951 (the "**Loan Amount**") in four installments, all under the terms and conditions set forth therein; and

WHEREAS, as of the date hereof, the First Installment and the Second Installment of the Loan Amount, in the aggregate principal amount of US$2,910,894, have been extended in full to the Company; and

WHEREAS, the Company and the Initial Purchasers wish to amend certain terms of the CNA, including an increase of the Loan Amount to an aggregate principal amount of up to US$9 Million and to allow the New Purchasers to join the Third Installment and the Fourth Installment of the CNA, as amended herein, and the New Purchasers wish to so join the CNA, all under the terms and conditions set forth herein.

NOW THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

1. The Transaction

1.1. Joining to CNA. The Parties acknowledge and agree that by execution of this Joinder each of the New Purchasers shall automatically become, as of the Third Closing, a party to the CNA as a "Purchaser" for all intents and purposes and shall have all the rights and obligations of a "Purchaser" thereunder.

1.2. Additional Loan Amount extended by the New Purchaser and Amendment of Exhibit A . The New Purchasers shall extend to the Company a principal amount of US$ 937,500 at the Third Closing as part of the Third Installment and an aggregate principal amount of US$ 312,500 at the Fourth Closing as part of the Fourth Installment. Such additional amounts extended by the New Purchasers shall be deemed to be part of the "Loan Amount". Accordingly, Exhibit A of the CNA shall be replaced in its entirety with the attached **Exhibit B** (the "**Amended Exhibit A**").

1.3. Third Notes and Fourth Notes. The forms of the Third Note (Exhibit D1 of the CNA) and the Fourth Note (Exhibit E1 of the CNA) shall be replaced in their entirety with the attached **Exhibit C** and **Exhibit D**, respectively.

1.4. Third Closing Date. The words "within one hundred and eighty (180) days after the First Closing" in Section 2.5 of the CNA shall be deleted and replaced in their entirety with the following words: "on December 29, 2015".

1.5. Deliveries and Transactions at the Third Closing. At the Third Closing, the following transactions shall occur, in addition to and simultaneously with the transactions specified in Section 2.6 of the CNA:

(i) The Company shall deliver to the Purchasers copies of duly executed resolutions of the Board, in the form attached hereto as **Exhibit E**, approving, *inter alia*, the execution, delivery and performance of this Joinder by the Company.

(ii) The Company shall deliver to the Purchasers copies of duly executed resolutions of the Company's shareholders, in the form attached hereto as **Exhibit F**, approving, *inter alia*, the execution, delivery and performance of this Joinder by the Company.

(iii) The First Notes and the Second Notes shall be replaced by the Company with amended notes in the forms attached hereto as **Exhibit G** and **Exhibit H**, respectively.

1.6. Fourth Closing Date. The words "at such time and place as the Company and the Purchasers shall mutually agree in writing, but in any event not later than fourteen (14) days after the Board determines that the Company's cash position requires the infusion of additional funds to continue to operate its business" in Section 2.7 of the CNA shall be deleted and replaced in their entirety with the following words: "on April 26, 2016, or at such other time and place as the Company and the Purchasers shall mutually agree in writing".

1.7. Deferred Closing(s). The following Sections shall be added after Section 2.6 of the Agreement:

"2.6A. Subject to the terms and conditions hereof, the Company may consummate an additional closing or series of closings (each, a "**Deferred Closing**") with an additional purchaser or purchasers approved by the Board (each, an "**Additional Purchaser**" and collectively, the "**Additional Purchasers**") on the same terms and conditions set forth in this Agreement and the provisions of Section 2.6 shall apply to such Deferred Closing, *mutatis mutandis*; provided that (i) any such Deferred Closing shall occur no later than one hundred and twenty (120) days from the Third Closing; and (ii) the aggregate amount to be extended by the Additional Purchasers (the "**Additional Loan Amount**"), together with the aggregate Loan Amount, shall not exceed US$9 Million. Simultaneously with the consummation of a Deferred Closing, the Additional Purchasers shall execute and deliver to the Company a joinder agreement in the form attached as **Exhibit 2.6A** hereto, pursuant to which each such Additional Purchaser shall become a party to this Agreement and for all purposes under this Agreement, the Additional Purchaser shall be deemed to be a "Purchaser" and the Additional Loan Amount shall be deemed to be part of the "Loan Amount"."

1.8. Amendment to the Company's Representations and Warranties. Sections 3.4 and 3.7 of the CNA shall be deleted in their entirety and replaced with the following:

"3.4. Capitalization. The authorized share capital of the Company immediately prior to the Third Closing shall consist of NIS 272,000 divided into (i) 34,000,000 Ordinary Shares, par value NIS 0.01 each, of which 4,271,092 are issued and outstanding, and (ii) 23,200,000 Series A Preferred Shares, par value NIS 0.01 each, of which 13,500,000 are issued and outstanding. An accurate capitalization table listing all of the Company's shares, options, and warrants (or other rights or securities convertible into or exchangeable for shares in the Company (collectively, the "**Equity Securities**") and their respective record holders and, to the knowledge of the Company, beneficial owners on a fully diluted basis is set forth in **Exhibit 3.4** attached hereto (the "**Cap Table**")."

"3.7. Material Liabilities. Except as set forth on **Exhibit 3.7** attached hereto, the Company does not have any liability, debt or obligation, which exceeds US$200,000, whether accrued, absolute or contingent or otherwise, including to previous employees or consultants for any reason. Except as set forth on **Exhibit 3.7** attached hereto, the Company has not provided any loans or advances to any person or given a guarantee or created any charge, lien or other encumbrance on any of its assets and/or its un-issued share capital for any obligation of any person."

2. Assignment and Transfer by the New Purchasers

Notwithstanding Section 9.2 of the CNA and 11.2 of the Notes, each of the New Purchasers shall be entitled to assign or transfer any of its rights and/or obligations under the CNA (as amended herein), including any Notes issued to it pursuant to the CNA, to any other New Purchaser that is its Permitted Transferee (as such term is defined in the Company's Articles of Association as may be amended from time to time), without the consent of the other Parties.

3. Representations and Warranties

2.1. The Company hereby represents and warrants to the New Purchasers that all representations and warranties set forth in Section 3 of the CNA (as qualified by the Disclosure Schedule) shall have been true and correct when made, and shall be true and correct in all material respects as of the Third Closing Date (subject to the amendments herein); provided that any reference in Section 3 of the CNA to the CNA shall include also this Joinder.

2.2. Each of the New Purchasers hereby makes all representations and warranties specified in Section 4 of the CNA in respect of itself, and represents and warrants to the Company and acknowledges that the Company is entering into this Joinder in reliance thereon, that all the representations and warranties set forth in Section 4 of the CNA are true and correct in respect of such New Purchaser as of the date hereof and shall be true and correct in all material respects as of the Third Closing and the Fourth Closing, provided that any reference in Section 4 of the CNA to the CNA shall include also this Joinder.

3. Miscellaneous

6.1. The headings in this Joinder are for convenience only and shall not be used for purposes of construction.

6.2. All terms and conditions of the CNA (including any of its exhibits) shall remain in full force and effect subject to the provisions of this Joinder, which shall be regarded as an integral part of the CNA. In case of a contradiction between this Joinder and the CNA, the provisions of this Joinder shall prevail.

6.3. This Joinder may be executed in several counterparts, each of which shall be deemed an original, and all of which taken together shall constitute a single instrument.

[*Signature Pages to Follow*]

IN WITNESS WHEREOF, the parties hereto have executed this Joinder as of the date first above written.

THE COMPANY:

Motus GI Medical Technologies Ltd.

By: _____

Title: _____

THE PURCHASERS:

Orchestra Medical Ventures II, L.P.

By: _____

Title: _____

Orchestra MOTUS Co-Investment Partners, LLC

By: _____

Title: _____

Ascent Biomedical Ventures II, L.P.(3)

By: _____

Title: _____

Ascent Biomedical Ventures Synecor, L.P.

By: _____

Title: _____

Jacobs Investments Company LLC

By: _____

Title: _____

[Signature Page 1 to amendment and Joinder to Convertible Notes Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Joinder as of the date first above written.

E. Jeffrey Peierls

Brian Eliot Peierls

UD E.F. Peierls for Brian E. Peierls

By: _____

Title: _____

UD E.F. Peierls for E. Jeffrey Peierls

By: _____

Title: _____

UD J.N. Peierls for Brian Eliot Peierls

By: _____

Title: _____

UD J.N. Peierls for E. Jeffrey Peierls

By: _____

Title: _____

UW J.N. Peierls for Brian E. Peierls

By: _____

Title: _____

UD Ethel F. Peierls Charitable Lead Trust

By: _____

Title: _____

The Peierls Bypass Trust

By: _____

Title: _____

UD E.S. Peierls for E.F. Peierls et al

By: _____

Title: _____

UW E.S. Peierls for Brian E. Peierls - Accumulation

By: _____

Title: _____

UW E.S. Peierls for E. Jeffrey Peierls - Accumulation

By: _____

Title: _____

UW J.N. Peierls for E. Jeffrey Peierls

By: _____

Title: _____

The Peierls Foundation, Inc.

By: _____

Title: _____

[Signature Page 2 to amendment and Joinder to Convertible Notes Agreement]

Schedule I

The New Purchasers

E. Jeffrey Peierls

Brian Eliot Peierls

THROUGH ACCOUNT AT NORTHERN TRUST:

UD E.F. Peierls for Brian E. Peierls

UD E.F. Peierls for E. Jeffrey Peierls

UD J.N. Peierls for Brian Eliot Peierls

UD J.N. Peierls for E. Jeffrey Peierls

UW J.N. Peierls for Brian E. Peierls

UW J.N. Peierls for E. Jeffrey Peierls

UD Ethel F. Peierls Charitable Lead Trust

The Peierls Bypass Trust

UD E.S. Peierls for E.F. Peierls et al

UW E.S. Peierls for Brian E. Peierls - Accumulation

UW E.S. Peierls for E. Jeffrey Peierls - Accumulation

The Peierls Foundation, Inc.

EXHIBIT B TO FIRST AMENDMENT AND JOINDER TO CNA

Amended Exhibit A

Loan Amount and Notes

US$

Name	Loan Amount	First Installment	Second Installment	Third Installment	Fourth Installment	Address
Orchestra Medical Ventures II, L.P.	US$ 1,239,996	US$ 309,999	US$ 309,999	US$ 309,999	US$ 309,999	
Orchestra MOTUS Co-Investment Partners, LLC	US$ 977,511	US$ 325,837	US$ 325,837	US$ 325,837	US$ 0	
Ascent Biomedical Ventures II, L.P. (3)	US$ 1,665,108	US$ 416,277	US$ 416,277	US$ 416,277	US$ 416,277	
Ascent Biomedical Ventures Synecor, L.P.	US$ 831,304	US$ 207,826	US$ 207,826	US$ 207,826	US$ 207,826	
Jacobs Investments Company LLC	US$ 782,032	US$ 195,508	US$ 195,508	US$ 195,508	US$ 195,508	
E. Jeffrey Peierls	US$ 130,000	-	-	US$ 97,500	US$ 32,500	
Brian Eliot Peierls	US$ 80,000	-	-	US$ 60,000	US$ 20,000	
UD E.F. Peierls for Brian E. Peierls	US$ 54,000	-	-	US$ 40,500	US$ 13,500	
UD E.F. Peierls for E. Jeffrey Peierls	US$ 54,000	-	-	US$ 40,500	US$ 13,500	

Name	Loan Amount	First Installment	Second Installment	Third Installment	Fourth Installment	Address
UD J.N. Peierls for Brian Eliot Peierls	US$ 54,000	-	-	US$ 40,500	US$ 13,500	
UD J.N. Peierls for E. Jeffrey Peierls	US$ 54,000	-	-	US$ 40,500	US$ 13,500	
UW J.N. Peierls for Brian E. Peierls	US$ 56,000	-	-	US$ 42,000	US$ 14,000	
UW J.N. Peierls for E. Jeffrey Peierls	US$ 56,000	-	-	US$ 42,000	US$ 14,000	
UD Ethel F. Peierls Charitable Lead Trust	US$ 50,000	-	-	US$ 37,500	US$ 12,500	
The Peierls Bypass Trust	US$ 20,000	-	-	US$ 15,000	US 5,000	
UD E.S. Peierls for E.F. Peierls et al	US$ 38,000	-	-	US$ 28,500	US$ 9,500	
UW E.S. Peierls for Brian E. Peierls - Accumulation	US$ 46,000	-	-	US$ 34,500	US$ 11,500	
UW E.S. Peierls for E. Jeffrey Peierls -Accumulation	US$ 28,000	-	-	US$ 21,000	US$ 7,000	
The Peierls Foundation, Inc.	US$ 530,000	-	-	US$ 397,500	US$ 132,500	

Name	Loan Amount	First Installment	Second Installment	Third Installment	Fourth Installment	Address
Total	**US$ 6,745,951**	**US$ 1,455,447**	**US$ 1,455,447**	**US$ 2,392,947**	**US$ 1,442,110**	

Warrants

Name	First Warrants	Second Warrants	Third Warrants	Fourth Warrants	Total Warrants
Orchestra Medical Ventures II, L.P.	102,300	102,300	102,300	102,300	409,200
Orchestra MOTUS Co-Investment Partners, LLC	107,526	107,526	107,526	0	322,578
Ascent Biomedical Ventures II, L.P. (3)	137,371	137,371	137,371	137,371	549,484
Ascent Biomedical Ventures Synecor, L.P.	68,583	68,583	68,583	68,583	274,332
Jacobs Investments Company LLC	64,518	64,518	64,518	64,518	258,072
E. Jeffrey Peierls	-	-	32,175	10,725	42,900
Brian Eliot Peierls	-	-	19,800	6,600	26,400

Name	First Warrants	Second Warrants	Third Warrants	Fourth Warrants	Total Warrants
UD E.F. Peierls for Brian E. Peierls	-	-	13,365	4,455	17,820
UD E.F. Peierls for E. Jeffrey Peierls	-	-	13,365	4,455	17,820
UD J.N. Peierls for Brian Eliot Peierls	-	-	13,365	4,455	17,820
UD J.N. Peierls for E. Jeffrey Peierls	-	-	13,365	4,455	17,820
UW J.N. Peierls for Brian E. Peierls	-	-	13,860	4,620	18,480
UW J.N. Peierls for E. Jeffrey Peierls	-	-	13,860	4,620	18,480
UD Ethel F. Peierls Charitable Lead Trust	-	-	12,375	4,125	16,500
The Peierls Bypass Trust	-	-	4,950	1,650	6,600
UD E.S. Peierls for E.F. Peierls et al	-	-	9,405	3,135	12,540
UW E.S. Peierls for Brian E. Peierls - Accumulation	-	-	11,385	3,795	15,180
UW E.S. Peierls for E. Jeffrey Peierls - Accumulation	-	-	6,930	2,310	9,240
The Peierls Foundation, Inc.	-	-	131,175	43,725	174,900
Total	**480,298**	**480,298**	**789,673**	**475,897**	**2,226,166**

EXHIBIT C TO FIRST AMENDMENT AND JOINDER TO CNA

Date:_____

Purchaser: _____
Principal Amount: US$_____

CONVERTIBLE

PROMISSORY NOTE

For value received, **Motus GI Medical Technologies Ltd.**, an Israeli company ("**Company**") promises to pay to the Purchaser named above ("**Holder**"), the principal sum stated above (the "**Principal Amount**") in accordance with the terms set forth herein, as follows:

1. **Note Part of a Series**. This Note is being sold by the Company as part of a series of notes issued pursuant to that certain Convertible Notes Agreement dated as of June 9, 2015, by and among the Company and purchasers of such Notes (the "**CNA**"). The term "**Notes**" shall mean herein all Notes issued under the CNA.

2. **Interest**. Interest shall accrue on the unpaid Principal Amount of this Note from the date of this Note until the actual repayment of all amounts due hereunder, at an annual rate of 10% (ten percent), compounded annually. Interest shall be computed on the basis of a year of 360 days for the actual number of days occurring in the period for which such interest is payable. Upon conversion of the Principal Amount in accordance with the terms hereof, all interest accrued thereon shall be converted together with the Principal Amount or repaid to the Holder in cash, after deduction of all applicable taxes with respect thereto, as shall be determined by the Company, at its sole discretion. The actual amount to be converted in accordance with the Company's election, as specified in the preceding sentence, shall be hereinafter referred to as the "**Conversion Amount**."

3. **Automatic Conversion upon QFR**. To the extent not previously converted or repaid according to the terms specified herein, the Conversion Amount shall be automatically converted, immediately prior and subject to the closing of a QFR (as defined below), on the same terms and conditions applicable to the QFR, such that the Holder shall receive the same type of securities issued, and any other rights granted to the investors in such QFR (the "**QFR Securities**"), under the same terms as if the Holder had participated in the QFR as an investor (including any warrants or any other securities granted to the investors therein), but at a conversion price per share equal to the QFR Conversion Price (as defined below).

   It being agreed and acknowledged that (a) the original issue price (or any equivalent term used under the then applicable Articles of Association of the Company) of QFR Securities issued to the Holder shall be set to be the QFR Conversion Price, and any rights that are attached to the QFR Securities issued to the Holder which are determined, derived, calculated, triggered, or otherwise based on the original price of such shares (including, without limitation, liquidation and dividend preferences, anti-dilution rights or the like) shall be determined, calculated, triggered or otherwise based on the actual QFR Conversion Price; and (b) in the event that the QFR Securities also comprise of warrants to purchase, or other securities convertible into, shares of the Company (any such preceding convertible security a "**Convertible Security**"), then (i) upon such conversion, the Holder shall be entitled to receive such number of warrants and/or Convertible Securities of the same class or type that are issued to the investors in the framework of the QFR, in a number which shall be determined using the same warrant and/or Convertible Securities coverage ratio offered to the investors in such QFR, such that the ratio between the shares and the warrants and/or Convertible Securities issued to the Holder shall be equal to the ratio between the shares and the warrants and/or Convertible Securities issued to each investor in such QFR; and (ii) the discount rate reflected in the QFR Conversion Price shall not apply in respect of the exercise price or conversion price (as applicable) of such warrants and/or Convertible Securities.

For example, if the terms of the QFR are as follows:

- The QFR unit price is US$10.
- Each unit is comprised of two (2) Ordinary Shares and one (1) warrant to purchase one (1) Ordinary Share.
- The discount rate reflected in the QFR Conversion Price of the Holder is 10%.
- The exercise price of the warrants issued in the QFR is US$12.
- The Conversion Amount of the Holder is US$1,800.

then, in the framework of such QFR, the Holder shall be issued, upon conversion of the Conversion Amount, 200 Ordinary Shares ((US$1,800))/((1-10%)*US$10)) and 100 warrants to purchase 100 Ordinary Shares (100/2), at an exercise price per share of US$12, while an investor, who is not a holder of Notes, and invests in the QFR the same amount (i.e., US$1,800), shall be issued only 180 Ordinary Shares and 90 warrants to purchase 90 Ordinary Shares, at an exercise price per share of US$12.

The term "**QFR**" means the first financing round consummated by the Company after the date of the Note, through an equity investment (including an initial public offering but excluding the issuance of any convertible notes, or the issuance of shares upon conversion of such notes), either in one transaction or in a series of related transactions, with an aggregate investment amount of not less than US$12,000,000 (Twelve Million US Dollars), including the outstanding principal amount of the Notes and all accrued and unpaid interest thereon.

The term "**QFR Conversion Price**" means a conversion price reflecting the lower of (i) a 10% discount on the price paid by the investor(s) for the shares issued in the QFR; or (ii) US$1.15 per share. Notwithstanding the foregoing, in the event that the QFR in an initial public offering with gross proceeds to the Company of not less than US$25,000,000 (Twenty Five Million US Dollars) (including the outstanding principal amount of the Notes and all accrued and unpaid interest thereon) (the "**QIPO**"), the QFR Conversion Price shall mean a conversion price reflecting a 50% discount on the price paid for the shares issued in the QIPO and if the price in such QIPO is fixed per each unit offered in the QIPO, the discount shall be applicable to such unit price.

If this Note is converted in accordance with this Section 3, written notice shall be delivered to the Holder of this Note, notifying the Holder of the conversion, specifying the Conversion Amount, the date of such conversion, and the securities issued upon conversion. For the avoidance of doubt, in such event this Note shall be null and void even if not surrendered to the Company.

4. **Automatic Conversion upon M&A Event.** In the event that, prior to the conversion of the Conversion Amount or its repayment according to the terms specified herein, an M&A Event (as defined below) shall occur, then immediately prior and subject to the closing of such M&A Event, the Conversion Amount shall be automatically converted into Series A Preferred Shares, par value NIS 0.01 per share, of the Company (the "**Preferred A Shares**"), at a conversion price equal to the price per share paid by the Company's investors in consideration for the Preferred A Shares (i.e., US$1) (the "**M&A Conversion Price**").

   It being agreed and acknowledged that the original issue price (or any equivalent term used under the then applicable Articles of Association of the Company) of the Preferred A Shares issued to the Holder shall be set to be the M&A Conversion Price, and any rights that are attached to such Preferred A Shares issued to the Holder which are determined, derived, calculated, triggered, or otherwise based on the original price of such shares (including, without limitation, liquidation and dividend preferences, anti-dilution rights or the like) shall be determined, calculated, triggered or otherwise based on the actual M&A Conversion Price.

   The term "**M&A Event**" means (i) a merger or consolidation of the Company in which the Company's shareholders immediately prior to such transaction do not own, directly or indirectly, more than 50% of the share capital of the surviving entity; (ii) the acquisition of more than 50% of the Company's outstanding share capital by a single unaffiliated person, entity or group ,or by persons or entities acting in concert; (iii) the sale or transfer of all or substantially all of the assets of the Company; or (iv) a reverse triangular merger in which the Company is the surviving entity but the shares of the Company's share capital outstanding immediately prior to the merger are converted by virtue of the merger into other property, whether in the form of securities, cash or otherwise.

5. **Voluntary Conversion upon NQFR.** In the event that, prior to the conversion of the Conversion Amount or its repayment according to the terms specified herein, the Company shall consummate a financial round through an equity investment, either in one transaction or in series of transactions (including an initial public offering but excluding the issuance of any convertible notes or the issuance of shares upon conversion of such notes), which is not a QFR (a "**NQFR**"), then the holders of Notes reflecting 70% (Seventy percent) of the aggregate outstanding principal amount of the Notes (the "**Majority Holders**"), shall be entitled, no later than fourteen (14) days prior to the closing of such NQFR, to notify the Company in writing of their choice to convert the entire Conversion Amount of the Notes (the "**Aggregate Conversion Amount**"). In such event the entire Aggregate Conversion Amount shall be converted immediately prior and subject to the closing of the NQFR, on the same terms and conditions specified in Section 3 above ("**Automatic Conversion upon a QFR**"), *mutatis mutandis*. The election of the Majority Holders to convert the entire Aggregate Conversion Amount shall be binding on all of the holders of the Notes and each such holder shall be deemed to have elected to convert its respective portion of the Aggregate Conversion Amount in accordance with the terms and conditions specified herein.

6. **Maturity Date**. If not converted or repaid according to the terms set forth herein until thirty (30) months from the date of this Note (i.e., _____) (the "**Maturity Date**"), then at the Maturity Date the Conversion Amount shall be automatically converted into Preferred A Shares, at a conversion price per share equal to the price per share paid by the Company's investors in consideration for the Preferred A Shares (i.e., US$1) (the "**Maturity Conversion Price**").

   It being agreed and acknowledged that the original issue price (or any equivalent term used under the applicable Articles of Association of the Company) of the Preferred A Shares issued to the Holder shall be set to be the Maturity Conversion Price, and any rights that are attached to such Preferred A Shares issued to the Holder which are determined, derived, calculated, triggered, or otherwise based on the original price of such shares (including, without limitation, liquidation and dividend preferences, anti-dilution rights or the like) shall be determined, calculated, triggered or otherwise based on the actual Maturity Conversion Price.

7. **Event of Default**. In the event that, prior to the conversion of the Conversion Amount or its repayment according to the terms hereunder an Event of Default occurs, then the Conversion Amount shall be, at the election of the Holder, at its sole discretion, either: (i) become immediately due and payable to the Holder in cash; or (ii) converted into Preferred A Shares, at a conversion price per share equal to the price per share paid by the Company's investors in consideration for the Preferred A Shares (i.e., US$1) (the "**Default Conversion Price**").

   It being agreed and acknowledged that the original issue price (or any equivalent term used under the then applicable Articles of Association of the Company) of the Preferred A Shares issued to the Holder shall be set to be the Default Conversion Price, and any rights that are attached to such Preferred A Shares issued to the Holder which are determined, derived, calculated, triggered, or otherwise based on the original price of such shares (including, without limitation, liquidation and dividend preferences, anti-dilution rights or the like) shall be determined, calculated, triggered or otherwise based on the actual Default Conversion Price.

   The term "**Event of Default**" means (a) dissolution, termination of existence, suspension or discontinuance of business or ceasing to operate as going concern for a period of more than thirty (30) days; (b) the appointment of a receiver, trustee, custodian or similar official, for the Company or any material portion of the property or assets of the Company and the continuation of such appointment without dismissal for a period of thirty (30) days or more; (c) the conveyance of any material portion of the assets of the Company to a trustee, mortgage or liquidating agent or an assignment for the benefit of creditors by the Company which is not dismissed within a period of thirty (30) days; (d) the commencement of any proceeding, whether federal or state, relating to bankruptcy, insolvency, dissolution, reorganization, composition, renegotiations of outstanding indebtedness, arrangement or otherwise to the relief or debtors or the readjustment of indebtedness, by or against the Company, which is not stayed, vacated or released within sixty (60) days of commencement; (e) any material breach by the Company of any covenant or obligation in the Note, CAN or any documents and agreements ancillary thereto (the "**Transaction Documents**") which is not cured, if curable, within thirty (30) days following receipt by the Company of a written notice of such breach; (f) any material misrepresentation has occurred in the Transaction Documents, which is not cured, if curable, within thirty (30) days following receipt by the Company of a written notice of such breach; (g) the Company shall fail to make any required payment of interest, principal or otherwise under the Notes, which is not cured within thirty (30) days following receipt by the Company of a written notice of such failure. The Company undertakes to notify the Holder immediately following occurrence of any of the events detailed in clauses (a) to (g) above.

8. **Conversion; Fractional Interests.** Each conversion shall be deemed to have been effected as to this Note (or the specified portion thereof) on the date on which the requirements set forth above in this Note required to be satisfied by the Holder, or the circumstances that are required to exist, have been satisfied as to this Note (or portion thereof), and the person whose name any certificate or certificates for shares shall be issuable upon such conversion shall be deemed to have become on said date the holder of record of the shares represented thereby. No fractional shares or scrip representing fractional shares shall be issued upon conversion of this Note and the number of shares issued shall be rounded to the nearest whole number.

9. **Payments; Taxes**

9.1. Payments. All payments of interest and of principal shall be in U.S. Dollar ("**US$**") or in the New Israeli Shekels ("**NIS**") equivalent. If any payment is paid in a NIS equivalent, it shall be paid in accordance with the representative rate of exchange of the U.S. Dollar against the NIS last published by the Bank of Israel immediately prior to the certain payment date.

9.2. Taxes on Payments. To the extent required pursuant to applicable law, VAT shall be added by the Company to any payment to be made by the Company pursuant to this Note. The Company shall be entitled to deduct and withhold any withholding taxes which the Company determines it is legally required to deduct or withhold from any payment to be made by the Company pursuant to this Note.

10. **Not a Shareholder.** Prior to the conversion of this Note or any portion thereof according to the provisions specified herein, the Holder, in its capacity as an Holder, shall not be entitled to any rights of a shareholder of the Company, including, without limitation, the right to vote or to receive dividends or other distributions, with respect to the Note and the shares issuable upon conversion of the Note.

11. **Miscellaneous**

11.1. Governing Law. This Note shall be deemed to be a contract made under the laws of the State of New York, and for all purposes shall be construed in accordance with the laws of said state, without regard to principles of conflict of laws. Any dispute arising under or in relation to this Agreement shall be resolved exclusively in the competent court in New York New York, and each of the parties hereby irrevocably submits to the exclusive jurisdiction of such court.

11.2. Successors and Assigns. Except as otherwise expressly limited herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors, and administrators of the parties hereto. None of the rights, privileges, or obligations set forth in, arising under, or created by this Note may be assigned or transferred without the prior consent in writing of each party to this Note.

11.3. Delays or Omissions; Waiver. No delay or omission to exercise any right, power, or remedy accruing to either the Company or the Holder upon any breach or default by the other under this Note shall impair any such right or remedy, nor shall it be construed to be a waiver of any such breach or default, or any acquiescence therein or in any similar breach or default thereafter occurring.

11.4. Entire Agreement**.** This Note, when read together with the CNA, contains the entire understanding of the parties with respect to its subject matter and all prior negotiations, discussions, commitments, and understandings heretofore had between them with respect hereto are merged therein. In the case of any discrepancy between the provisions of this Note and the provisions of any other agreement previously entered into by the Company or the Holder, the provisions of this Note and the CNA shall prevail.

11.5. Amendment. Any term of this Note – as well as of all other Notes - may be amended (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and the Majority Holders.

11.6. Headings. All article and section headings herein are inserted for convenience only and shall not modify or affect the construction or interpretation of any provision of this Note.

11.7. Notices. All notices and other communications made pursuant to this Note shall be in writing and shall be conclusively deemed to have been duly given if delivered in accordance with the notice provisions of the CNA.

11.8. Severability. If any provision of this Note is held by a court of competent jurisdiction to be unenforceable under applicable law, then such provision shall be excluded from this Note and the remainder of this Note shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms; provided, however, that in such event this Note shall be interpreted so as to give effect, to the greatest extent consistent with and permitted by applicable law, to the meaning and intention of the excluded provision as determined by such court of competent jurisdiction.

Motus GI Medical Technologies Ltd.

By: _____

Name: _____

Title: _____

Exhibit D

Fourth Notes

Exhibit E

Board Resolutions

Exhibit F

Shareholders Resolutions

Exhibit G

First Notes

Exhibit H

Second Notes

Schedule 3.4

Cap Table

Schedule 3.7

Material Liabilities

- The Company granted a guarantee pursuant to the lease agreement for its offices in Israel.

- The Company's incorporation was under the framework of the Office of the Chief Scientist at the Ministry of Industry Trade and Labor (the "**OCS**") 8.3 Program for Technological Entrepreneurship Incubator Centers (the "**8.3 Program**"). As part of the Company's incorporation and funding under the framework of the OCS 8.3 Program, N.G.T. New Generation Technologies Ltd. ("**NGT**") was required to pledge an amount of 45,000 Ordinary Shares of the Company (the "**Pledged Shares**") to the State of Israel, in order to secure the repayment of the funds which were transferred to NGT by the OCS, and which were invested in the Company as an incubator company under the 8.3 Program. The terms and conditions of the pledge are in accordance with the debenture signed by and between the NGT and the State of Israel, dated August 16, 2009, and any applicable law.

- The Company is subject to the provisions, limitations and restrictions which apply to companies that receive funding from the OCS, including such restrictions and obligations set forth in The Encouragement of Research and Development in Industry Law 5744-1984 (the "**R&D Law**") and the regulations, rules and procedures promulgated thereunder, including without limitation, the limitations relating to the transfer or other disposition of know-how and/or production rights to third parties and the payment of fees and penalties to the OCS in the event of such disposition.

SECOND AMENDMENT TO CONVERTIBLE NOTES AGREEMENT

This Second Amendment to Convertible Notes Agreement (this "**Amendment**") is made as of February __, 2016 (the "**Effective Date**"), by and among Motus GI Medical Technologies Ltd., a company organized under the laws of the State of Israel, with offices at Keren Hayesod 22 Tirat Carmel, Israel (the "**Company**") and the Purchasers **Schedule I** attached hereto (each, a "**Purchaser**" and together, the "**Purchasers**" and each Purchaser and the Company separately, a "**Party**" and together, the "**Parties**").

WHEREAS,the Company and the Purchasers are parties to a Convertible Notes Agreement dated June 9, 2015 (the "**Original CNA**"), as amended on December 29, 2015 (the "**First Amendment**" and together with the Original CNA, the "**CNA**"), attached hereto as **Exhibit A** (capitalized not defined herein shall have the meaning ascribed to them in the CNA, unless it is specifically provided otherwise); and

WHEREAS,the Company and the Purchasers wish to amend certain terms of the CNA, all under the terms and conditions set forth herein.

NOW THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

1. Notwithstanding the provisions of the CNA, the Parties hereby acknowledge and agree that:

   1.1. Ascent Biomedical Ventures Synecor, L.P. shall assign and transfer all of its rights and obligations in connection with the Third Installment and the Fourth Installment pursuant to the CNA to Ascent Biomedical Ventures II, L.P. (3). Accordingly, Exhibit A of the CNA shall be replaced in its entirety with the attached **Exhibit B**.

   1.2. The Third Installment of Ascent Biomedical Ventures Synecor, L.P. (assigned and transferred as aforementioned) shall be transferred by Ascent Biomedical Ventures II, L.P. (3) to the Company on _____, 2016.

2. All terms and conditions of the CNA (including any of its exhibits) shall remain in full force and effect subject to the provisions of this Amendment, which shall be regarded as an integral part of the CNA. In case of a contradiction between this Amendment and the CNA, the provisions of this Amendment shall prevail.

3. This Amendment may be executed in several counterparts, each of which shall be deemed an original, and all of which taken together shall constitute a single instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

THE COMPANY:

.Motus GI Medical Technologies Ltd

_____:By

:Title

THE PURCHASERS:

Orchestra Medical Ventures II, L.P.

By: _____
Title: _____

Orchestra MOTUS Co-Investment Partners, LLC

By: _____
Title: _____

Ascent Biomedical Ventures II, L.P.(3)

By: _____
Title: _____

Ascent Biomedical Ventures Synecor, L.P.

By: _____
Title: _____

Jacobs Investments Company LLC

By: _____
Title:

[Signature Page 1 to Second Amendment to Convertible Notes Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Joinder as of the date first above written.

THE PURCHASERS:

E. Jeffrey Peierls

By: _____
Title: _____

Brian Eliot Peierls

By: _____
Title: _____

UD E.F. Peierls for Brian E. Peierls

By: _____
Title: _____

UD E.F. Peierls for E. Jeffrey Peierls

By: _____
Title: _____

UD J.N. Peierls for Brian Eliot Peierls

By: _____
Title: _____

UD J.N. Peierls for E. Jeffrey Peierls

By: _____
Title: _____

UW J.N. Peierls for Brian E. Peierls

By: _____
Title: _____

UD Ethel F. Peierls Charitable Lead Trust

By: _____
Title: _____

The Peierls Bypass Trust

By: _____
Title: _____

UD E.S. Peierls for E.F. Peierls et al

By: _____
Title: _____

UW E.S. Peierls for Brian E. Peierls - Accumulation

By: _____
Title: _____

UW E.S. Peierls for E. Jeffrey Peierls - Accumulation

By: _____
Title: _____

UW J.N. Peierls for E. Jeffrey Peierls

By: _____
Title: _____

The Peierls Foundation, Inc.

By: _____
Title: _____

[Signature Page 2 to Second Amendment to Convertible Notes Agreement]

Schedule I

The Purchasers

-

Orchestra Medical Ventures II, L.P.
Orchestra MOTUS Co-Investment Partners, LLC
Ascent Biomedical Ventures II, L.P.(3)
Ascent Biomedical Ventures Synecor, L.P.
Jacobs Investments Company LLC
E. Jeffrey Peierls
Brian Eliot Peierls
THROUGH ACCOUNT AT NORTHERN TRUST:
UD E.F. Peierls for Brian E. Peierls
UD E.F. Peierls for E. Jeffrey Peierls
UD J.N. Peierls for Brian Eliot Peierls
UD J.N. Peierls for E. Jeffrey Peierls
UW J.N. Peierls for Brian E. Peierls
UW J.N. Peierls for E. Jeffrey Peierls
UD Ethel F. Peierls Charitable Lead Trust
The Peierls Bypass Trust
UD E.S. Peierls for E.F. Peierls et al
UW E.S. Peierls for Brian E. Peierls - Accumulation
UW E.S. Peierls for E. Jeffrey Peierls - Accumulation
The Peierls Foundation, Inc.

Exhibit A

CNA

Exhibit B

Amended Exhibit A

EXHIBIT B TO SECOND AMENDMENT TO CNA

Amended Exhibit A

Loan Amount and Notes

Name	Loan Amount	First Installment	Second Installment	Third Installment	Fourth Installment	Address
Orchestra Medical Ventures II, L.P.	US$ 1,239,996	US$ 309,999	US$ 309,999	US$ 309,999	US$ 309,999	
Orchestra MOTUS Co-Investment Partners, LLC	US$ 977,511	US$ 325,837	US$ 325,837	US$ 325,837	US$ 0	
Ascent Biomedical Ventures II, L.P. (3)	US$ 1,665,108	US$ 416,277	US$ 416,277	US$ 624,103	US$ 624,103	
Ascent Biomedical Ventures Synecor, L.P.	US$ 831,304	US$ 207,826	US$ 207,826	US$ 0	US$ 0	
Jacobs Investments Company LLC	US$ 782,032	US$ 195,508	US$ 195,508	US$ 195,508	US$ 195,508	
E. Jeffrey Peierls	US$ 130,000	-	-	US$ 97,500	US$ 32,500	
Brian Eliot Peierls	US$ 80,000	-	-	US$ 60,000	US$ 20,000	
UD E.F. Peierls for Brian E. Peierls	US$ 54,000	-	-	US$ 40,500	US$ 13,500	
UD E.F. Peierls for E. Jeffrey Peierls	US$ 54,000	-	-	US$ 40,500	US$ 13,500	

Name	Loan Amount	First Installment	Second Installment	Third Installment	Fourth Installment	Address
UD J.N. Peierls for Brian Eliot Peierls	US$ 54,000	-	-	US$ 40,500	US$ 13,500	
UD J.N. Peierls for E. Jeffrey Peierls	US$ 54,000	-	-	US$ 40,500	US$ 13,500	
UW J.N. Peierls for Brian E. Peierls	US$ 56,000	-	-	US$ 42,000	US$ 14,000	
UW J.N. Peierls for E. Jeffrey Peierls	US$ 56,000	-	-	US$ 42,000	US$ 14,000	
UD Ethel F. Peierls Charitable Lead Trust	US$ 50,000	-	-	US$ 37,500	US$ 12,500	
The Peierls Bypass Trust	US$ 20,000	-	-	US$ 15,000	US$ 5,000	
UD E.S. Peierls for E.F. Peierls et al	US$ 38,000	-	-	US$ 28,500	US$ 9,500	
UW E.S. Peierls for Brian E. Peierls - Accumulation	US$ 46,000	-	-	US$ 34,500	US$ 11,500	
UW E.S. Peierls for E. Jeffrey Peierls -Accumulation	US$ 28,000	-	-	US$ 21,000	US$ 7,000	
The Peierls Foundation, Inc.	US$ 530,000	-	-	US$ 397,500	US$ 132,500	
Total	**US$ 6,745,951**	**US$ 1,455,447**	**US$ 1,455,447**	**US$ 2,392,947**	**US$ 1,442,110**	

Warrants

Name	First Warrants	Second Warrants	Third Warrants	Fourth Warrants	Total Warrants
Orchestra Medical Ventures II, L.P.	102,300	102,300	102,300	102,300	409,200
Orchestra MOTUS Co-Investment Partners, LLC	107,526	107,526	107,526	0	322,578
Ascent Biomedical Ventures II, L.P. (3)	137,371	137,371	205,954	205,954	686,650
Ascent Biomedical Ventures Synecor, L.P.	68,583	68,583	0	0	137,166
Jacobs Investments Company LLC	64,518	64,518	64,518	64,518	258,072
E. Jeffrey Peierls	-	-	32,175	10,725	42,900
Brian Eliot Peierls	-	-	19,800	6,600	26,400

Name	First Warrants	Second Warrants	Third Warrants	Fourth Warrants	Total Warrants
Brian Eliot Peierls	-	-	19,800	6,600	26,400
UD E.F. Peierls for Brian E. Peierls	-	-	13,365	4,455	17,820
UD E.F. Peierls for E. Jeffrey Peierls	-	-	13,365	4,455	17,820
UD J.N. Peierls for Brian Eliot Peierls	-	-	13,365	4,455	17,820
UD J.N. Peierls for E. Jeffrey Peierls	-	-	13,365	4,455	17,820
UW J.N. Peierls for Brian E. Peierls	-	-	13,860	4,620	18,480
UW J.N. Peierls for E. Jeffrey Peierls	-	-	13,860	4,620	18,480
UD Ethel F. Peierls Charitable Lead Trust	-	-	12,375	4,125	16,500
The Peierls Bypass Trust	-	-	4,950	1,650	6,600
UD E.S. Peierls for E.F. Peierls et al	-	-	9,405	3,135	12,540
UW E.S. Peierls for Brian E. Peierls - Accumulation	-	-	11,385	3,795	15,180
UW E.S. Peierls for E. Jeffrey Peierls - Accumulation	-	-	6,930	2,310	9,240
The Peierls Foundation, Inc.	-	-	131,175	43,725	174,900
Total	**480,298**	**480,298**	**789,673**	**475,897**	**2,226,166**

THIRD AMENDMENT AND JOINDER TO CONVERTIBLE NOTES AGREEMENT

This Third Amendment and Joinder to Convertible Notes Agreement (this "**Joinder**") is made and entered into as of the __ day of July, 2016 (the "**Effective Date**"), by and among Motus GI Medical Technologies Ltd., a company organized under the laws of the State of Israel, with offices at Keren Hayesod 22 Tirat Carmel, Israel (the "**Company**") and the persons and entities listed on **Exhibit A** attached hereto (the "**Purchasers**") (each Purchaser and the Company separately, a "Party", and together, the "**Parties**").

WHEREAS, the Company and the Purchasers are parties to that certain Convertible Notes Agreement dated June 9, 2015, as amended on December 29, 2015 and on February 15, 2016 (collectively, the "**CNA**"), attached hereto as **Exhibit B** (capitalized not defined herein shall have the meaning ascribed to them in the CNA, unless it is specifically provided otherwise); and

WHEREAS, as of the date hereof, the First Installment, the Second Installment, the Third Installment and the Fourth Installment of the Loan Amount, in the aggregate principal amount of US$6,745,951, have been extended in full to the Company; and

WHEREAS, the Company requires additional funds to continue to operate its business; and

WHEREAS, the Board of Directors of the Company (the "**Board**") has decided to raise additional funds by means of convertible loans in accordance with the terms and conditions of the CNA, as amended by this Joinder; and

WHEREAS, the Parties wish to further amend certain terms of the CNA, including the increase of the aggregate Loan Amount to an aggregate principal amount of up to US$11 Million and the extension of additional Loan Amount by the Purchasers listed in **Exhibit C** attached hereto (each, a "**Major Purchaser**" and together, the "**Major Purchasers**") and potentially additional purchasers approved by the Board, all under the terms and conditions set forth herein.

NOW THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

1. Extension of Additional Loan Amounts by the Major Purchasers

Subject to the terms and conditions of this Joinder, each of the Major Purchasers will extend to the Company the additional Loan Amount set forth opposite such Major Purchaser's name in Exhibit C attached hereto (such additional Loan Amounts extended by the Major Purchasers shall be deemed to be part of the "Loan Amount"), to be transferred to the Company in three installments, as follows:

1.1. At the Fifth Closing and subject thereto, each Major Purchaser shall transfer to the Company the amount set forth next to such Major Purchaser's name in the column titled "Fifth Installment" in the table set forth in Exhibit C (the "**Fifth Installment**") and the Company will issue, sell, transfer, assign and deliver to each of the Major Purchasers a convertible note in the form attached hereto as **Exhibit D1** (the "**Fifth Notes**"). In addition, at the Fifth Closing and subject thereto, the Company will issue to each Major Purchaser a warrant to purchase such number of Preferred A Shares as set forth next to such Major Purchaser's name in the column titled "Fifth Warrant" in the table set forth in Exhibit C, all subject to the terms and the conditions of the warrant certificate attached hereto as **Exhibit D2** (the "**Fifth Warrants**").

1.2. At the Sixth Closing (as defined below) and subject thereto, each Major Purchaser shall transfer to the Company the amount set forth next to such Major Purchaser's name in the column titled "Sixth Installment" in the table set forth in Exhibit C (the "**Sixth Installment**") and the Company will issue, sell, transfer, assign and deliver to each of the Major Purchasers a convertible note in the form attached hereto as **Exhibit E1** (the "**Sixth Notes**"). In addition, at the Sixth Closing and subject thereto, the Company will issue to each Major Purchaser a warrant to purchase such number of Preferred A Shares as set forth next to such Major Purchaser's name in the column titled "Sixth Warrant" in the table set forth in Exhibit C, all subject to the terms and the conditions of the warrant certificate attached hereto as **Exhibit E2** (the "**Sixth Warrants**").

1.3. At the Seventh Closing (as defined below) and subject thereto, each Major Purchaser shall transfer to the Company the amount set forth next to such Major Purchaser's name in the column titled "Seventh Installment" in the table set forth in Exhibit C (the "**Seventh Installment**") and the Company will issue, sell, transfer, assign and deliver to each of the Major Purchasers a convertible note in the form attached hereto as **Exhibit F1** (the "**Seventh Notes**"). In addition, at the Seventh Closing and subject thereto, the Company will issue to each Major Purchaser a warrant to purchase such number of Preferred A Shares as set forth next to such Major Purchaser's name in the column titled "Seventh Warrant" in the table set forth in Exhibit C, all subject to the terms and the conditions of the warrant certificate attached hereto as **Exhibit F2** (the "**Seventh Warrants**").

As of the date hereof: (i) the First Notes, the Second Notes, the Third Notes, the Fourth Notes, the Fifth Notes, the Sixth Notes and the Seventh Notes shall be collectively referred to as the "**Notes**"; (ii) The First Warrants, the Second Warrants, the Third Warrants, the Fourth Warrants, the Fifth Warrants, the Sixth Warrants and the Seventh Warrants shall be collectively referred to as the "**Warrants**".

2. Closings

2.1. **Time and Place of the Fifth Closing**. The sale of the Fifth Notes and the issuance of the Fifth Warrants shall take place at a fifth closing (the "**Fifth Closing**") at the offices of Company's counsel, Fischer Behar Chen Well Orion & Co., at Ha-Migdal, 3 Dani'el Frisch St., Tel Aviv, Israel, on July 25, 2016, or at such later time and place as the Company and the Major Purchasers shall mutually agree in writing (the "**Fifth Closing Date**").

2.2. **Deliveries and Transactions at the Fifth Closing.** At the Fifth Closing, the following transactions shall occur simultaneously (no transaction shall be deemed to have been completed or any document delivered until all such transactions have been completed and all required documents delivered):

2.2.1. Board Resolutions. Copies of duly executed resolutions of the Board, in the form attached hereto as **Exhibit 2.2.1** shall be delivered to the Major Purchasers, approving, *inter alia*, the execution, delivery and performance by the Company of this Joinder.

2.2.2. Shareholders Resolutions. Copies of duly executed resolutions of the Company's shareholders, in the form attached hereto as **Exhibit 2.2.2(a)**, shall be delivered to the Major Purchasers, approving, inter alia: (i) the execution, delivery and performance by the Company of this Joinder; and (ii) the replacement of the Company's current Articles of Association with the Fourth Amended and Restated Articles of Association, substantially in the form attached hereto as **Exhibit 2.2.2(b)** (the "**Amended Articles**").

2.2.3. Delivery of Fifth Notes. The Company shall deliver to each Major Purchaser a validly executed Note, in the form of Exhibit D1, reflecting the Fifth Notes purchased by each Major Purchaser hereunder.

2.2.4. Delivery of Fifth Warrants. The Company shall deliver to each Major Purchaser a validly executed Warrant, in the form of Exhibit D2, reflecting the Fifth Warrants of each Major Purchaser.

2.2.5. Amendment and Replacement of Notes. The First Notes, the Second Notes, the Third Notes and the Fourth Notes shall be replaced in their entirety with amended notes in the form attached hereto as **Exhibit G**.

2.2.6. Payment. The Purchasers shall pay to the Company the Fifth Installment, in accordance with Section 1.2 of the CNA.

2.3. **Time and Place of the Sixth Closing.** The sale of the Sixth Notes and the issuance of the Sixth Warrants shall take place at a sixth closing (the "**Sixth Closing**") at the offices of Company's counsel, Fischer Behar Chen Well Orion & Co., at Ha-Migdal, 3 Dani'el Frisch St., Tel Aviv, Israel, on September 15, 2016, or at such other time and place as the Company and the Major Purchasers shall mutually agree in writing (the "**Sixth Closing Date**").

2.4. **Deliveries and Transactions at the Sixth Closing**. At the Sixth Closing, the following transactions shall occur simultaneously (no transaction shall be deemed to have been completed or any document delivered until all such transactions have been completed and all required documents delivered):

2.4.1. Delivery of Sixth Notes. The Company shall deliver to each Major Purchaser a validly executed Note, in the forms of Exhibit E1, reflecting the Sixth Notes purchased by each Major Purchaser hereunder.

2.4.2. Delivery of Sixth Warrants. The Company shall deliver to each Major Purchaser a validly executed Warrant, in the form of Exhibit E2, reflecting the Sixth Warrants of each Major Purchaser.

2.4.3. Payment. The Purchasers shall pay to the Company the Sixth Installment, in accordance with Section 1.2 of the CNA.

2.5. **Time and Place of the Seventh Closing**. The sale of the Seventh Notes and the issuance of the Third Warrants shall take place at a seventh closing (the "**Seventh Closing**") at the offices of Company's counsel, Fischer Behar Chen Well Orion & Co., at Ha-Migdal, 3 Dani'el Frisch St., Tel Aviv, on November 11, 2016, or at such other time and place as the Company and the Major Purchasers shall mutually agree in writing (the "**Seventh Closing Date**").

2.6. **Deliveries and Transactions at the Seventh Closing**. At the Seventh Closing, the following transactions shall occur simultaneously (no transaction shall be deemed to have been completed or any document delivered until all such transactions have been completed and all required documents delivered):

2.6.1. Delivery of Seventh Notes. The Company shall deliver to each Major Purchaser a validly executed Note, in the forms of Exhibit F1, reflecting the Seventh Notes purchased by each Major Purchaser hereunder.

2.6.2. Delivery of Seventh Warrants. The Company shall deliver to each Major Purchaser a validly executed Warrant, in the form of Exhibit F2, reflecting the Seventh Warrants of each Major Purchaser.

2.6.3. Payment. The Purchasers shall pay to the Company the Seventh Installment, in accordance with Section 1.2 of the CNA.

3. Deferred Closing(s)

Subject to the terms and conditions hereof, the Company may consummate an additional closing or series of closings (each, a "**Deferred Closing**") with an additional purchaser or purchasers approved by the Board (each, an "**Additional Purchaser**" and collectively, the "**Additional Purchasers**") on the same terms and conditions set forth in the CNA and this Joinder and the provisions of Section 2.6 of this Joinder shall apply to such Deferred Closing, *mutatis mutandis*; provided that (i) any such Deferred Closing shall occur no later than one hundred and twenty (120) days from the Fifth Closing; and (ii) the aggregate amount to be extended by the Additional Purchasers (the "**Additional Loan Amount**"), together with the aggregate Loan Amount (including, for greater certainty, the additional Loan Amounts to be extended by the Major Purchasers pursuant to the Joinder), shall not exceed US$11 Million. Simultaneously with the consummation of a Deferred Closing, the Additional Purchasers shall execute and deliver to the Company a joinder agreement, pursuant to which each such Additional Purchaser shall become a party to the CNA and this Joinder and for all purposes under the CNA and this Joinder, the Additional Purchaser shall be deemed to be a "Purchaser" and the Additional Loan Amount shall be deemed to be part of the "Loan Amount".

4. **Conditions to Closing by the Major Purchasers.** The Major Purchasers obligation to consummate the transactions contemplated hereby at each Closing is subject to the satisfaction and fulfillment, prior to or at the applicable Closing, of each of the following conditions precedent (any or all of which may be waived, in whole or in part, by each of the Major Purchasers, which waiver shall be at the sole discretion of each Major Purchaser with respect to itself):

4.1. Accurate Representations and Warranties. The representations and warranties of the Company in Section 3 of the CNA, as qualified by the Disclosure Schedule and as amended in Section 7 of the Joinder, shall be true and correct when made and shall be true and correct in all material respects as of the Fifth Closing Date.

4.2. Compliance with Covenants. The Company shall have performed and complied with all of its covenants, agreements and undertakings set forth herein.

4.3. Actions Taken; Delivery of Documents. All the actions to be taken by the Company's shareholders or by the Company as set forth in Section 2.2, 2.4 or 2.6 above, as applicable, above shall have been completed to the satisfaction of the Major Purchasers.

4.4. Proceedings and Documents. All corporate and other proceedings in connection with the transactions contemplated by the Joinder shall be satisfactory in substance and form to the Major Purchasers, and the Major Purchasers shall have received all such counterpart copies of such documents as the Major Purchasers may reasonably request.

5. **Conditions to Closing by the Company.** The Company's obligation to consummate the transactions contemplated hereby at each Closing is subject to the satisfaction and fulfillment, prior to or at the applicable Closing, of each of the following conditions precedent (any or all of which may be waived, in whole or in part, by the Company, which waiver shall be at the sole discretion of the Company):

5.1. Accurate Representations and Warranties. The representations and warranties of the Major Purchasers in Section 4 of the CNA and in Section 8 of the Joinder shall be true and correct when made and shall be true and correct in all material respects as of the applicable Closing Date.

5.2. Compliance with Covenants. The Major Purchasers shall have performed and complied with all of their covenants, agreements, and undertakings as set forth in the CNA and in the Joinder.

5.3. Consents. The Company shall have secured all permits, consents and authorizations that shall be necessary or required lawfully to consummate the transactions contemplated by the Joinder, including without limitation, third party consents and approvals, corporate approvals and waivers from shareholders of the Company entitled to preemptive rights, participation rights, anti-dilution rights or any other similar rights in connection with the transactions contemplated by the Joinder, including without limitation, in connection with the issuance of any securities upon conversion of the Notes and the issuance of any securities upon exercise of the Warrants.

6. Participation in QFR

Notwithstanding anything to the contrary in the Joinder, in the event that at any time prior to the consummation of the Fifth, Sixth and/or Seventh Closing, the Company consummates a QFR (as defined below), then each of the Major Purchasers shall be obligated to participate in such QFR and invest its portion of the Loan Amount not yet extended to the Company in accordance with the CNA and the Joinder (i.e., such Major Purchaser's portion of the Fifth Installment, Sixth Installment and/or Seventh Installment, as applicable) (the **"Major Purchaser's QFR Amount"**), on the same terms and conditions of the QFR (including, for greater certainty, at same price per share). In such event the provisions relating to the consummation of the Fifth Closing, the Sixth Closing and/or Seventh Closing, as applicable, shall terminate and shall have no further force and effect. It is agreed and acknowledged that the participation and investment of the Major Purchaser's QFR Amount in the QFR as described above, shall be deemed as exercise of such Major Purchaser preemption rights (whether such rights exist under the Company's Articles of Association, as amended from time to time, under applicable law or under any other agreement or document, if any), such that the Major Purchaser's QFR Amount shall be deducted from such Major Purchaser pro-rata share (including overallotment pro-rata share) of the investment amount in the QFR.

The term "**QFR**" means the first financing round consummated by the Company after the date hereof, through an equity investment (including an initial public offering but excluding the issuance of any convertible notes, or the issuance of shares upon conversion of such notes), either in one transaction or in a series of related transactions, with an aggregate investment amount of not less than US$3,000,000 (Three Million US Dollars), excluding the outstanding principal amount of the Notes and all accrued and unpaid interest thereon.

7. Representations and Warranties of the Company

7.1. The Company hereby represents and warrants to the Major Purchasers that all representations and warranties set forth in Section 3 of the CNA, as qualified by the Disclosure Schedule and as amended in the Joinder, shall be true and correct in all material respects as of the Fifth Closing Date; provided that any reference in Section 3 of the CNA to the CNA shall also include the Joinder.

7.2. As of the date hereof, Section 3.4 of the CNA shall be deleted in its entirety and replaced with the following:

"3.4 Capitalization. The authorized share capital of the Company immediately prior to the Fifth Closing shall consist of NIS 780,000 divided into (i) 45,000,000 Ordinary Shares, par value NIS 0.01 each, of which 4,271,094 are issued and outstanding, and (ii) 33,000,000 Series A Preferred Shares, par value NIS 0.01 each, of which 13,500,000 are issued and outstanding. An accurate capitalization table listing all of the Company's shares, options, and warrants (or other rights or securities convertible into or exchangeable for shares in the Company (collectively, the "**Equity Securities**") and their respective record holders and, to the knowledge of the Company, beneficial owners on a fully diluted basis is set forth in **Exhibit 3.4** attached hereto (the "**Cap Table**")."

8. Representations and Warranties of the Major Purchasers

Each of the Major Purchasers hereby represents and warrants to the Company and acknowledges that the Company is entering into the Joinder in reliance thereon, that all the representations and warranties set forth in Section 4 of the CNA are true and correct in respect of such Major Purchaser as of the date hereof and shall be true and correct in all material respects as of the Fifth Closing, Sixth Closing and Seventh Closing, provided that any reference in Section 4 of the CNA to the CNA shall also include the Joinder.

9. Miscellaneous

9.1. The headings in this Joinder are for convenience only and shall not be used for purposes of construction.

9.2. All terms and conditions of the CNA (including any of its exhibits) shall remain in full force and effect subject to the provisions of this Joinder, which shall be regarded as an integral part of the CNA. In case of a contradiction between this Joinder and the CNA, the provisions of this Joinder shall prevail.

9.3. This Joinder may be executed in several counterparts, each of which shall be deemed an original, and all of which taken together shall constitute a single instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Third Amendment and Joinder to Convertible Notes Agreement on the date first above written.

Motus GI Medical Technologies Ltd.

By: _____

Title: _____

[Purchasers' Signature Pages to Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Third Amended to Convertible Notes Agreement on the date first above written.

Orchestra Medical Ventures II, L.P.

By: _____
Title: _____

Orchestra MOTUS Co-Investment Partners, LLC

By: _____
Title: _____

Ascent Biomedical Ventures II, L.P.(3)

By: _____
Title: _____

Ascent Biomedical Ventures Synecor, L.P.

By: _____
Title: _____

Jacobs Investments Company LLC

By: _____
Title: _____

IN WITNESS WHEREOF, the parties hereto have executed this Third Amended to Convertible Notes Agreement on the date first above written.

E. Jeffrey Peierls

Brian Eliot Peierls

UD E.F. Peierls for Brian E. Peierls

By: _____
Title: _____

UD E.F. Peierls for E. Jeffrey Peierls

By: _____
Title: _____

UD J.N. Peierls for Brian Eliot Peierls

By: _____
Title: _____

UD J.N. Peierls for E. Jeffrey Peierls

By: _____
Title: _____

UW J.N. Peierls for Brian E. Peierls

By: _____
Title: _____

UD Ethel F. Peierls Charitable Lead Trust

By: _____
Title: _____

The Peierls Bypass Trust

By: _____
Title: _____

UD E.S. Peierls for E.F. Peierls et al

By: _____
Title: _____

UW E.S. Peierls for Brian E. Peierls - Accumulation

By: _____
Title: _____

UW E.S. Peierls for E. Jeffrey Peierls - Accumulation

By: _____
Title: _____

UW J.N. Peierls for E. Jeffrey Peierls

By: _____
Title: _____

The Peierls Foundation, Inc.

By: _____
Title: _____

Exhibit A

Orchestra Medical Ventures II, L.P.

Orchestra MOTUS Co-Investment Partners, LLC

Ascent Biomedical Ventures II, L.P.(3)

Ascent Biomedical Ventures Synecor, L.P.

Jacobs Investments Company LLC

E. Jeffrey Peierls

Brian Eliot Peierls

UD E.F. Peierls for Brian E. Peierls

UD E.F. Peierls for E. Jeffrey Peierls

UD J.N. Peierls for Brian Eliot Peierls

UD J.N. Peierls for E. Jeffrey Peierls

UW J.N. Peierls for Brian E. Peierls

UD Ethel F. Peierls Charitable Lead Trust

The Peierls Bypass Trust

UD E.S. Peierls for E.F. Peierls et al

UW E.S. Peierls for Brian E. Peierls - Accumulation

UW E.S. Peierls for E. Jeffrey Peierls - Accumulation

UW J.N. Peierls for E. Jeffrey Peierls

The Peierls Foundation, Inc.

Exhibit C

Additional Loan Amount and Notes

Name	Additional Loan Amount	Fifth Installment	Sixth Installment	Seventh Installment	Address
Orchestra Medical Ventures II, L.P.	**US$ 898,000**	US$ 315,000	US$ 315,000	US$ 268,000	
Ascent Biomedical Ventures II, L.P. (3)	**US$ 840,000**	US$ 294,000	US$ 294,000	US$ 252,000	
Jacobs Investments Company LLC	**US$ 262,000**	US$ 91,000	US$ 91,000	US$ 80,000	
Total	**US$ 2,000,000**	**US$ 700,000**	**US$ 700,000**	**US$ 600,000**	

Additional Warrants

Name	Fifth Warrants	Sixth Warrants	Seventh Warrants	Total Additional Warrants
Orchestra Medical Ventures II, L.P.	103,950	103,950	88,440	**296,340**
Ascent Biomedical Ventures II, L.P. (3)	97,020	97,020	83,160	**277,200**
Jacobs Investments Company LLC	30,030	30,030	26,400	**86,460**
Total	**231,000**	**231,000**	**198,000**	**660,000**

EXHIBIT D1

_____

Purchaser: _____

Principal Amount: US$_____

CONVERTIBLE

PROMISSORY NOTE

For value received, **Motus GI Medical Technologies Ltd.**, an Israeli company ("**Company**") promises to pay to the Purchaser named above ("**Holder**"), the principal sum stated above (the "**Principal Amount**") in accordance with the terms set forth herein, as follows:

1. **Note Part of a Series**. This Note is being sold by the Company as part of a series of notes issued pursuant to that certain Convertible Notes Agreement dated as of June 9, 2015, by and among the Company and purchasers of such Notes, as amended (the "**CNA**"). The term "**Notes**" shall mean herein all Notes issued under the CNA.

2. **Interest**. Interest shall accrue on the unpaid Principal Amount of this Note from the date of this Note until the actual repayment of all amounts due hereunder, at an annual rate of 10% (ten percent), compounded annually. Interest shall be computed on the basis of a year of 360 days for the actual number of days occurring in the period for which such interest is payable. Upon conversion of the Principal Amount in accordance with the terms hereof, all interest accrued thereon shall be converted together with the Principal Amount or repaid to the Holder in cash, after deduction of all applicable taxes with respect thereto, as shall be determined by the Company, at its sole discretion. The actual amount to be converted in accordance with the Company's election, as specified in the preceding sentence, shall be hereinafter referred to as the "**Conversion Amount**."

3. **Automatic Conversion upon QFR**. To the extent not previously converted or repaid according to the terms specified herein, the Conversion Amount shall be automatically converted, immediately prior and subject to the closing of a QFR (as defined below), on the same terms and conditions applicable to the QFR, such that the Holder shall receive the same type of securities issued, and any other rights granted to the investors in such QFR (the "**QFR Securities**"), under the same terms as if the Holder had participated in the QFR as an investor (including any warrants or any other securities granted to the investors therein), but at a conversion price per share equal to the QFR Conversion Price (as defined below).

It being agreed and acknowledged that (a) the original issue price (or any equivalent term used under the then applicable Articles of Association of the Company) of QFR Securities issued to the Holder shall be set to be the QFR Conversion Price, and any rights that are attached to the QFR Securities issued to the Holder which are determined, derived, calculated, triggered, or otherwise based on the original price of such shares (including, without limitation, liquidation and dividend preferences, anti-dilution rights or the like) shall be determined, calculated, triggered or otherwise based on the actual QFR Conversion Price; and (b) in the event that the QFR Securities also comprise of warrants to purchase, or other securities convertible into, shares of the Company (any such preceding convertible security a "**Convertible Security**"), then (i) upon such conversion, the Holder shall be entitled to receive such number of warrants and/or Convertible Securities of the same class or type that are issued to the investors in the framework of the QFR, in a number which shall be determined using the same warrant and/or Convertible Securities coverage ratio offered to the investors in such QFR, such that the ratio between the shares and the warrants and/or Convertible Securities issued to the Holder shall be equal to the ratio between the shares and the warrants and/or Convertible Securities issued to each investor in such QFR; and (ii) the discount rate reflected in the QFR Conversion Price shall not apply in respect of the exercise price or conversion price (as applicable) of such warrants and/or Convertible Securities.

For example, if the terms of the QFR are as follows:

- The QFR unit price is US$10.
- Each unit is comprised of two (2) Ordinary Shares and one (1) warrant to purchase one (1) Ordinary Share.
- The discount rate reflected in the QFR Conversion Price of the Holder is 10%.
- The exercise price of the warrants issued in the QFR is US$12.
- The Conversion Amount of the Holder is US$1,800.

then, in the framework of such QFR, the Holder shall be issued, upon conversion of the Conversion Amount, 200 Ordinary Shares ((US$1,800))/((1-10%)*US$10)) and 100 warrants to purchase 100 Ordinary Shares (100/2), at an exercise price per share of US$12, while an investor, who is not a holder of Notes, and invests in the QFR the same amount (i.e., US$1,800), shall be issued only 180 Ordinary Shares and 90 warrants to purchase 90 Ordinary Shares, at an exercise price per share of US$12.

The term "**QFR**" means the first financing round consummated by the Company after the date of the Note, through an equity investment (including an initial public offering but excluding the issuance of any convertible notes, or the issuance of shares upon conversion of such notes), either in one transaction or in a series of related transactions, with an aggregate investment amount of not less than US$3,000,000 (Three US Dollars), excluding the outstanding principal amount of the Notes and all accrued and unpaid interest thereon.

The term "**QFR Conversion Price**" means a conversion price reflecting the lower of (i) a 10% discount on the price paid by the investor(s) for the shares issued in the QFR; or (ii) US$1.15 per share. Notwithstanding the foregoing, in the event that the QFR in an initial public offering with gross proceeds to the Company of not less than US$25,000,000 (Twenty Five Million US Dollars) (including the outstanding principal amount of the Notes and all accrued and unpaid interest thereon) (the "**QIPO**"), the QFR Conversion Price shall mean a conversion price reflecting a 50% discount on the price paid for the shares issued in the QIPO and if the price in such QIPO is fixed per each unit offered in the QIPO, the discount shall be applicable to such unit price.

If this Note is converted in accordance with this Section 3, written notice shall be delivered to the Holder of this Note, notifying the Holder of the conversion, specifying the Conversion Amount, the date of such conversion, and the securities issued upon conversion. For the avoidance of doubt, in such event this Note shall be null and void even if not surrendered to the Company.

4. **Automatic Conversion upon M&A Event.** In the event that, prior to the conversion of the Conversion Amount or its repayment according to the terms specified herein, an M&A Event (as defined below) shall occur, then immediately prior and subject to the closing of such M&A Event, the Conversion Amount shall be automatically converted into Series A Preferred Shares, par value NIS 0.01 per share, of the Company (the "**Preferred A Shares** "), at a conversion price equal to the price per share paid by the Company's investors in consideration for the Preferred A Shares (i.e., US$1) (the "**M&A Conversion Price**").

   It being agreed and acknowledged that the original issue price (or any equivalent term used under the then applicable Articles of Association of the Company) of the Preferred A Shares issued to the Holder shall be set to be the M&A Conversion Price, and any rights that are attached to such Preferred A Shares issued to the Holder which are determined, derived, calculated, triggered, or otherwise based on the original price of such shares (including, without limitation, liquidation and dividend preferences, anti-dilution rights or the like) shall be determined, calculated, triggered or otherwise based on the actual M&A Conversion Price.

   The term "**M&A Event**" means (i) a merger or consolidation of the Company in which the Company's shareholders immediately prior to such transaction do not own, directly or indirectly, more than 50% of the share capital of the surviving entity; (ii) the acquisition of more than 50% of the Company's outstanding share capital by a single unaffiliated person, entity or group ,or by persons or entities acting in concert; (iii) the sale or transfer of all or substantially all of the assets of the Company; or (iv) a reverse triangular merger in which the Company is the surviving entity but the shares of the Company's share capital outstanding immediately prior to the merger are converted by virtue of the merger into other property, whether in the form of securities, cash or otherwise.

5. **Voluntary Conversion upon NQFR.** In the event that, prior to the conversion of the Conversion Amount or its repayment according to the terms specified herein, the Company shall consummate a financial round through an equity investment, either in one transaction or in series of transactions (including an initial public offering but excluding the issuance of any convertible notes or the issuance of shares upon conversion of such notes), which is not a QFR (a "**NQFR**"), then the holders of Notes reflecting 70% (Seventy percent) of the aggregate outstanding principal amount of the Notes (the "**Majority Holders**"), shall be entitled, no later than fourteen (14) days prior to the closing of such NQFR, to notify the Company in writing of their choice to convert the entire Conversion Amount of the Notes (the "**Aggregate Conversion Amount**"). In such event the entire Aggregate Conversion Amount shall be converted immediately prior and subject to the closing of the NQFR, on the same terms and conditions specified in Section 3 above ("**Automatic Conversion upon a QFR**"), *mutatis mutandis*. The election of the Majority Holders to convert the entire Aggregate Conversion Amount shall be binding on all of the holders of the Notes and each such holder shall be deemed to have elected to convert its respective portion of the Aggregate Conversion Amount in accordance with the terms and conditions specified herein.

6. **Maturity Date**. If not converted or repaid according to the terms set forth herein until thirty (30) months from the date of this Note (i.e., _____) (the "**Maturity Date**"), then at the Maturity Date the Conversion Amount shall be automatically converted into Preferred A Shares, at a conversion price per share equal to the price per share paid by the Company's investors in consideration for the Preferred A Shares (i.e., US$1) (the "**Maturity Conversion Price**").

   It being agreed and acknowledged that the original issue price (or any equivalent term used under the applicable Articles of Association of the Company) of the Preferred A Shares issued to the Holder shall be set to be the Maturity Conversion Price, and any rights that are attached to such Preferred A Shares issued to the Holder which are determined, derived, calculated, triggered, or otherwise based on the original price of such shares (including, without limitation, liquidation and dividend preferences, anti-dilution rights or the like) shall be determined, calculated, triggered or otherwise based on the actual Maturity Conversion Price.

7. **Event of Default**. In the event that, prior to the conversion of the Conversion Amount or its repayment according to the terms hereunder an Event of Default occurs, then the Conversion Amount shall be, at the election of the Holder, at its sole discretion, either: (i) become immediately due and payable to the Holder in cash; or (ii) converted into Preferred A Shares, at a conversion price per share equal to the price per share paid by the Company's investors in consideration for the Preferred A Shares (i.e., US$1) (the "**Default Conversion Price**").

   It being agreed and acknowledged that the original issue price (or any equivalent term used under the then applicable Articles of Association of the Company) of the Preferred A Shares issued to the Holder shall be set to be the Default Conversion Price, and any rights that are attached to such Preferred A Shares issued to the Holder which are determined, derived, calculated, triggered, or otherwise based on the original price of such shares (including, without limitation, liquidation and dividend preferences, anti-dilution rights or the like) shall be determined, calculated, triggered or otherwise based on the actual Default Conversion Price.

   The term "**Event of Default**" means (a) dissolution, termination of existence, suspension or discontinuance of business or ceasing to operate as going concern for a period of more than thirty (30) days; (b) the appointment of a receiver, trustee, custodian or similar official, for the Company or any material portion of the property or assets of the Company and the continuation of such appointment without dismissal for a period of thirty (30) days or more; (c) the conveyance of any material portion of the assets of the Company to a trustee, mortgage or liquidating agent or an assignment for the benefit of creditors by the Company which is not dismissed within a period of thirty (30) days; (d) the commencement of any proceeding, whether federal or state, relating to bankruptcy, insolvency, dissolution, reorganization, composition, renegotiations of outstanding indebtedness, arrangement or otherwise to the relief or debtors or the readjustment of indebtedness, by or against the Company, which is not stayed, vacated or released within sixty (60) days of commencement; (e) any material breach by the Company of any covenant or obligation in the Note, CAN or any documents and agreements ancillary thereto (the "**Transaction Documents**") which is not cured, if curable, within thirty (30) days following receipt by the Company of a written notice of such breach; (f) any material misrepresentation has occurred in the Transaction Documents, which is not cured, if curable, within thirty (30) days following receipt by the Company of a written notice of such breach; (g) the Company shall fail to make any required payment of interest, principal or otherwise under the Notes, which is not cured within thirty (30) days following receipt by the Company of a written notice of such failure. The Company undertakes to notify the Holder immediately following occurrence of any of the events detailed in clauses (a) to (g) above.

8. **Conversion; Fractional Interests.** Each conversion shall be deemed to have been effected as to this Note (or the specified portion thereof) on the date on which the requirements set forth above in this Note required to be satisfied by the Holder, or the circumstances that are required to exist, have been satisfied as to this Note (or portion thereof), and the person whose name any certificate or certificates for shares shall be issuable upon such conversion shall be deemed to have become on said date the holder of record of the shares represented thereby. No fractional shares or scrip representing fractional shares shall be issued upon conversion of this Note and the number of shares issued shall be rounded to the nearest whole number.

9. **Payments; Taxes**

9.1. Payments. All payments of interest and of principal shall be in U.S. Dollar ("**US$**") or in the New Israeli Shekels ("**NIS**") equivalent. If any payment is paid in a NIS equivalent, it shall be paid in accordance with the representative rate of exchange of the U.S. Dollar against the NIS last published by the Bank of Israel immediately prior to the certain payment date.

9.2. Taxes on Payments. To the extent required pursuant to applicable law, VAT shall be added by the Company to any payment to be made by the Company pursuant to this Note. The Company shall be entitled to deduct and withhold any withholding taxes which the Company determines it is legally required to deduct or withhold from any payment to be made by the Company pursuant to this Note.

10. **Not a Shareholder.** Prior to the conversion of this Note or any portion thereof according to the provisions specified herein, the Holder, in its capacity as an Holder, shall not be entitled to any rights of a shareholder of the Company, including, without limitation, the right to vote or to receive dividends or other distributions, with respect to the Note and the shares issuable upon conversion of the Note.

11. **Miscellaneous**

11.1. Governing Law. This Note shall be deemed to be a contract made under the laws of the State of New York, and for all purposes shall be construed in accordance with the laws of said state, without regard to principles of conflict of laws. Any dispute arising under or in relation to this Agreement shall be resolved exclusively in the competent court in New York New York, and each of the parties hereby irrevocably submits to the exclusive jurisdiction of such court.

11.2. Successors and Assigns. Except as otherwise expressly limited herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors, and administrators of the parties hereto. None of the rights, privileges, or obligations set forth in, arising under, or created by this Note may be assigned or transferred without the prior consent in writing of each party to this Note.

11.3. Delays or Omissions; Waiver. No delay or omission to exercise any right, power, or remedy accruing to either the Company or the Holder upon any breach or default by the other under this Note shall impair any such right or remedy, nor shall it be construed to be a waiver of any such breach or default, or any acquiescence therein or in any similar breach or default thereafter occurring.

11.4. Entire Agreement**.** This Note, when read together with the CNA, contains the entire understanding of the parties with respect to its subject matter and all prior negotiations, discussions, commitments, and understandings heretofore had between them with respect hereto are merged therein. In the case of any discrepancy between the provisions of this Note and the provisions of any other agreement previously entered into by the Company or the Holder, the provisions of this Note and the CNA shall prevail.

11.5. Amendment. Any term of this Note – as well as of all other Notes - may be amended (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and the Majority Holders.

11.6. Headings. All article and section headings herein are inserted for convenience only and shall not modify or affect the construction or interpretation of any provision of this Note.

11.7. Notices. All notices and other communications made pursuant to this Note shall be in writing and shall be conclusively deemed to have been duly given if delivered in accordance with the notice provisions of the CNA.

11.8. Severability. If any provision of this Note is held by a court of competent jurisdiction to be unenforceable under applicable law, then such provision shall be excluded from this Note and the remainder of this Note shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms; provided, however, that in such event this Note shall be interpreted so as to give effect, to the greatest extent consistent with and permitted by applicable law, to the meaning and intention of the excluded provision as determined by such court of competent jurisdiction.

Motus GI Medical Technologies Ltd.

By: _____

Name: _____

Title: _____

NEITHER THIS WARRANT CERTIFICATE NOR THE SHARES ISSUABLE UPON EXERCISE OF THIS WARRANT CERTIFICATE HAVE BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR ANY OTHER SECURITIES ACT, AND THIS WARRANT CERTIFICATE AND THE SHARES ISSUABLE UPON EXERCISE OF THIS WARRANT CERTIFICATE MAY NOT BE SOLD, OFFERED, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH APPLICABLE SECURITIES LAWS AND THE RESTRICTIONS, TERMS AND CONDITIONS SET FORTH HEREIN.

MOTUS GI MEDICAL TECHNOLOGIES LTD.

PREFERRED A SHARES WARRANT CERTIFICATE

To purchase
_____ Preferred A Shares (subject to adjustment) of
Motus GI Medical Technologies Ltd. (the "**Company**")
at a per share price and subject to the terms detailed below
VOID AFTER 17:00 p.m. Israel Standard Time
on the last day of the Warrant Period (as defined below)

THIS IS TO CERTIFY THAT, _____ (the "**Holder**"), is entitled to purchase from the Company, an aggregate of up to _____ (as may be adjusted hereunder) Preferred A Shares of the Company, nominal value NIS 0.01 per share (the " **Warrant Shares**"), at an aggregate purchase price of US$ _____, reflecting an exercise price per share of US$ 1.00 (the "**Exercise Price**"), during the Warrant Period.

This Warrant Certificate (this "**Warrant**") is issued to the Holder in connection with that certain Convertible Notes Agreement dated June 9, 2015 by and among the Company and the Purchasers listed on Exhibit A thereto, as amended (the "**Convertible Notes Agreement**").

1. EXERCISE OF WARRANT

1.1. Warrant Period. This Warrant may be exercised, subject to the terms and conditions hereof, in whole or in part, at one time or from time to time during the period commencing on _____ (the "**Initial Date**") until the earlier of: (i) seven (7) years thereafter (i.e., _____); and (ii) the closing of an Exit Event (as defined in Section 5 below); provided that such Exit Event is consummated within 180 days from the Exit Event Notice (each of (i) or (ii), the "**Expiry Date**"). The period between the Initial Date and the Expiry Date shall be referred to hereinafter as the "**Warrant Period**."

1.2. Exercise for Cash. This Warrant may be exercised by presentation and surrender thereof to the Company at its principal office or at such other office or agency as it may designate from time to time, accompanied by:

(a) A duly executed notice of exercise, in the form attached hereto as **Schedule 1.1** (the "**Exercise Notice**"); and

(b) Payment to the Company, for the account of the Company, of the Exercise Price for the number of Warrant Shares purchased payable in immediately available funds by wire transfer to the Company's bank account. The Exercise Price will be paid in United States Dollars or the equivalent sum in NIS according to the Bank of Israel exchange rate as published upon the date immediately prior to the exercise date.

1.3. Exercise on Net Issuance Basis. In lieu of payment to the Company as set forth in Section 1.1 above, the Holder may elect to exercise this Warrant into the number of Warrant Shares calculated pursuant to the formula below, by presentation and surrender thereof to the Company at its principal office or at such other office or agency it may designate from time to time, accompanied by a duly executed notice of exercise, in the form attached hereto as **Schedule 1.3** (the "**Net Issuance Notice**"):

$$X = \frac{Y*(A - B)}{A}$$

Where:

X = the number of Warrant Shares to be issued to the Holder;

Y = the number of Warrant Shares in respect of which the net issuance election is being made;

A = the Fair Market Value (as defined below) of one Warrant Share; and

B = the Exercise Price of one Warrant Share.

For purposes of this Section 1.3, the "**Fair Market Value**" of one Warrant Share as of a particular date (the **"Determination Date"**) shall be:

(a) If the net issuance right is exercised in connection with and contingent upon an initial public offering of the Company's shares (an "**IPO**"), then the initial "price to public" (i.e., before deduction of discounts, commissions or expenses) specified in the final prospectus or registration statement with respect to such offering.

(b) If the net issuance right is exercised in connection with and contingent upon an Exit Event that is not an IPO, the price per Preferred A Share (or any securities to which the Preferred A Shares have been converted to in accordance with the Company's organizational documents and applicable law) in such Exit Event.

(c) If the net issuance right is not exercised in connection with and contingent upon an Exit Event, then as follows:

(i) If the Preferred A Share (or any securities to which the Preferred A Shares have been converted to in accordance with the Company's organizational documents and applicable law) are traded on a securities exchange, the Fair Market Value shall be deemed to be the average of the closing prices of such shares on such exchange over the fifteen (15) trading days immediately prior to (but not including) the Determination Date;

(ii) If the Preferred A Share (or any securities to which the Preferred A Shares have been converted to in accordance with the Company's organizational documents and applicable law) are quoted for trading on an over-the-counter system, the Fair Market Value shall be deemed to be the average of the closing bid prices of such shares over the fifteen (15) trading days immediately prior to (but not including) the Determination Date; and

(iii) If there is no public market for the Preferred A Shares (or any securities to which the Preferred A Shares have been converted to in accordance with the Company's organizational documents and applicable law), the Fair Market Value of the shares shall be determined in good faith by the Board of Directors of the Company.

1.4. Issuance of Warrant Shares. Upon presentation and surrender of this Warrant, accompanied by (a) the duly executed Exercise Notice and the payment of the applicable Exercise Price for the Warrant Shares being purchased pursuant to Section 1.1 above; or (b) the duly executed Net Issuance Notice pursuant to Section 1.3 above, as the case may be, the Company shall promptly (i) issue to the Holder the Warrant Shares to which the Holder is entitled; and (ii) deliver to the Holder the share certificate evidencing such Warrant Shares.

Upon receipt by the Company of this Warrant and the applicable duly executed notice of exercise (and the Exercise Price for the Warrant Shares being purchased, if applicable), together with any other documents and/or approvals that may be required b y law, the Holder shall be deemed to be the holder of record of the Warrant Shares issuable upon such exercise, notwithstanding that the share transfer books of the Company shall then be closed or that certificates representing such shares shall not then be actually delivered to the Holder.

1.5. Fractional Shares. No fractions of shares shall be issued in connection with the exercise of this Warrant, and the number of shares issued shall be rounded to the nearest whole number.

1.6. Partial Exercise. If this Warrant is exercised in part only, the Company shall, upon surrender of this Warrant for cancellation, execute and deliver a new Warrant evidencing the rights of the Holder to purchase the balance of the Warrant Shares purchasable hereunder.

1.7. Additional Documents. The Holder will sign and deliver any and all documents or approvals required by law, to facilitate the issuance of the Warrant Shares upon exercise of this Warrant.

1.8. Loss or Destruction of Warrant. Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant, and (in the case of loss, theft or destruction) of reasonable reimbursement of expenses and satisfactory indemnification, and upon surrender and cancellation of this Warrant, if mutilated, the Company will execute and deliver a new Warrant of like tenor and date.

2. TAXES

2.1. The Holder acknowledges that the grant of the Warrant, the issuance of the Warrant Shares and the execution and/or performance of this Warrant may have tax consequences to the Holder and that the Company is not able to ensure or represent to the Holder the nature and extent of such tax consequences.

2.2. The Company shall pay all of the applicable taxes and other charges payable by the Company in connection with the issuance of the Warrant Shares and the preparation and delivery of share certificates in the name of the Holder (such as transfer taxes in respect of the issuance or delivery of Warrant Shares upon exercise of this Warrant), if any, but shall not pay any taxes payable by the Holder by virtue of the holding, issuance, exercise, sale of this Warrant or the Warrant Shares by the Holder.

3. RESERVATION OF SHARES; PRESERVATION OF RIGHTS OF HOLDER

3.1. Reservation of Shares. The Company hereby agrees that, at all times prior to the expiration or exercise of this Warrant, it will maintain and reserve, free from pre-emptive or similar rights, such number of authorized but unissued shares so that this Warrant may be exercised without additional authorization of shares.

3.2. Preservation of Rights. The Company will not, by amendment of its organizational documents or through reorganization, recapitalization, consolidation, merger, dissolution, transfer of assets, issue or sale of securities or any other voluntary act, avoid or seek to avoid the observance or performance of any of the covenants, stipulations, conditions or terms to be observed or performed hereunder, but will at all times in good faith assist in the carrying out of all the provisions hereof and in taking of all such actions and making all such adjustments as may be necessary or appropriate in order to fulfill the provisions hereof.

4. ADJUSTMENT

4.1. The number of Warrant Shares purchasable upon the exercise of this Warrant and the Exercise Price shall be subject to adjustment from time to time or upon exercise, as follows:

(a) Bonus Shares. In the event that during the Warrant Period the Company shall distribute a non-cash dividend or shares pursuant to a reclassification of its share capital, to all of the holders of shares of the Company (i.e., bonus shares), then this Warrant shall represent the right to acquire, in addition to the number of Warrant Shares indicated in the caption of this Warrant, the amount of such bonus shares that are distributed to persons holding the class of share capital for which the Warrant is exercisable and/or to receive the stock dividends which are distributed to persons holding the class of share capital for which the Warrant is exercisable, without payment of any additional consideration therefor, to which the Holder would have been entitled had this Warrant been exercised prior to the distribution of the stock dividends or the bonus shares.

(b) Consolidation and Division. In the event that during the Warrant Period the Company consolidates its share capital into shares of greater par value, or subdivides them into shares of lesser par value, then the number of Warrant Shares to be allotted on exercise of this Warrant after such consolidation or subdivision shall be reduced or increased accordingly, as the case may be, and in each case the Exercise Price shall be adjusted appropriately such that the aggregate consideration hereunder to the Company shall not change.

(c) Capital Reorganization. In the event that during the Warrant Period a reorganization of the share capital of the Company is effected (other than subdivision, combination or reclassification provided for elsewhere in this Section 4) and the Preferred A Shares are exchanged for other securities of the Company, then, as part of such reorganization, provision shall be made so that the Holder shall be entitled to purchase upon exercise of this Warrant such kind and number of shares or other securities of the Company to which the Holder would have been entitled had this Warrant been exercised without taking into effect such reorganization.

4.2. Whenever an adjustment is effected hereunder, the Company shall promptly compute such adjustment and deliver to the Holder a certificate setting forth the number of Warrant Shares (or any other securities) for which this Warrant is exercisable and the Exercise Price as a result of such adjustment, a brief statement of the facts requiring such adjustment and the computation thereof and when such adjustment has or will become effective.

4.3. Except as otherwise provided herein, Sections 4.1(a) to 4.1(c) hereof are intended to operate independently of one another. If an event occurs that requires the application of more than one subsection, all applicable subsections shall be given independent effect, but there shall be no duplicate adjustments if two separate subsections provide the same protection.

4.4. Notices of Certain Transactions. In case:

(a) the Company shall take a record of the holders of its Preferred A Shares (or other stock or securities at the time deliverable upon the exercise of this Warrant) for the purpose of entitling or enabling them to receive any dividend or other distribution, or

(b) of the voluntary or involuntary dissolution, liquidation or winding-up of the Company then, and in each such case, the Company will mail or cause to be mailed to the Holder a notice specifying, as the case may be, (i) the date on which a record is to be taken for the purpose of such dividend or distribution, and stating the amount and character of such dividend or distribution, or (ii) the effective date on which such voluntary dissolution, liquidation or winding-up is to take place, and the time, if any is to be fixed, as of which the holders of record of Shares (or such other shares or securities at the time deliverable upon such voluntary dissolution, liquidation or winding-up) are to be determined. Such notice shall be mailed at least seven (7) days prior to the record date or effective date for the event specified in such notice.

5. EXERCISE OF THE WARRANT UPON AN EXIT EVENT

Notwithstanding anything to the contrary in this Warrant, if at any time during the Warrant Period, the Company consummates an Exit Event, or at the discretion of the Board of Directors of the Company, in the event that the Company believes that an Exit Event is likely to be consummated during such period, the Company shall provide written notice of such Exit Event (or, if applicable, an anticipated Exit Event) to the Holder (the "Exit Event Notice"). Within fourteen (14) days after Holder's receipt of the Exit Event Notice, Holder must notify the Company if it intends to exercise this Warrant pursuant to Section 1.2 or 1.3 of this Warrant, in which case such exercise shall be effective contingent upon and immediately prior to the consummation of the Exit Event. Thereafter, so long as the Company consummates such Exit Event within one hundred and eighty (180) days after Holder's receipt of the Exit Event Notice (to the extent the Exit Event shall not have occurred prior to the Exit Event Notice), Holder shall have no further rights hereunder and this Warrant shall be automatically terminated if not so exercised. If the Company fails to consummate such Exit Event within such time, then this Warrant shall remain in effect subject to the provisions contained herein

For the purposes hereof, an "Exit Event" shall mean the closing of (i) an initial public offering; (ii) a merger of the Company with or into another corporation, (iii) an acquisition of all or substantially all of the shares of the Company, (iv) the sale or license of all or substantially all of the assets of the Company, any with respect to (ii)-(iv), other than a merger or transaction in which the persons that beneficially owned, directly or indirectly, a majority of the share capital of the Company immediately prior to such merger or transaction, beneficially own, directly or indirectly, a majority of the total shares of capital stock of the surviving or transferee entity.

6. RIGHTS OF THE HOLDER

6.1. This Warrant shall not entitle the Holder, by virtue hereof, to any voting rights or other rights as a shareholder of the Company, except for the rights expressly set forth herein.

6.2. The Holder acknowledges that the Warrant Shares shall be subject to such rights, privileges, restrictions and limitations as set forth in this Warrant and the organizational documents of the Company (or any other agreement with respect thereto), as may be amended from time to time, and that, as a result, *inter alia*, of such limitations, it may be difficult or impossible for the Holder to realize his investment and/or to sell or otherwise transfer the Warrant Shares. The Holder further acknowledges that the Company's shares are not publicly traded.

7. TERMINATION

Notwithstanding anything to the contrary, this Warrant and all the rights conferred hereby shall terminate and expire at the aforementioned time on the Expiry Date.

8. MISCELLANEOUS

8.1. Entire Agreement; Amendment. This Warrant sets forth the entire understanding of the parties with respect to the subject matter hereof and supersedes all existing agreements among them concerning such subject matter. All article and section headings herein are inserted for convenience only and shall not modify or affect the construction or interpretation of any provision of this Warrant. Subject to Section 8.8 below, no modification or amendment of this Warrant will be valid unless executed in writing by the Company and the Holder.

8.2. Waiver. No failure or delay on the part of any of the parties in exercising any right, power or privilege hereunder and/or under any applicable law or the exercise of such right or power in a manner inconsistent with the provisions of this Warrant or applicable law shall operate as a waiver thereof. Any waiver must be evidenced in writing signed by the party against whom the waiver is sought to be enforced.

8.3. Successors and Assigns; Assignment. Except as otherwise expressly limited herein, this Warrant shall inure to the benefit of, be binding upon, and be enforceable by the Holder and its respective successors, and administrators and is otherwise non-transferable without the prior consent of the Company. The Holder represents and warrants to the Company that this Warrant and the Warrant Shares, if and when purchased by the Holder, are for the Holder's own account and for investment purposes only and not with a view for resale or transfer and that all the rights pertaining to the Warrant or the Warrant Shares, by law or equity, shall be purchased and possessed by the Holder for the Holder exclusively.

8.4. Governing Law. This Warrant shall be exclusively governed and construed in accordance with the laws of the State of New York, without regard to conflicts of laws provisions thereof.

8.5. Notices. All notices and other communications made pursuant to this Warrant shall be in writing and shall be conclusively deemed to have been duly given if delivered in accordance with the notice provisions of the Convertible Notes Agreement.

8.6. Severability. If any provision of this Warrant is held by a court of competent jurisdiction to be unenforceable under applicable law, then such provision shall be excluded from this Warrant and the remainder of this Warrant shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms; provided, however, that in such event this Warrant shall be interpreted so as to give effect, to the greatest extent consistent with and permitted by applicable law, to the meaning and intention of the excluded provision as determined by such court of competent jurisdiction.

8.7. Counterparts. This Warrant may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument. Facsimile or electronic signatures of a party shall be binding as evidence of such party's agreement hereto and acceptance hereof.

8.8. Amendments. To the extent that any amendment(s) to the Convertible Notes Agreement or the transactions contemplated thereby result in a required amendment to the terms of this Warrant, this Warrant shall be deemed amended to the extent that the amendment(s) to the Convertible Notes Agreement are completed in accordance with the terms thereof.

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized.

Dated: _____

Motus GI Medical Technologies Ltd.

Signature: _____
Name: _____
Title: _____

Schedule 1.2

Exercise Notice

Date: _____

To: Motus GI Medical Technologies Ltd.

The undersigned, pursuant to the provisions set forth in the Warrant to which this Exercise Notice is attached (the "**Warrant**"), hereby elects to purchase _____ Warrant Shares (as such term is defined in the Warrant) pursuant to Section 1.1 of the Warrant, and herewith makes payment of _____, representing the full Exercise Price for such shares as provided for in such Warrant.

The undersigned hereby irrevocably directs that the said shares (or such other securities into which the Warrant is exercisable) be issued and registered in the name of the undersigned, as set forth below.

Names	Address	No. of Shares

Signature: _____

Address: _____

Schedule 1.3

Net Issuance Notice

Date: _____

To: Motus GI Medical Technologies Ltd.

The undersigned, pursuant to the provisions set forth in the Warrant to which this Exercise Notice is attached (the "**Warrant**"), hereby elects to exercise the Warrant for the purchase of Warrant Shares (as such term is defined in the Warrant), pursuant to the provisions of Section 1.3 of the Warrant.

The undersigned hereby irrevocably directs that the said shares (or such other securities into which the Warrant is exercisable) be issued and registered in the name of the undersigned, as set forth below.

Names	Address	No. of Shares

Signature: _____

Address: _____

EXHIBIT 2.2.2(b)

FOURTH AMENDED AND RESTATED ARTICLES OF ASSOCIATION

OF

MOTUS GI MEDICAL TECHNOLIGIES, LTD.

A PRIVATE COMPANY LIMITED BY SHARES

UNDER THE COMPANIES LAW, 5759-1999

*** * * ***

1. Definitions; Interpretation.

1.1 Definitions

In these Articles of Association, the following terms shall have the meaning appearing opposite them, unless another interpretation is expressly stated herein:

"**ABV**"-	means Ascent Biomedical Ventures II L.P., Ascent Biomedical Ventures Synecor, L.P., and all of their respective limited and general partners, members and any Permitted Transferee and any Permitted Transferee thereof of any of the foregoing;
"**ABV Director**"-	means the Director appointed by ABV except as otherwise provided for herein in Article 40;
"**Affiliates**" -	means, with respect to any Person, any other Person, directly or indirectly, through one or more intermediary Persons, controlling, controlled by or under common control with such Person;
"**Annual General Meeting**"-	means the annual general meeting of the Company's shareholders (if convened);
"**Articles**" -	means these Articles of Association, as amended from time to time;
"**ATI**" -	means Accelerated Technologies, Inc.;
"**Board**" or -	
"**Board of Directors**" -	means the Board of Directors of the Company;

"**Chairman**"-	means the Chairman of the Board of Directors as set forth in Article 50 herein;
"**Company**" -	means Motus GI Medical Technologies, Ltd.;
"**Companies Law**" -	means the Israeli Companies Law, 5759-1999, as the same shall be amended from time to time;
"**Conversion Notice**"	has the meaning set forth in Article 5(c).
"**Conversion Price**"	has the meaning set forth in Article 5(d).
"**Deemed Issuance**"	Deemed Issuance shall mean the issuance of options to purchase or rights to subscribe to any Additional Shares, or securities by their terms convertible of exchangeable for Additional Shares, or options to purchase or rights to subscribe to such convertible or exchangeable securities, which may be exercised of converted into Additional Shares;
"**Director**" -	means a member of the Board of Directors;
"Excluded Securities"	has the meaning set forth in Article 5(d)(ii)(G);
"**Extraordinary General Meeting(s)**" -	has the meaning set forth in Article 25;
"**Founder**" -	means Boris Shtul Identity number 307247049 and NGT to the extent pertaining to the Ordinary Shares held by NGT;
"**General Meeting(s)**" -	means either an Annual General Meeting or an Extraordinary General Meeting;
"**IPO**" -	means the closing of a bona fide initial underwritten offering of the Company's securities to the public on a recognized exchange (e.g. NASDAQ, AIM), pursuant to a registration statement under the U.S. Securities Act of 1933, as amended, the Israeli Securities Law - 1968, or similar securities laws of another jurisdiction;
"**Jacobs**" -	means Jacobs Investments LLC and any Permitted Transferee thereof;
"**NGT**"-	means N.G.T. New Generation Technologies Ltd. and any Permitted Transferee thereof;
"**NGT Director(s)**"-	means the Director appointed by NGT;

"**Office Holder**" -	means every Director and every officer of the Company, including without limitation, each of the persons defined as "*Nosei Misra*" in the Companies Law;
"**Orchestra**" -	means Orchestra Medical Ventures II, Orchestra Medical Ventures II Annex, Orchestra Medical Ventures GP, LLC, Orchestra Motus Co-Investment Partners LLC and all of their respective limited and general partners, members and any Permitted Transferee of any of the foregoing;
"**Orchestra Director(s)**"-	means the Director(s) appointed by Orchestra except as otherwise provided for herein in Article 40;
"**Ordinary Director**"-	means the Director appointed by the holders of the majority of the issued and outstanding Ordinary Shares;
"**Ordinary Shares**" -	means the Company's Ordinary Shares, nominal value NIS 0.01 each;
"**Original Issue Price**" -	means, with respect to a Preferred Share, the Price Per Share (subject to adjustment in the event of share splits, share dividends, reclassifications and other like events);
"**Permitted Transferee**" -	means, with respect to: (A) any shareholder: (i) any member of such shareholder's immediate family (including, with respect to Boris Shtul, Ms. Alexandra Pevzner I.D 307285841); (ii) any Person Affiliated with such shareholder subject to the approval of the Board which approval shall not be unreasonably withheld; (iii) any fund, or any beneficiary of any trust or any account or arrangement managed by such shareholder or by the general partner or managing entity of such shareholder, or by an affiliate thereof; (iv) any shareholder, member or other equity holder of such shareholder; or (B) with respect to Orchestra or ABV: any member, general partner or any limited partner of Orchestra or ABV, respectively; or (C) with respect to NGT: (i) any affiliate entity of NGT that shall be established pursuant to restructuring and/or reorganization of NGT or any transfer/sale of NGT's holdings to other entity controlled by NGT's shareholders pursuant to an assets purchase agreement or a merger; or (ii) NGT's, employees and consultants (each in this subsection (ii), an "**NGT Transferee**"), provided that a transfer(s) to such NGT's Transferee shall be limited to the aggregate amount of 300,000 Ordinary Shares of the Company and that such NGT's Transferee assumes NGT's rights and obligations towards the Company and/or its shareholders and is subject to the provisions of these Articles, as applicable;

"**Person**" -	means an individual, corporation, partnership, joint venture, trust, and any other body corporate or unincorporated organization;
"**Preferred Shareholder(s)**" -	means the holders of the Preferred Shares;
"**Preferred Share(s)**" -	means the Company's Series A Preferred Shares, nominal value NIS 0.01 each;
"**Price Per Share**" -	means, with respect to a Preferred Share, the price actually paid for such Preferred Share upon the issuance thereof;
"Qualified IPO"-	means the Company's IPO at a price per share which is at least 5 (five) times the Original Issue Price (adjusted for share combinations or splits or other recapitalizations of the Company's Shares), yielding gross proceeds to the Company of at least US$30,000,000 (Thirty Million US Dollars);
"**Register of Shareholders**" -	means the register of shareholders that must be maintained pursuant to Section 127 of the Companies Law;
"**Series A Director(s)**" -	means any of the Orchestra Director(s), the ABV Director and or the NGT director;
"**Series A Investors**" -	means the purchasers of Series A Preferred Shares under the Series A Share Purchase Agreement;
"**Series A SPA**" –	means the Series A Share Purchase Agreement dated September 15, 2011 entered into between the Company and each of the purchasers of Series A Preferred Shares thereunder; and
"**Year**" and "**Month**" -	a Gregorian month or year.

1.2 Interpretation

(a) Any capitalized term used but not otherwise defined in these Articles shall have the meaning ascribed to it in the Companies Law.

(b) Words and expressions importing the singular shall include the plural and vice versa; words and expressions importing the masculine gender shall include the feminine gender; and words and expressions importing persons shall include bodies corporate.

(c) The captions used in these Articles are for convenience only and shall not be deemed a part hereof or affect the construction of any portion hereof.

(d) Any use, reference or application of the terms "**conversion**", "**convert**", "**convertible**" or "**converting**" of Preferred Shares as detailed in these Articles shall be deemed to include conversion by way of reclassification to the extent reasonably applicable in the context.

(e) For the purposes of these Articles the phrase "**on an as-converted basis**" means that with respect to any given right in question, and for any calculation of shareholding in the Company, Preferred Shares shall be calculated as, and shall have the effect of, such number of Ordinary Shares into which such Preferred Shares are convertible at that time.

(f) All shares held (beneficially or of record), at the time of applicable calculation, by shareholders who are Permitted Transferees (including Affiliates) of each other, shall be aggregated together for the purpose of determining the availability to such holders of any rights under these Articles, and such rights – to the extent they are determined to be available at such time - may be exercised (up to the maximum extent so determined to be available in the aggregate to all such shareholders) by any, some or all of such shareholders who are Permitted Transferees (including Affiliates) of each other.

(g) In the event of a conflict between by English version of these Articles and the Hebrew version thereof, the English version shall govern.

2. Private Company; Objects of the Company

2.1 The Company is a private company, and accordingly:

(a) The Company may not offer its securities to the public.

(b) The right to transfer shares of the Company is restricted as provided in these Articles.

2.2 The number of shareholders of the Company at any time (other than employees or former employees of the Company who continue to be shareholders of the Company) shall not exceed 50; provided, however, that if two or more individuals hold a share or shares of the Company jointly, they shall be deemed to be one shareholder for purposes of this Article.

2.3 The objects of the Company shall be to engage in any lawful activity.

2.4 The Company may contribute reasonable amounts for any suitable purpose or categories of purposes even if such contributions do not fall within business considerations of the Company. The Board of Directors may determine the amounts of the contributions, the purpose or categories of purposes for which the contribution is to be made, and the identity of the recipient of any contribution.

3. Limitation of Liability. The liability of the shareholders is limited to the payment of the nominal value of the shares in the Company held thereby, and which remains unpaid, and only to that amount. If the Company's share capital shall at any time include shares without a nominal value, the liability of the holders of such shares shall be limited to the payment of up to NIS 0.01 for each such share held thereby, and which remains unpaid, and only to that amount.

SHARE CAPITAL

4. Share Capital

4.1 The authorized share capital of the Company is seven hundred eighty thousand New Israeli Shekels (NIS 780,000) divided into forty five million (45,000,000) Ordinary Shares, of nominal value NIS 0.01 each, and thirty three million (33,000,000) Series A Preferred Shares, of nominal value NIS 0.01 each.

4.2 The Preferred Shareholders shall have the rights, preference, privileges and restrictions granted to and imposed on the Preferred Shares as may be specifically indicated in these Articles and/or as the context may reasonably require. The Ordinary Shares shall have the rights and restrictions granted to and imposed on the same as set forth in these Articles.

4.3 The holders of Ordinary Shares are each entitled to receive notices of, and to attend, General Meetings of the shareholders of the Company, and for each share held, to one vote at such meetings for all purposes, and, subject to Article 54 hereof, to share in such dividends as may be declared in accordance with these Articles out of funds legally available therefore, and, subject to Articles 73 and 74 hereof, upon liquidation or dissolution, to share in the assets of the Company legally available for distribution to the shareholders after payment of all debts and other liabilities of the Company.

5. The Preferred Shares

The Preferred Shares confer on the holders thereof all rights accruing to holders of Ordinary Shares in the Company, and in addition, bear the following rights:

(a) Subject to any provisions hereof conferring special rights as to voting, or restricting the right to vote, every holder of Preferred Shares shall have one vote for each Ordinary Share into which the Preferred Shares held by him of record could be converted (as provided in this Article), on every resolution, without regard to whether the vote thereon is conducted by a show of hands, by written ballot or by any other means. The Preferred Shareholder shall be entitled to vote, together with the holders of Ordinary Shares. Except as provided otherwise in these Articles or as otherwise provided by law, the Preferred Shareholders shall vote together with the holders of the Ordinary Shares as a single class (on an as-converted basis).

(b) Each Preferred Share shall be initially convertible at the option of the holder thereof, at any time after the date of issuance of such share, at the registered office of the Company ("**Office**"), into such number of fully paid and non-assessable Ordinary Shares as is determined by dividing the applicable Original Issue Price by the applicable Conversion Price and subject to adjustment under Article 5(d)) at the time in effect for such share. Furthermore, each Preferred Share shall be converted into such number of fully paid and non-assessable Ordinary Shares as is determined by dividing the applicable Original Issue Price by the applicable Conversion Price and subject to adjustment under Article 5(d)) at the time in effect for such share immediately prior to the closing of a Qualified IPO.

(c) Before any holder of Preferred Shares shall be entitled (in the case of a conversion at such holder's option) to convert the same into Ordinary Shares, he/she/it shall surrender the certificate or certificates therefor, duly endorsed, at the Office, and shall give written notice by mail, postage prepaid, to the Company at its principal corporate office, of the election to convert the same and shall state therein the name or names of any nominee for such holder in which the certificate or certificates for Ordinary Shares are to be issued. In the event that any Preferred Shareholder holding conversion rights pursuant to Article 5 elects to convert any of its Preferred Shares into Ordinary Shares such shareholder shall surrender the certificate or certificates representing such shares, to the Office, and shall give written notice to the Company at its Office, accompanied with a detailed written explanation as to how many Preferred Shares the Preferred Shareholder wishes to reclassify ("**Conversion Notice**"). Within a reasonable time after the receipt of the Conversion Notice by the Company, the Company shall seek any shareholders' resolutions necessary to effectuate any such conversion by reclassification (if any). If no shareholders resolutions are required to give effect to such reclassification, such reclassification shall be deemed to have been effected immediately prior to the close of business on the date on which the Company received the Conversion Notice, or such later date as may be detailed in the Conversion Notice. However, if such reclassification requires an additional shareholders resolution(s), then in such event, such reclassification shall be deemed to have been effected immediately upon the adoption of the said resolution(s) or such later date as may be detailed in the Conversion Notice. The Company shall, as soon as practicable after the conversion by reclassification and tender of the certificate for the shares converted by reclassification, against the receipt of the original share certificate, issue and deliver a certificate or certificates for the number of Ordinary Shares to which such shareholder shall be entitled as a result of the aforesaid and shall indicate the same in the Register of Shareholders. If the conversion is in connection with a an IPO, then the conversion shall be deemed to have taken place automatically upon the reclassification of Preferred Shares into Ordinary Shares regardless of whether the certificates representing such shares have been tendered to the Company, but from and after such conversion any such certificates not tendered to the Company shall be deemed to evidence solely the Ordinary Shares received upon such conversion and the right to receive a certificate for such Ordinary Shares. If the conversion is in connection with a an IPO, the conversion may, at the option of any holder tendering Preferred Shares for conversion, be conditioned upon the closing with the underwriter of the sale of securities pursuant to such offering, in which event the person(s) entitled to receive the Ordinary Shares issuable upon such conversion of the Preferred Shares shall not be deemed to have converted such Preferred Shares until immediately prior to the closing of such offer of securities. The Company shall, as soon as practicable after the conversion and tender of the certificate for the Preferred Shares converted, issue and deliver at such office to such holder of Preferred Shares or to the nominee or nominees of such holder of Preferred Shares, a certificate or certificates for the number of Ordinary Shares to which such holder shall be entitled as aforesaid. In the event that at any time the Company receives a Conversion Notice or in the event of a Qualified IPO or any other conversion by reclassification contemplated in Article 5, each shareholder shall execute any document and/or resolution requested by the Company reasonably necessary in order to give effect to the reclassification privileges as set forth in Article 5.

(d) The initial conversion price for the Preferred Shares shall be the Original Issue Price (subject to any adjustments under this Article 5(d)) (the "**Conversion Price**"). The Conversion Price shall be adjusted from time to time as follows:

(i) (A) Upon each issuance (or Deemed Issuance, as defined above) by the Company of any Additional Shares (as defined below) at a price per share less than the applicable Conversion Price then in effect, except for an issuance described in Article 5(d)(iv) below, such Conversion Price will be reduced, for no additional consideration, in accordance with a weighted average anti-dilution formula, to a price (calculated to the nearest cent) determined by the following formula :

$$CP_2 = CP_1 * (A+B) / (A+C)$$

CP_2 = New Series A Conversion Price following the issuance of Additional Shares

CP_1 = Series A Conversion Price in effect immediately prior to the new issuance of Additional Shares

A = Number of Ordinary Shares deemed to be outstanding immediately prior to new issue of Additional Shares on an as converted basis, treating for this purpose as outstanding all Ordinary Shares issuable upon conversion of all issued Preferred Shares and all Ordinary Shares issuable upon conversion or exercise of any other then currently outstanding convertible securities, warrants or options, but such number of Ordinary Shares shall not include any convertible securities converting into the then applicable Additional Shares.

B = Aggregate consideration received by the Company with respect to the new issue of Additional Shares divided by CP_1. (i.e. Aggregate consideration / CP_1)

C = Number of Additional Shares issued

(B) No adjustments to the Conversion Price shall be made in an amount less than one agura (NIS 0.01) per share. No adjustment to the Conversion Price shall be made if it has the effect of increasing the Conversion Price beyond the applicable Conversion Price immediately prior to such adjustment.

(C) The consideration for the issuance of Additional Shares in the case of the issuance of Additional Shares for cash shall be deemed to be the amount of cash received therefor. In the case of the issuance of the Additional Shares for consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair value thereof as determined by the Board of Directors in good-faith. In the case of a Deemed Issuance of Additional Shares, the consideration for the Additional Shares shall be deemed to be the aggregate consideration received by the Company on the issuance of the securities themselves, taken together with any additional consideration (if any) to be paid to the Company on the exercise or conversion of the securities.

(D) In the case of the issuance of options to purchase or rights to subscribe for Ordinary Shares, or securities by their terms convertible into or exchangeable for Ordinary Shares or options to purchase or rights to subscribe for such convertible or exchangeable securities, the aggregate maximum number of Ordinary Shares deliverable upon exercise (assuming the satisfaction of any conditions to exercise, including without limitation, the passage of time, but without taking into account potential anti-dilution adjustments) of such options to purchase or rights to subscribe for Ordinary Shares, or upon the exchange or conversion of such security, shall be deemed to be Additional Shares issued at the time of the issuance of such options, rights or securities, at a consideration equal to the consideration (determined in the manner provided in Sub-article (d)(i)(C)), received by the Company upon the issuance of such options, rights or securities plus any additional consideration payable to the Company pursuant to the term of such options, rights or securities (without taking into account potential anti-dilution adjustments) for the Ordinary Shares covered thereby; provided, however, that if any options as to which an adjustment to the Conversion Price has been made pursuant to this Article 4(d)(i)(D) expire without having been exercised, then the Conversion Price shall be readjusted as if such options had not been issued (without any effect, however, on adjustments to the Conversion Price as a result of other events described in this Article).

(E) For purpose of Sub-article (d)(i) hereof, the consideration for any Additional Shares shall be taken into account at the U.S. Dollar equivalent thereof, on the day such Additional Shares are issued or deemed to be issued pursuant to Sub-article (d)(i)(D).

(ii) "**Additional Shares**" shall mean any Ordinary Shares issued, or deemed to have been issued pursuant to Subarticle (d)(i)(D), by the Company other than:

(A) Ordinary Shares or Preferred Shares issued or issuable upon a *pro-rata* share split, share dividend, or any subdivision of Ordinary Shares pursuant to a transaction described in Subarticles (d)(iii) or (d)(iv) hereof.

(B) Ordinary Shares (or options to purchase such Ordinary Shares) issued or issuable to employees, directors, consultants of the Company or other persons (including without limitation, corporate entities) pursuant to any option plan approved by the Board of Directors including an Orchestra Director and an ABV Director.

(C) Securities issuable upon conversion of any of the Preferred Shares, or as a dividend or distribution on the Preferred Shares.

(D) Securities issued upon the conversion of any debenture, warrant, option, or other convertible security (the issuance of which did not cause an adjustment hereunder).

(E) Any Ordinary Shares issuable to ATI pursuant to the Consulting Services Agreement between the Company and ATI dated September 15, 2011.

(F) Preferred Shares issuable in the Second Milestone Closing, Third Milestone Closing or Final Milestone Closing of the Series A SPA (as such terms are defined therein), including any shares issuable pursuant to any acceleration of any of the aforementioned closings, or pursuant to Section 2.2.6 of the Series A SPA, or Ordinary Share issued to or reclassified into Ordinary Shares for a Defaulting Purchaser under the Series A SPA.

(G) Securities issued by the Company in connection with an IPO or a Qualified IPO.

(I) Securities constituting not more than 5% of Ordinary Shares, calculated on a fully diluted as converted basis, to a strategic investor (as determined as such by the Board including an Orchestra Director and an ABV Director).

sub-Articles 5 (d)(ii) (A)-(G) inclusive, collectively referred to as "**Excluded Securities**".

(iii) If the Company subdivides or combines its Ordinary Shares, the Conversion Price shall be proportionately reduced, in case of subdivision of shares, as at the effective date of such subdivision, or if the Company fixes a record date for the purpose of so subdividing, as at such record date, whichever is earlier, or shall be proportionately increased, in the case of combination of shares, as at the effective date of such combination, or, if the Company fixes a record date for the purpose of so combining, as at such record date, whichever is earlier.

(iv) If the Company at any time pays a dividend, with respect to its Ordinary Shares only, payable in additional shares of Ordinary Shares or other securities or rights convertible into, or entitling the holder thereof to receive directly or indirectly, additional shares of Ordinary Shares, without any comparable payment or distribution to the holders of Preferred Shares (hereinafter referred to as "**Ordinary Shares Equivalents**"), then the Conversion Price shall be adjusted as at the date the Company fixes as a record date for the purpose of receiving such dividend (or if no such record date is fixed, as at the date of such payment) to that price determined by multiplying the applicable Conversion Price in effect immediately prior to such record date (or if no record date is fixed then immediately prior to such payment) by a fraction (a) the numerator of which shall be the total number of Ordinary Shares outstanding and those issuable with respect to Ordinary Shares Equivalents prior to the payment of such dividend, and (b) the denominator of which shall be the total number of shares of Ordinary Shares outstanding and those issuable with respect to such Ordinary Shares Equivalents immediately after the payment of such dividend (plus, in the event that the Company paid cash for fractional shares, the number of additional shares which would have been outstanding had the Company issued fractional shares in connection with such dividend).

(e) In the event the Company declares a distribution payable in securities of other persons, evidences of indebtedness issued by the Company or other persons, assets (excluding cash dividends) or options or rights not referred to in Subarticle (d)(iv) other than as part of a Deemed Liquidation, then, in each such case, the holders of the Preferred Shares shall be entitled to receive a proportionate share of any such distribution, in respect of their holdings on an as-converted basis as of the record date for such distribution.

(f) If at any time or from time to time there shall be a recapitalization of the Ordinary Shares (other than a subdivision, combination or merger or sale of assets transaction provided for elsewhere in this Article 5), provision shall be made so that the holders of the Preferred Shares shall thereafter be entitled to receive upon conversion of the Preferred Shares the number of Ordinary Shares or other securities or property of the Company or otherwise, to which a holder of Ordinary Shares deliverable upon conversion of the Preferred Shares would have been entitled immediately prior to such recapitalization. In any such case, appropriate adjustments shall be made in the application of the provisions of this Article 5 with respect to the rights of the holders of the Preferred Shares after the recapitalization to the end that the provisions of this Article 5 (including adjustments of the Conversion Price then in effect and the number of shares issuable upon conversion of the Preferred Shares) shall be applicable after that event as nearly equivalent as may be practicable.

(g) The Company will not, by amendment of these Articles or through any reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder in this Article 5 by the Company, but will at all times in good faith assist in the carrying out of all the provisions of this Article 5 and in taking of all such action as may be necessary or appropriate in order to protect the conversion rights of the holders of the Preferred Shares against impairment.

(h) No fractional shares shall be issued upon conversion of the Preferred Shares, and the number of shares of Ordinary Shares to be issued shall be rounded to the nearest whole share.

(i) Upon the occurrence of each adjustment or readjustment of the Conversion Price pursuant to this Article 5, the Company, at its expense, shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Preferred Shares a certificate setting forth each adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall furnish or cause to be furnished to such holder a like certificate setting forth (A) such adjustment or readjustment, (B) the Conversion Price at the time in effect, and (C) the number of shares of Ordinary Shares and the amount, if any, of other property which at the time would be received upon the conversion of a Preferred Share.

(j) [RESERVED]

(k) The Company shall at all times reserve and keep available out of its authorized but unissued Ordinary Shares, solely for the purpose of effecting the conversion of the Preferred Shares, such number of its Ordinary Shares as shall from time to time be sufficient to effect the conversion of all issued and outstanding Preferred Shares; and if at any time the number of authorized but unissued Ordinary Shares shall not be sufficient to effect the conversion of all then outstanding Preferred Shares, in addition to such other remedies as shall be available to the holders of such Preferred Shares, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued Ordinary Share capital to such number of shares as shall be sufficient for such purposes.

(l) Notwithstanding any of the aforesaid, in the event that a Purchaser (as defined in the Series A SPA) is a Defaulting Purchaser (as defined in the Series A SPA), any Preferred Shares which have already been issued to such Defaulting Purchaser hereunder, shall be immediately and automatically converted and/or reclassified into an equal number of Ordinary Shares on a non-preferential basis, and each of the shareholders irrevocably undertakes to pass any resolution required to give effect to such conversion and/or reclassification and to take any such actions as may be required to effect such conversion and/or reclassification.

6. Increase of Share Capital

(a) Subject to and in accordance with Article 75, the Company may, from time to time, by resolution of its shareholders, whether or not all the shares then authorized have been issued, and whether or not all the shares issued have been called up for payment, increase its authorized share capital. Any such increase shall be in such amount and shall be divided into shares of such nominal amounts, with such rights and preferences and subject to such restrictions, as such resolution shall provide.

(b) Except to the extent otherwise provided in such resolution, any new shares included in the authorized share capital increased as aforesaid shall be subject to all the provisions of these Articles which are applicable to shares included in the existing share capital, without regard to class (and, if such new shares are of the same class as a class of shares included in the existing share capital, to all of the provisions that are applicable to shares of such class included in the existing share capital).

7. Special Rights; Modification of Rights

(a) Subject to and in accordance with Article 75, and without prejudice to any special rights previously conferred upon the holders of existing shares in the Company the Company may, from time to time, by resolution of the holders of a majority of its shares provide for shares with such preferred or deferred rights or rights of redemption or other special rights or restrictions, whether in regard to dividends, voting, repayment of share capital or otherwise, as may be stipulated in such resolution.

(b) If at any time the share capital is divided into different classes of shares, the rights, preferences, privileges or powers of, or the restrictions attached to any class, subject to Article 75 and unless otherwise provided by these Articles, may be modified or abrogated by the Company by resolution of its shareholders, subject to the consent in writing, or vote at a separate meeting, of the holders of at least 50% of the issued shares of such class.

(c) The provisions of these Articles relating to General Meetings shall, *mutatis mutandis*, apply to any separate General Meeting of the holders of the shares of a particular class; provided, however, that the requisite quorum at any such separate General Meeting shall be one or more shareholders present in person or by proxy and holding at least 50% of the issued shares of such class.

(d) Unless otherwise provided for in these Articles, the enlargement of an authorized class of shares, or the issuance of additional shares of such a class out of the authorized and unissued share capital, shall not be deemed, for purposes of this Article 7 to modify or abrogate the rights, preferences, privileges or powers of, or the restrictions attached to previously issued shares of such class or of any other class;

(e) Any right or limitation provided for the express benefit of a specifically named shareholder may not be amended or waived without the prior written consent of such shareholder.

8. Consolidation, Subdivision, Cancellation and Reduction of Share Capital

(a) The Company may, from time to time, by a resolution by the holders of at least 50% of the voting power of the Company calculated on as converted basis (subject, however, to the provisions of Article 7(b) and 75 of these Articles and to applicable law):

(i) consolidate and divide all or any part of its issued or unissued authorized share capital into shares of a per share nominal value that is greater than the per share nominal value of its existing shares;

(ii) subdivide its shares (issued or unissued) or any of them into shares of lesser nominal value than is fixed by these Articles;

(iii) cancel any shares that, at the date of the adoption of such resolution, have not been purchased or subscribed for; or

(iv) reduce its share capital in any manner, and with and subject to any incident authorized, and consent required, by law.

(b) With respect to any consolidation of issued shares into shares of a greater nominal value per share, and with respect to any other action that may result in fractional shares, the Board of Directors may, subject to these Articles, settle any dispute that may arise with regard thereto as it deems fit, and in connection with any such consolidation or other action that may result in fractional shares may, subject to Article 75, without limitation:

(i) determine, as to any holder of shares so consolidated, which issued shares shall be consolidated into a share of a greater nominal value per share;

(ii) allot, in contemplation of or subsequent to such consolidation or other action, shares or fractional shares sufficient to preclude or remove fractional share holdings; or

(iii) redeem, in the case of redeemable preference shares and subject to applicable law, such shares or fractional shares sufficient to preclude or remove fractional share holdings.

SHARES

9. Issuance of Share Certificates: Replacement Certificates

(a) Share certificates shall bear the signature (or facsimile thereof) of one Director or of any other person or persons authorized by the Board of Directors.

(b) Each shareholder shall be entitled to one numbered certificate for all the shares of any class registered in his name, and if the Board of Directors so approves, to several certificates, each for one or more of such shares.

(c) A share certificate registered in the names of two or more persons shall be delivered to the person first named in the Register of Shareholders in respect of such co-ownership.

(d) A share certificate that has been defaced, lost or destroyed may be replaced, and the Company shall issue a new certificate to replace such defaced, lost or destroyed certificate upon payment of such fee, and upon the furnishing of such evidence of ownership and such indemnity, as the Board of Directors in its discretion deems fit.

10. Registered Holder

Except as otherwise provided in these Articles, the Company shall be entitled to treat the registered holder of each share as the absolute owner thereof, and accordingly shall not, except as ordered by a court of competent jurisdiction or as required by law, be obligated to recognize any equitable or other claim to, or interest in, such share on the part of any other person.

11. Allotment of Shares; Preemptive Rights.

(a) Subject to the provisions of Articles 11(b) and 75, the shares shall be under the control of the Board of Directors, who shall have the power to allot, issue or otherwise dispose of shares to such persons, at such times, on such terms and conditions (including, *inter alia*, terms relating to calls as set forth in Article 13 hereof), and either at par value, at a premium or, subject to the provisions of the Companies Law, at a discount or with payment of commission, all as the Board of Directors deems fit; and, the Board of Directors shall also have the power to give any person the option to acquire from the Company any shares, either at nominal value, at a premium or, subject to the provisions of the Companies Law, at a discount or with payment of commission, for such period and for such consideration as the Board of Directors deems fit.

(b) Until an IPO or a Deemed Liquidation, each Shareholder holding not less than 2% of the Ordinary Shares of the Company (on an as-converted basis) (the "**Preemptive Purchaser(s)**" and the "**Minimum Holdings**", respectively) shall have pre-emptive rights to purchase, pro-rata, all (or any part) of New Securities (as defined below) that the Company may, from time to time, propose to sell and issue. Each Preemptive Purchaser's pro rata share shall be the ratio of the number of shares of the Ordinary Shares of the Company (on an as-converted basis) then held by such Preemptive Purchaser as of the date of the Rights Notice (as defined in Article 11(b)(ii)), to the sum of the total number of Ordinary Shares (on an as-converted basis) issued and outstanding as of such date.

(i) "**New Securities**" shall mean any Ordinary Shares or preferred shares of any kind of the Company, whether now or hereafter authorized, and rights, options, or warrants to purchase said Ordinary Shares or preferred shares, and securities of any type whatsoever that are, or may become, convertible into or exchangeable for said Ordinary Shares or preferred shares; provided, however, that "New Securities" shall not include (i) Excluded Securities; or (ii) securities issued in an IPO or in connection with the acquisition of another corporation, business entity or line of business of another business entity by the Company by merger, consolidation, purchase of all or substantially all of the assets, or other reorganization as a result of which the Company owns not less than fifty percent (50%) of the voting power of such corporation; or (iii) Preferred Shares reclassified into Ordinary Shares pursuant to Section 8 of the Series A SPA;

(ii) If the Company proposes to issue New Securities, it shall give each Preemptive Purchaser written notice to its registered address (the "**Rights Notice**") of its intention, describing the New Securities, the price, the general terms upon which the Company proposes to issue them, and the number of shares that each Preemptive Purchaser has the right to purchase under this Article 11(b). Each Preemptive Purchaser shall have seven (7) days from delivery of the Rights Notice to agree to purchase all or any part of its pro-rata share of such New Securities. Additionally, only the Preferred Shareholders shall have seven (7) days from delivery of the Rights Notice to agree to purchase all or any part of the pro-rata share of any other Preemptive Purchaser entitled to such rights to the extent that such Preemptive Purchaser does not elect to purchase its pro-rata share, in each case for the price and upon the general terms specified in the Rights Notice, by giving written notice to the Company setting forth the quantity of New Securities to be purchased. If a Preemptive Purchaser does not respond to a Rights Notice within the aforesaid seven (7) day period, it shall be deemed to have waived its preemptive rights in full in connection with the issuance of the New Securities that are covered by such Rights Notice. If a Preferred Shareholder elects to purchase its full pro-rata shares and also elects to purchase additional shares such that the Preemptive Purchasers in the aggregate have elected to purchase more than 100% of the New Securities, such New Securities shall be issued to such Preferred Shareholder in accordance with its pro-rata share amongst the shares then held by all Preferred Shareholders.

(iii) To the extent that the Preemptive Purchasers fail to exercise in full their preemptive rights within the period or periods specified in Article 11(b)(ii), the Company shall have one hundred and twenty (120) days after delivery of the Rights Notice to sell the unsold portion of the New Securities at a price and upon general terms no more favorable to the purchasers thereof than specified in the Company's notice. If the Company has not sold the New Securities within said one hundred and twenty (120) day period the Company shall not thereafter issue or sell any New Securities without first offering such securities to the Preemptive Purchasers in the manner provided above.

(iv) Notwithstanding any of the aforesaid, in the event that the implementation of the provisions of this Article 11 may require, in the opinion of the Board of Directors, the publication of a prospectus under the Israeli Securities Law, as a result of the number of Shareholders who are entitled to receive a Rights Notice, then the pre-emptive right pursuant to this Article 11 shall be in effect only in respect of such number of Shareholders which shall not require the preparation of a prospectus (in accordance with the Israeli Securities Law), and the Preemptive Purchasers who are entitled to purchase the largest pro rata portion of the New Securities (as determined pursuant to Article 11(b) above) among all those Shareholders that are entitled to the pre-emptive right hereunder.

12. Payment in Installments

If, pursuant to the terms of allotment or issuance of any share, all or any portion of the price thereof shall be payable in installments, every such installment shall be paid to the Company on the due date thereof by the then registered holder(s) of the share or the person(s) then entitled thereto.

13. Calls on Shares

(a) The Board of Directors may, from time to time, as it in its discretion deems fit, make calls for payment upon shareholders in respect of any sum that has not been paid up in respect of shares held by such shareholders and which is not, pursuant to the terms of allotment or issuance of such shares or otherwise, payable at a fixed time. Each shareholder shall pay the amount of every call so made upon him (and of each installment thereof if the same is payable in installments), to the Company at the time(s) and place(s) designated by the Board of Directors, as any such time(s) may subsequently be extended or place(s) changed. Unless otherwise stipulated in the resolution of the Board of Directors (and in the notice referred to below), each payment in response to a call shall be deemed to constitute a pro rata payment on account of all the shares of the shareholder making payment in respect of which such call was made.

(b) Notice of any call for payment by a shareholder shall be given in writing to such shareholder not less than fourteen (14) days prior to the time of payment fixed in such notice, and shall specify the time and place of payment, and the person to whom such payment is to be made. Prior to the time for any such payment fixed in a notice of a call given to a shareholder, the Board of Directors may in its absolute discretion, by notice in writing to such shareholder, revoke such call in whole or in part, extend the time fixed for payment of such call or designate a different place of payment or person to whom payment is to be made. In the event of a call payable in installments, only one notice thereof need be given.

(c) If pursuant to the terms of allotment or issuance of a share, or otherwise, an amount is made payable at a fixed time (whether on account of such share or by way of premium), such amount shall be payable at such time as if it were payable by virtue of a call made by the Board of Directors and for which notice was given in accordance with sub-articles (a) and (b) of this Article 13, and the provisions of these Articles with regard to calls (and the nonpayment thereof) shall be applicable to such amount (and the non-payment thereof).

(d) Joint holders of a share shall be jointly and severally liable to pay all calls for payment in respect of such share and all interest payable thereon.

(e) Any amount called for payment that is not paid when due shall bear interest from the date fixed for payment until actual payment, at such rate (not exceeding the then prevailing debitory rate charged by leading commercial banks in Israel) and shall be payable at such time(s) as the Board of Directors may prescribe.

(f) Upon the allotment of shares, the Board of Directors may provide for differences among the allottees of such shares as to the amounts and times for payment and of calls for payment in respect of such shares.

14. Prepayment

With the consent of the Board of Directors any shareholder may pay to the Company any amount not yet payable in respect of his shares, and the Board of Directors may approve the payment by the Company of interest on any such amount until the same would be payable if it had not been paid in advance, at such rate and time(s) as may be approved by the Board of Directors. The Board of Directors may at any time cause the Company to repay all or any part of the money so advanced, without premium or penalty. Nothing in this Article 14 shall derogate from the right of the Board of Directors to make any call for payment before or after receipt by the Company of any such advance.

15. Forfeiture and Surrender

(a) If any shareholder fails to pay an amount payable by virtue of a call, or interest thereon as provided for in accordance with these Articles, on or before the day fixed for payment of the same, the Board of Directors may at any time after the day fixed for such payment, so long as such amount or any portion thereof remains unpaid, forfeit all or any of the shares in respect of which such payment was called for. All expenses incurred by the Company in attempting to collect any such amount or interest thereon, including, without limitation, attorneys' fees and costs of legal proceedings, shall be added to, and shall for all purposes (including the accrual of interest thereon) constitute a part of the amount payable to the Company in respect of such call.

(b) Upon the adoption of a resolution as to the forfeiture of a shareholder's share, the Board of Directors shall cause notice thereof to be given to such shareholder, which notice shall state that, in the event of the failure to pay the entire amount so payable by a date specified in the notice (which date shall be not less than fourteen (14) days after the date such notice is given and which may be extended by the Board of Directors), such shares shall *ipso facto* be forfeited; provided, however, that prior to such date the Board of Directors may nullify such resolution of forfeiture, but no such nullification shall stop the Board of Directors from adopting a further resolution of forfeiture in respect of the non-payment of the same amount.

(c) Without derogating from Articles 56 and 61 of these Articles, whenever shares are forfeited as herein provided, all dividends, if any, theretofore declared in respect thereof and not actually paid shall be deemed to have been forfeited at the same time.

(d) The Company, by resolution of the Board of Directors, may accept the voluntary surrender of any share.

(e) Any share forfeited or surrendered as provided herein shall become the property of the Company, and the same, subject to the provisions of these Articles, may be sold, re-allotted or otherwise disposed of as the Board of Directors deems fit.

(f) Any shareholder whose shares have been forfeited or surrendered shall cease to be a shareholder in respect of the forfeited or surrendered shares, but shall nonetheless be liable to pay and shall promptly pay, to the Company all calls, interest and expenses owing upon or in respect of such shares at the time of forfeiture or surrender, together with interest thereon from the time of forfeiture or surrender until actual payment at the rate prescribed in Article 13(e) above, and the Board of Directors, in its discretion, may enforce the payment of such moneys or any part thereof. In the event of such forfeiture or surrender, the Company, by resolution of the Board of Directors, may accelerate the date(s) of payment of any or all amounts then owed to the Company by the shareholder in question (but not yet due) in respect of all shares owned by such shareholder, solely or jointly with another.

(g) The Board of Directors may at any time, before any share so forfeited or surrendered shall have been sold, re-allotted or otherwise disposed of, nullify the forfeiture or surrender on such conditions as it deems fit, but no such nullification shall stop the Board of Directors from re-exercising its powers of forfeiture pursuant to this Article 15.

16. Lien

(a) Except to the extent that the same may be waived or subordinated in writing, the Company shall have a first and paramount lien upon all the shares registered in the name of each shareholder (without regard to any equitable or other claim or interest in such shares on the part of any other person), and upon the proceeds of the sale thereof, for his debts, liabilities and obligations to the Company arising from any amount payable by such shareholder in respect of any unpaid or partly paid share, whether or not such debt, liability or obligation has matured. Such lien shall extend to all dividends from time to time declared or paid in respect of such share. Unless otherwise provided, the registration by the Company of a transfer of shares shall be deemed to be a waiver on the part of the Company of any lien existing on such shares immediately prior to such transfer.

(b) The Board of Directors may cause the Company to sell a share subject to such a lien when the debt, liability or obligation giving rise to such lien has matured, in such manner as the Board of Directors deems fit, but no such sale shall be made unless such debt, liability or obligation has not been satisfied within fourteen (14) days after written notice of the intention to sell shall have been served on such shareholder, his executors or administrators.

(c) The net proceeds of any such sale, after payment of the costs thereof, shall be applied in or toward satisfaction of the debts, liabilities or obligations of such shareholder in respect of such share, and any residue shall be paid to the shareholder, his executors, administrators or assigns.

17. Sale After Forfeiture or Surrender or in Enforcement of Lien

Upon any sale of a share after forfeiture or surrender or for enforcing a lien, the Board of Directors may appoint any person to execute an instrument of transfer of the share so sold and cause the purchaser's name to be entered in the Register of Shareholders in respect of such share. The purchaser shall be registered as the shareholder and shall not be bound to see to the regularity of the sale proceedings or to the application of the proceeds of such sale, and after his name has been entered in the Register of Shareholders in respect of such share, the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

18. Redeemable Shares.

The Company may, subject to applicable law and Article 74, issue redeemable shares and redeem the same.

TRANSFER OF SHARES

19. Prohibited Transfers; Rights of First Refusal; and Permitted Transfers.

(a) Prohibited Transfers

(i) The Ordinary Shares of employees of the Company shall not be transferable for so long as they are employed by the Company.

(ii) Until the earlier of an (a) an IPO (b) a Deemed Liquidation, (c) 36 months from the date of the Initial Closing (as defined in the Series A SPA) and (d) the Third Milestone Closing Date (as such term is defined in the Series A SPA), the Ordinary Shares held by NGT and/or Boris Shtul (only after he is no longer employed by the Company) shall be transferable (subject to the rights of first refusal set out herein) only with the prior written consent of Orchestra and ABV, provided however, that Orchestra and/or ABV shall only have the right to reject such transferee(s) on reasonable grounds. After the Third Milestone Closing Date such shares shall be transferable subject to the rights of first refusal set out below.

(iii) Legend. Each certificate representing shares of the Holders shall be endorsed with the following legend:

THE SALE OR TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO THE TERMS AND CONDITIONS SET FORTH IN THE ARTICLES OF ASSOCIATION OF THE COMPANY. COPIES OF SUCH ARTICLES MAY BE OBTAINED UPON WRITTEN REQUEST TO THE SECRETARY OF THE COMPANY.

(b) Rights of First Refusal.

Until an IPO or a Deemed Liquidation Event (as defined in Article 74), except for: (i) transfers and/or dispositions to Permitted Transferees, or (ii) disposition as of the result of a realization of a pledge of ordinary shares held by NGT in favor of the State of Israel or the Office of the Chief Scientist (up to an aggregate amount of 1,350,000 ordinary shares), any transfer of shares by any shareholder shall be subject to the following:

(i) Each holder of Ordinary Share and/or Preferred Shares proposing to transfer all or any of its shares, pursuant to the terms of a bona fide offer received from any person or entity, except to a Permitted Transferee (the "**Offeror**") shall first request the Company, by written notice (which shall contain all the information necessary to enable the Company to do so), to offer such shares (for purposes of this Article 19(b), the "**Offered Shares**"), on the terms of the proposed transfer, to the Preferred Shareholders (the "**Primary Offeree(s)**" and "**Primary Right**", respectively). The Company shall comply with such request by sending the Primary Offerees a written notice (the "**Offer**"), stating therein the identity of the Offeror and of the proposed transferee(s) and the proposed terms of sale of the Offered Shares. Any Primary Offeree may accept such Offer in respect of all or any of the Offered Shares by giving the Company notice to that effect within twenty-one (21) days after being served with the Offer. Any Primary Offeree that fails to respond to an Offer within the aforesaid twenty-one (21) day period shall be deemed to have waived its rights in connection with the sale of the Offered Shares pursuant to such Offer.

(ii) If the acceptances with respect to the Primary Right, in the aggregate, are in respect of all of, or more than, the Offered Shares, then the accepting Primary Offerees shall acquire the Offered Shares, on the terms aforementioned, in proportion to their respective holdings, provided, that no Primary Offeree shall be entitled to acquire under the provisions of this Article 19(b) more than the number of Offered Shares initially accepted by such Primary Offeree, and upon the allocation to it of the full number of shares so accepted, it shall be disregarded in any subsequent computations and allocations hereunder. Any shares remaining after the computation of such respective entitlements shall be re-allocated among the accepting Primary Offerees (other than those to be disregarded as aforesaid), in the same manner, until one hundred percent (100%) of the Offered Shares have been allocated as aforesaid.

(iii) In the event that none of the Primary Offerees have elected to exercise the Primary Right in accordance with Article 19(b) above, or if the amount of the Offered Shares the Primary Offerees elect to purchase does not equal or exceed the total amount of the Offered Shares, the Company shall give notice of the Offer terms in writing to the Ordinary Shareholders holding at least 1% of the outstanding Ordinary Shares who do not hold Preferred Shares (the "**Secondary Offeree(s)**"). Each Secondary Offeree shall have the right (the "**Secondary Right**") to purchase from the Offeror at the same price and on the same terms (x) that portion of the Offered Shares as the aggregate number of shares of Ordinary Shares held by such Secondary Offeree bears to the total number of shares of Ordinary Shares held by all the Secondary Offerees (the "**Secondary Basic Amount(s)**") and (y) such additional portion of the remaining Offered Shares as any Secondary Offeree indicates it will purchase, for a period of seven (7) business days after delivery of such notice (the "**Secondary Right Period**"). Any shares remaining after the computation of such respective entitlements shall be re-allocated among the accepting Secondary Offerees, in the same manner, until one hundred percent (100%) of the Offered Shares have been allocated as aforesaid.

(iv) If the acceptances set forth above, in the aggregate, are in respect of less than the number of Offered Shares, then the accepting Primary Offerees and Secondary Offerees shall not be entitled to acquire the Offered Shares, and the Offeror, at the expiration of the aforementioned twenty-one (21) day period or seven (7) day period (as applicable), shall be entitled to transfer all (but not less than all) of the Offered Shares to the proposed transferee(s) identified in the Offer, provided, however, that in no event shall the Offeror transfer any of the Offered Shares to any transferee other than such proposed transferee(s) or transfer the same on terms more favorable to the proposed transferee than those stated in the Offer, and, provided, further, that any of the Offered Shares not transferred within ninety (90) days after the expiration of such twenty-one (21) day period shall again be subject to the provisions of this Article 19(b).

(v) For the purposes of any Offer under this Article 19(b), the respective holdings of any number of accepting Primary Offerees and Secondary Offerees shall mean the respective proportions of the aggregate number of Ordinary and/or Preferred Shares held by such accepting Primary Offerees and Secondary Offerees as determined prior to such Offer.

(vi) The provisions of Article 19 shall apply, *mutatis mutandis*, to the transfer of any other Company securities that are convertible or exercisable, into Preferred Shares and/or Ordinary Shares of the Company.

(c) Permitted Transfers.

Notwithstanding Articles 19(a) and (b), any Shareholder of the Company may transfer (whether or not for consideration) shares to a Permitted Transferee without being subject to the provision of Articles 19(a) and (b). No transfer under this Article 19 shall be made to any transferee, unless such transferee agrees in writing to be bound by all agreements binding upon the transferor immediately prior to such transfer. No subsequent transfer of any of such shares may be made except in conformity with the provisions of this Article 19. Should any shareholder wish to transfer shares to more than 2 Permitted Transferees, in a single transfer or a series of transfers, in accordance with these Articles, such Permitted Transferees shall enter into a proxy or similar arrangement reasonably acceptable to the Board, which proxy shall apply to all such Permitted Transferees as a group.

20. Approval and Registration of Transfers.

(a) No transfer, other than transfers to Permitted Transferees, shall be effective until approved by the Board, which approval shall not be unreasonably withheld. The Board may reasonably and in good faith, subject to these Articles and subject to any of the Company's written agreements with or undertakings in writing towards any shareholder of the Company, refuse to approve such transfer of shares to: (i) a direct competitor of the Company; (ii) any third party, until such time as the Board is satisfied in its reasonable discretion that all applicable provisions of these Articles have been complied with in full and in good faith in connection with such proposed transfer. The determination of whether a proposed transferee is a direct competitor shall be in the sole discretion of the Board, provided that such determination is done reasonably and in good faith. Prior to the registration of a transfer of shares, the Board may require proof of compliance with the provisions of these Articles in respect of such transfer. If the Board makes use of its powers in accordance with this Article and refuses to register a transfer of shares, it must provide written notice of its refusal to the transferee within fourteen (14) days from the date the deed of transfer was furnished to the Company.

(b) No transfer of shares shall be registered unless there has been compliance with the procedure set forth in Article 19, and made in writing in the form appearing below, or any other form satisfactory to the Board of Directors from time to time. Such form of transfer shall be delivered to the offices of the Company, together with share certificate(s) and such other evidence of title as the Board of Directors may reasonably require. Until the transferee has been registered in the Register of Shareholders in respect of the shares so transferred, the Company may continue to regard the transferor as the owner thereof.

Deed of Transfer of Shares

_____ (the "**Transferor**") hereby transfers to _____, of _____ (the "**Transferee**") _____ share(s) having nominal value of NIS _____ each in Motus GI Medical Technologies, Ltd., to the Transferee, its executors, administrators, and assigns, subject to the several conditions on which the Transferor held the same at the time of the execution hereof; and the Transferee, does hereby agree to take said share(s) subject to the conditions aforesaid. As witness we have hereunto set our hands the ____ day of _____ 20__.

[Name of Transferee]	[Name of Transferor]
By: _____	By: _____
Name: _____	Name: _____
Address: _____	Address: _____
[Name of Witness to Transferee]	[Name of Witness to Transferor]
By: _____	By: _____
Name: _____	Name: _____
Address: _____	Address: _____

(c) The deed of share transfer shall be executed both by the transferor and transferee, and the transferor shall be deemed to remain a holder of the share until the name of the transferee is entered into the Register of Shareholders in respect thereof.

(d) The Board of Directors may, to the extent it deems necessary in its discretion, close the Register of Shareholders for registrations of transfers of shares during any year for one period, not to exceed two weeks, determined by the Board of Directors, and no registrations of transfers of shares shall be made by the Company during any such period during which the Register of Shareholders is so closed.

21. Record Date for Notices of General Meetings. Despite any contrary provision of these Articles, the Board of Directors may fix a date, not exceeding forty-five (45) days prior to the date of any General Meeting, as the date as of which shareholders entitled to notice of and to vote at such meeting shall be determined, and only those persons who were holders of record of voting shares on such date shall be entitled to notice of and to vote at such meeting.

TRANSMISSION OF SHARES

22. Decedent's Shares.

(a) In case of a share registered in the names of two or more holders, the Company may recognize the survivor(s) as the sole owner(s) thereof unless and until the provisions of Article 22(b) of these Articles have been effectively invoked.

(b) Any person becoming entitled to a share in consequence of the death of any person, upon producing evidence of the grant of probate or letters of administration or declaration of succession (or such other evidence as the Board of Directors may reasonably deem sufficient), shall be registered as a shareholder in respect of such share and such transfer shall not be subject to articles 19(a) and 19(b) hereof, or may, subject to the articles as to transfer herein contained, transfer such share.

23. Receivers and Liquidators.

(a) Notwithstanding Articles 19(a) and (b) hereof, the Company may recognize any receiver, liquidator or similar official appointed to wind up, dissolve or otherwise liquidate a corporate shareholder, and a trustee, manager, receiver, liquidator or similar official appointed in bankruptcy or in connection with the reorganization of, or similar proceeding with respect to a shareholder or its properties, as being entitled to the shares registered in the name of such shareholder.

(b) Such receiver, liquidator or similar official appointed to wind up, dissolve or otherwise liquidate a corporate shareholder, and such trustee, manager, receiver, liquidator or similar official appointed in bankruptcy or in connection with the reorganization of, or similar proceeding with respect to a shareholder or its properties, upon producing such evidence as the Board of Directors may deem sufficient as to his authority to act in such capacity or under this Article, shall with the consent of the Board of Directors (which the Board of Directors may grant or refuse in its absolute discretion), be registered as a shareholder in respect of such shares, or may, subject to the regulations as to transfer contained in these Articles, transfer such shares.

GENERAL MEETINGS

24. Annual General Meeting.

The Company shall not be required to hold an Annual General Meeting unless required for the purposes of appointing an auditor or unless one of the shareholders or Directors requests the Company to hold such a meeting, provided, however, that the Directors' report and the Company's financial statements for that year are sent to all shareholders no later than fifteen (15) months after the holding of the last preceding General Meeting (or the mailing of the last preceding Directors' report and financial statements as per this Article).

25. Extraordinary General Meetting.

All General Meetings other than Annual General Meetings (if convened) shall be called "**Extraordinary General Meetings**"**.** The Board of Directors may, whenever it deems fit, convene an Extraordinary General Meeting, at such time and place, within the State of Israel, as may be determined by the Board of Directors, and shall be obligated to do so upon a request in writing in accordance with Sections 63 or 64 of the Companies Law.

26. Notice of General Meetings; Omission to Give Notice.

(a) Notice of a General Meeting shall be delivered at least seven (7) days prior to the date for convening of the meeting (but not more than forty-five (45) days before such date) to each of the shareholders listed in the Register of Shareholders to its registered address in the manner specified in these Articles. Each such notice shall specify the place and the date and hour of the meeting, the agenda, reasonable detail of the matters to be discussed at the meeting, and arrangements for voting by proxy if the matters on the agenda for the meeting include matters in respect of which shareholders may vote by proxy under any law or in accordance with these Articles. If the agenda of the meeting includes a proposal to amend these Articles, the text of the proposed amendment shall be specified.

(b) A resolution may be proposed and adopted at a meeting even though the notice prescribed in this Article has not been given, subject to the consent of all of the shareholders entitled to vote thereon.

(c) The non-receipt of notice sent to a shareholder to his/her/its registered address, shall not invalidate the proceedings at such meeting.

PROCEEDINGS AT GENERAL MEETINGS

27. Quorum.

(a) No business shall be transacted at a General Meeting, or at any adjournment thereof, unless the quorum required under these Articles for such General Meeting or such adjourned meeting, as the case may be, is present when the meeting proceeds to business.

(b) In the absence of contrary provisions in these Articles, two or more shareholders (not in default in payment of any sum referred to in Article 33(a) of these Articles), present in person or by proxy within half an hour after the time set for the General Meeting and holding in the aggregate at least 50% of the outstanding voting power of the Company calculated on an as-converted basis shall constitute a quorum of General Meetings.

(c) If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon request under Sections 63 or 64 of the Companies Law, shall be dissolved, but in any other case it shall be adjourned to the same day in the next week, at the same time and place, or to such day and at such time and place as the Chairman of the meeting may determine with the consent of the holders of at least 50% of the voting power represented at the meeting in person or by proxy and voting on the question of adjournment. No business shall be transacted at any adjourned meeting except business that might lawfully have been transacted at the meeting as originally called. At such adjourned meeting (other than an adjourned separate meeting of a particular class of shares as referred to in Article 7 of these Articles), any two shareholders (not in default as aforesaid) present in person or by proxy holding in the aggregate at least 50% of the outstanding voting power of the Company calculated above on an as-converted basis shall constitute a quorum.

28. Chairman.

The Chairman of the Board of Directors shall preside at every General Meeting of the Company. If at any meeting the Chairman is not present within 15 minutes after the time fixed for holding the meeting or is unwilling to take the chair, the shareholders present shall choose someone of their number to be the chairman of such meeting. The office of Chairman shall not entitle the holder thereof to a casting vote.

29. Adoption of Resolutions at General Meetings.

(a) Subject to the provisions of Article 75, a resolution shall be deemed adopted if approved by the holders of at least 67% of the voting power represented at the meeting in person or by proxy and voting thereon.

(b) Every question submitted to a General Meeting shall be decided by a count of votes.

(c) A declaration by the Chairman of the meeting that a resolution has been carried unanimously, or carried by a particular majority, or defeated, and an entry to that effect in the minute book of the Company, shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favor of or against such resolution.

(d) Shareholders may participate in a general meeting by means of a conference telephone call or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Article shall constitute presence in person at such meeting.

30. Resolutions in Writing.

A resolution in writing signed by all shareholders of the Company then entitled to attend and vote at General Meetings or to which all such shareholders have given their written consent (by letter, telegram, telex, facsimile or otherwise) shall be deemed to have been unanimously adopted by a General Meeting duly convened and held.

31. Power to Adjourn.

The Chairman of a General Meeting at which a quorum is present may, with the consent of the holders of a majority of the voting power represented in person or by proxy and voting on the question of adjournment, and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business that might lawfully have been transacted at the meeting as originally called.

32. Voting Power.

Subject to the provisions of Articles 5 and 33(a) and subject to any provisions of these Articles conferring special rights as to voting, or restricting the right to vote, every shareholder shall have one vote for each share held by him of record, on every resolution, without regard to whether the vote thereon is conducted by a show of hands, by written ballot or by any other means.

33. Voting Rights.

(a) No shareholder shall be entitled to vote at any General Meeting (or be counted as part of the quorum) unless all calls then payable by him in respect of his shares in the Company have been paid.

(b) A company or other corporate body being a shareholder of the Company may duly authorize any person to be its representative at any meeting of the Company or to authorize or deliver a proxy on its behalf. Any person so authorized shall be entitled to exercise on behalf of such shareholder all the power that the latter could have exercised if it were a natural person. Upon the request of the Chairman of the meeting, written evidence of such authorization (in form acceptable to the Chairman) shall be delivered to him.

(c) Any shareholder entitled to vote may vote either in person or by proxy (who need not be a shareholder of the Company), or if the shareholder is a company or other corporate body by a representative authorized pursuant to Article 33(b).

(d) If two or more persons are registered as joint holders of any share, the vote of the senior who tenders a vote, in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s). For the purposes of this Article 33(d), seniority shall be determined by the order of registration of the joint holders in the Register of Shareholders.

PROXIES

34. Instrument of Appointment.

(a) An instrument appointing a proxy shall be in writing and shall be substantially in the following form:

"I [Name of Shareholder] of [Address of Shareholder] being a shareholder of Motus GI Medical Technologies, Ltd. hereby appoint [Name of Proxy] of [Address of Proxy] as my proxy to vote for me and on my behalf at the General Meeting of the Company to be held on the _____ day of _____ and at any adjournment(s) thereof.

Signed this ____ day of _____, [signature of appointer]."

or in any usual or common form or in such other form as may be approved by the Board of Directors. Such proxy shall be duly signed by the appointor or such person's duly authorized attorney or, if such appointor is a company or other corporate body, under its common seal or stamp or the hand of its duly authorized agent(s) or attorney(s).

(b) The instrument appointing a proxy (and the power of attorney or other authority, if any, under which such instrument has been signed) shall either be delivered to the Company (at its principal place of business or at the offices of its registrar or transfer agent, or at such place as the Board of Directors may specify) not less than 24 hours before the time fixed for the meeting at which the person named in the instrument proposes to vote, or presented to the Chairman at such meeting.

35. Effect of Death of Appointor or Transfer of Share or Revocation of Appointment.

(a) A vote cast in accordance with an instrument appointing a proxy shall be valid despite the prior death or bankruptcy of the appointing shareholder (or of his attorney-in-fact, if any, who signed such instrument), or the transfer of the share in respect of which the vote is cast, unless written notice of such matters shall have been received by the Company or by the Chairman of such meeting prior to such vote being cast.

(b) An instrument appointing a proxy shall be deemed revoked (i) upon receipt by the Company or the Chairman, subsequent to receipt by the Company of such instrument, of written notice signed by the person who signed such instrument or by the shareholder appointing such proxy canceling the appointment thereunder (or the authority pursuant to which such instrument was signed) or of an instrument appointing a different proxy (and such other documents, if any, required under Article 34(b) for such new appointment), provided such notice of cancellation or instrument appointing a different proxy were so received at the place and within the time for delivery of the instrument revoked thereby as referred to in Article 34(b) of these Articles, or (ii) if the appointing shareholder is present in person at the meeting for which such instrument of proxy was delivered, upon receipt by the Chairman of such meeting of written notice from such shareholder of the revocation of such appointment, or if and when such shareholder votes at such meeting. A vote cast in accordance with an instrument appointing a proxy shall be valid despite the revocation or purported cancellation of the appointment, or the presence in person or vote of the appointing shareholder at a meeting for which it was rendered, unless such instrument of appointment was deemed revoked in accordance with the foregoing provisions of this Article 35(b) at or prior to the time such vote was cast.

BOARD OF DIRECTORS

36. Powers of Board of Directors.

(a) General.

The management of the business of the Company shall be vested in the Board of Directors, which may exercise all such powers and do all such acts and things as the Company is authorized to exercise and do, and are not required by law or these Articles to be done by the Company by action of its shareholders at a General Meeting. The authority conferred on the Board of Directors by this Article 36 shall be subject to the provisions of the Companies Law, these Articles and any regulation or resolution consistent with these Articles adopted from time to time by the Company by action of its shareholders at a General Meeting; provided, however, that no such regulation or resolution shall invalidate any prior act done by or pursuant to a decision of the Board of Directors that would have been valid if such regulation or resolution had not been adopted.

(b) Borrowing Power.

Subject to Article 75, the Board of Directors may from time to time, at its discretion, cause the Company to borrow or guaranty the payment of any sum or sums of money for the purposes of the Company, and may secure or provide for the repayment of such sum or sums in such manner, at such times and upon such terms and conditions as it deems fit, and in particular by the issuance of bonds, perpetual or redeemable debentures, debenture stock, or any mortgages, charges or other security interest on the whole or any part of the property of the Company, both present and future, including its uncalled or called but unpaid capital for the time being.

(c) Reserves.

The Board of Directors may, from time to time, set aside any amount(s) out of the profits of the Company as a reserve or reserves for any purpose(s) that the Board of Directors, in its absolute discretion, shall deem fit, and may invest any sum so set aside in any manner and from time to time deal with and vary such investments and dispose of all or any part thereof, and employ any such reserve or any part thereof in the business of the Company without being bound to keep the same separate from other assets of the Company, and may subdivide or re-designate any reserve or cancel the same or apply the funds therein for another purpose, all as the Board of Directors may from time to time think fit.

37. Exercise of Powers of Board of Directors.

(a) A meeting of the Board of Directors at which a quorum is present shall be competent to exercise all the authorities, powers and discretion vested in or exercisable by the Board of Directors.

(b) Subject to Article 75 below, a resolution proposed at any meeting of the Board of Directors shall be deemed adopted if approved by a majority of the Directors lawfully entitled to vote thereon and present when such resolution is put to a vote and voted thereon.

(c) A resolution may be adopted by the Board of Directors without convening a meeting as a resolution in writing signed (by letter, telegram, telex, facsimile or otherwise) by all of the Directors then in office and lawfully entitled to vote thereon.

38. Delegation of Powers.

(a) Subject to Section 112 of the Companies Law, the Board of Directors may delegate any or all of its powers to committees, each comprising of at least: (i) one Orchestra Director, (ii) one ABV Director and (iii) up until the Second Milestone Closing Date, one NGT Director or Ordinary Director) in each case if appointed, and it may from time to time revoke such delegation or alter the composition of any such committee. Any committee so formed (in these Articles referred to as a "**Committee of the Board of Directors**"), shall, in the exercise of the powers so delegated, conform to any regulations imposed on it by the Board of Directors. The meetings and proceedings of any such Committee of the Board of Directors shall, *mutatis mutandis*, be governed by the provisions herein contained for regulating the meetings of the Board of Directors, so far as not superseded by any regulations adopted by the Board of Directors under this Article. Unless otherwise expressly provided by the Board of Directors in delegating powers to a Committee of the Board of Directors, such Committee shall not be empowered to further delegate such powers.

(b) Without derogating from the provisions of Article 52, the Board of Directors may, subject to the provisions of the Companies Law, from time to time appoint a secretary to the Company, as well as officers, agents, employees and independent contractors, as the Board of Directors may think appropriate, and may terminate the service of any such person. The Board of Directors may, subject to the provisions of the Companies Law, determine the powers and duties, as well as the terms and conditions of employment, of all such persons, and may require security in such cases and in such amounts as it thinks appropriate.

(c) The Board of Directors may from time to time, by power of attorney or otherwise, appoint any person, company, firm or body of persons to be the attorney or attorneys of the Company at law or in fact for such purpose(s) and with such powers, authorities and discretions, and for such period and subject to such conditions, as it thinks fit, and any such power of attorney or other appointment may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board of Directors may think fit, and may also authorize any such attorney to delegate all or any of the powers, authorities and discretions vested in him.

39. Number of Directors.

The Board of Directors shall consist of up to seven (7) Directors, to be appointed as follows:

(a) the Ordinary Shareholders, (by a majority class vote) shall be entitled to appoint one (1) Director;

(b) Orchestra shall be entitled to appoint two (2) Directors;

(c) ABV shall be entitled to appoint one (1) Director;

(d) NGT shall be entitled to appoint one (1) Director;

(e) Mr. Mark Pomeranz shall be appointed by the Directors appointed in accordance with the provisions of sub-Sections 39(a)-(d), as a Director of the Company, and shall serve as a Director of the Company for as long as he continues to serve as the Chief Executive Officer of the Company; and

(f) the members of the Board of Directors (by a majority vote), shall be entitled to elect (1) Director, who shall be an independent industry expert.

40. Defaulting Purchasers

(a) In the event that Orchestra funds all of ABV's obligations under the Series A SPA, or visa versa, then in such case, Orchestra or ABV, as the case may be, shall have the right to appoint the ABV Director or the Orchestra Directors, as the case may be.

(b) In the event that Orchestra funds only a portion of ABV's obligations under the Series A SPA, or visa versa, and the remaining deficiency is met by the other shareholders, then in such case, the Orchestra Directors or ABV Director, shall be appointed by the holders of the majority of the Preferred Shares taken up from the Defaulting Purchaser.

(c) In the event that any of (i) ABV; (ii) Orchestra; (iii) NGT shall have become a Defaulting Purchaser (as such term is defined in the Series A SPA) in connection with any Milestone Closing (as defined is the Series A SPA), then such Defaulting Purchaser shall ipso facto cease to have any right to nominate its Director(s), and, subject to Article 40(a) and 40(b) above, any Director(s) theretofore appointed thereby shall automatically cease to serve as Directors. The aforesaid shall not affect any rights hereunder to elect the Ordinary Director.

41. Appointment and Removal of Directors.

(a) Except as otherwise provided in these Articles, Directors shall not be elected but shall be appointed as provided for herein.

(b) The appointment or removal of a Director shall be effected by the delivery of a notice to the Company at its principal office, signed by the holders of the shares entitled to effect such appointment or removal. Any appointment or removal shall become effective on the date fixed in the notice or upon delivery of the notice to the Company, whichever is later.

42. Qualification of Directors.

No person shall be disqualified to serve as a Director by reason of his not holding shares in the Company or by reason of his having served as a Director in the past.

43. Continuing Directors in the Event of Vacancies.

Subject to Article 39, in the event of one or more vacancies in the Board of Directors, the remaining Directors may continue to act in every matter and, pending the filling of any vacancy pursuant to the provisions of Articles 39 and 41, may appoint Directors to fill any such vacancy temporarily (such temporarily appointed Director being automatically deemed to be removed from the Board upon the appointment of a Director to fill the previous vacancy in accordance with Articles 39 and 41); provided, however, that if they number less than a majority of the number provided for pursuant to Article 39 of these Articles, they may act only in an emergency or to fill the office of Director that has become vacant up to the minimum number or in order to call a General Meeting of the Company for the purpose of electing Directors to fill any or all vacancies, so that at least a majority of the number of Directors provided for pursuant to Article 39 are in office as a result of such meeting.

44. Vacation of Office.

(a) The office of a Director shall be vacated, *ipso facto*, upon his death, or if he be found lunatic or become of unsound mind, or if he becomes bankrupt (or if the Director is a company, upon its winding-up).

(b) The office of a Director shall be vacated by his written resignation. Such resignation shall become effective on the date fixed therein or upon the delivery to the Company, whichever is later.

45. Remuneration of Directors; Reimbursement of Expenses

A Director may be paid remuneration by the Company for his services as a Director, to the extent such remuneration shall have been approved by a General Meeting of the Company. The Company shall reimburse Directors for reasonable expenses incurred in connection with their service on the Board of Directors.

46. Conflict of Interests.

Subject to the provisions of the Companies Law, no Director shall be disqualified by virtue of his office from holding any office or relationship of profit with the Company or with any company in which the Company shall be a shareholder or have another interest, or from contracting with the Company as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director shall in any way be interested, be avoided, nor, other than as required under the Companies Law, shall any Director be liable to account to the Company for any profit arising from any such office or relationship of profit or realized from such contract or arrangement by reason only of such Director's holding that office or of the fiduciary relations thereby established, but the nature of his interest, as well as any material fact or document, must be disclosed by him at the meeting of the Board of Directors at which the contract or arrangement is first considered, if his interest then exists, or in any other case no later than the first meeting of the Board of Directors after the acquisition of his interest.

47. Alternate Directors.

(a) A Director may, by written notice to the Company, appoint an alternate for himself (in these Articles referred to as an " **Alternate Director**"), remove such Alternate Director and appoint another Alternate Director in place of any Alternate Director appointed by him whose office has been vacated for any reason whatsoever. Unless the appointing Director, by the instrument appointing an Alternate Director or by written notice to the Company, limits such appointment to a specified period of time or restricts it to a specified meeting or action of the Board of Directors, or otherwise restricts its scope, the appointment shall be for an indefinite period, and for all purposes.

(b) Any notice given to the Company pursuant to Article 47(a) shall become effective on the date fixed therein, or upon the delivery thereof to the Company, whichever is later.

(c) An Alternate Director shall have all the rights and obligations of the Director who appointed him, provided, however, that he may not in turn appoint an alternate for himself, and provided further, that an Alternate Director shall have no standing at any meeting of the Board of Directors or any committee thereof while the Director who appointed him is present.

(d) Any person that meets the qualifications of a director under the Companies Law may act as an Alternate Director. One person may act as an Alternate Director for more than one Director, and a person serving as a director of the Company may act as an Alternate Director.

(e) An Alternate Director shall have the duties and responsibility of a Director. The appointment of an Alternate Director shall not negate the responsibility of the Director who appointed him.

(f) The office of an Alternate Director shall be vacated under the circumstances, *mutatis mutandis*, set forth in Article 44, and such office shall ipso facto be vacated if the Director who appointed such Alternate Director ceases to be a Director.

PROCEEDINGS OF THE BOARD OF DIRECTORS

48. Meetings.

(a) The Board of Directors may meet and adjourn its meetings and otherwise regulate such meetings and proceedings as the Directors deem fit, provided, however, that the Board of Directors shall meet at least quarterly, unless otherwise agreed by a vote of the majority of the Directors.

(b) Any one (1) Director may at any time, and the Chairman of the Board of Directors upon the request of any Director shall, convene a meeting of the Board of Directors, but not less than five (5) days notice shall be given of any meeting so convened, provided, that the Board of Directors may convene a meeting without such prior notice with the consent of all of the Directors. Notice of any such meeting may be given in writing or by mail, telex, email, telegram or facsimile. Despite anything to the contrary in these Articles, failure to deliver notice to a Director of any such meeting in the manner required hereby may be waived by such Director, and a meeting shall be deemed to have been duly convened despite such defective notice if such failure or defect is waived prior to action being taken at such meeting by all Directors entitled to participate in such meeting to whom notice was not duly given.

(c) Directors may attend any meeting via telephone so long as all may hear and be heard.

49. Quorum.

Until otherwise unanimously decided by the Board of Directors, a quorum at a meeting of the Board of Directors shall be constituted by the presence in person or by telephone conference of a majority of the number of Directors appointed pursuant to Article 39 and lawfully entitled to vote on the subject matter of the relevant meeting, including at least one (1) Orchestra Director and the ABV Director (in each case if appointed) and until the Second Milestone Closing Date, the NGT Director, provided, that, all members of the Board of Directors received due notice of such meeting or telephone conference. No business shall be transacted at a meeting of the Board of Directors unless the requisite quorum is present (in person or by telephone conference) when the meeting proceeds to business. If within half an hour from the time appointed for the meeting a quorum is not present it shall be adjourned to the next business day, at the same time and place, unless a majority of the Board of Directors decides otherwise. No business shall be transacted at any adjourned meeting except business that might lawfully have been transacted at the meeting as originally called. At such adjourned meeting the Directors (appointed pursuant to Article 39) present, and lawfully entitled to vote on the subject matter of the relevant meeting shall constitute a quorum. A Director who waives his/her right to be present at a meeting of the Board of Directors shall not be taken into account for the purpose of establishing the quorum requirements provided in this Article 49.

50. Chairman of the Board of Directors.

The Board may from time to time (by a majority vote) elect a Chairman from the acting Directors, and decide the period of time he shall hold such an office, and he shall preside at the meetings of the Board of Directors. The Chairman shall preside at every meeting of the Board of Directors, but if there is no such Chairman, or if at any meeting he is not present within fifteen (15) minutes of the time fixed for the meeting, or if he is unwilling to take the chairmanship, the Directors present shall choose one of their number to be the chairman of such meeting. The Chairman shall not have a casting or deciding vote.

51. Validity of Acts Despite Defects.

All acts done bona fide at any meeting of the Board of Directors, or of a committee of the Board of Directors, or by any person(s) acting as Director(s), shall, even if it is subsequently discovered that there was some defect in the appointment of the participants in such meeting or any of them or any person(s) acting as aforesaid, or that they or any of them were disqualified, be as valid as if there were no such defect or disqualification.

GENERAL MANAGER

52. General Manager.

The Board of Directors may from time to time appoint one or more persons, whether or not Directors, as General Manager, and may confer upon such person(s), and from time to time modify or revoke, such title(s) and such duties and authorities as the Board of Directors may deem fit, subject to such limitations and restrictions as the Board of Directors may from time to time prescribe. Unless otherwise determined by the Board of Directors, the General Manager shall have authority with respect to management of the Company in the ordinary course of business.

MINUTES

53. Minutes.

(a) Minutes of each General Meeting, of each meeting of the Board of Directors and of each meeting of a Committee of the Board of Directors shall be recorded and duly entered in books provided for that purpose, and shall be held by the Company at its principal office or such other place as shall be determined by the Board of Directors. Such minutes shall, in all events, set forth the name of the persons present at the meeting and all resolutions adopted at the meeting.

(b) Any such minutes, if purporting to be signed by the Chairman of the Board of Directors, shall constitute prima facie evidence of the matters recorded therein.

DIVIDENDS

54. Declaration of Dividends; Dividend Preference.

Subject to Article 75, the holders of Preferred Shares shall be entitled to non-cumulative dividends (whether paid in cash or otherwise), at a rate of eight percent (8%) per year, payable out of funds legally available therefore, prior and in preference to the payment of dividends on any other class of shares of the Company (the "**Dividend Preference**"). Such dividends shall be payable only when, as and if approved by the Board of Directors.

Following the full payment of the Dividend Preference, the holders of Preferred Shares shall be entitled to participate, *pro rata*, in any dividends paid on the Ordinary Shares, on an as-converted basis.

55. Funds Available for Payment of Dividends.

No dividend shall be paid otherwise than in accordance with the provisions of the Companies Law.

56. Amount Payable by Way of Dividends.

Subject to the rights of the holders of Preferred Shares as to dividends pursuant to Article 54 above, any dividend paid by the Company shall be allocated among the shareholders entitled thereto in proportion to the sums paid up or credited as paid up on account of the nominal value of their respective holdings of the shares in respect of which such dividend is being paid without taking into account the premium paid up for the shares. The amount paid up on account of a share that has not yet been called for payment or fallen due for payment and upon which the Company pays interest to the shareholder shall not be deemed, for the purposes of this Article, to be a sum paid on account of the share.

57. Interest.

No dividend shall carry interest as against the Company.

58. Payment in Specie.

Upon the resolution of the Board of Directors, the Company (i) may cause any moneys, investments or other assets forming part of the undivided profits of the Company, standing to the credit of a reserve fund or to the credit of a reserve fund for the redemption of capital, or in the control of the Company and available for dividends, or representing premiums received on the issuance of shares and standing to the credit of the share premium account, to be capitalized and distributed among such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportion, on the basis that they become entitled thereto as capital, or may cause any part of such capitalized fund to be applied on behalf of such shareholders in paying up in full, either at par or at such premium as the resolution may provide, any unissued shares or debentures or debenture stock of the Company that shall be distributed accordingly, in payment, in whole or in part, of the uncalled liability on any issued shares or debentures or debenture stock; and (ii) may cause such distribution or payment to be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum.

59. Implementation of Powers under Article 58.

For the purpose of giving full effect to any resolution under Article 58, and without derogating from the provisions of Article 7 hereof, the Board of Directors may settle any difficulty that may arise in regard to the distribution as it deems expedient, and in particular may issue fractional certificates, and may fix the value for distribution of any specific assets, and may determine that cash payments shall be made to any shareholders upon the basis of the value so fixed, or that fractions of less value than the nominal value of one share may be disregarded in order to adjust the rights of all parties, and may vest any such cash, shares, debentures, debentures stock or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalized fund as may seem expedient to the Board of Directors.

60. Dividends on Unpaid Shares.

Without derogating from Article 56, the Board of Directors may give an instruction that shall prevent the distribution of a dividend to the holders of shares on which the full nominal amount has not been paid up.

61. Retention of Dividends.

(a) The Board of Directors may retain any dividend or other moneys payable or property distributable in respect of a share on which the Company has a lien, and may apply the same in or toward satisfaction of the debts, liabilities or obligations in respect of which the lien exists.

(b) The Board of Directors may retain any dividend or other moneys payable or property distributable in respect of a share in respect of which any person is, under Articles 22 and 23, entitled to become a shareholder, or which any person is, under such Articles, entitled to transfer, until such person shall become a shareholder in respect of such share or shall transfer the same.

62. Unclaimed Dividends.

All unclaimed dividends or other moneys payable in respect of a share may be invested or otherwise made use of by the Board of Directors for the benefit of the Company until claimed. The payment by the Board of Directors of any unclaimed dividend or such other moneys into a separate account shall not constitute the Company a trustee in respect thereof. The principal (and only the principal) of an unclaimed dividend or such other moneys shall be, if claimed, paid to a person entitled thereto.

63. Mechanics of Payment.

Any dividend or other moneys payable in cash in respect of a share may be paid by check or draft sent through the post to, or left at, the registered address of the person entitled thereto or by transfer to a bank account specified by such person (or, if two or more persons are registered as joint holders of such share or are entitled jointly thereto in consequence of the death or bankruptcy of the holder or otherwise, to the joint holder whose name is registered first in the Register of Shareholders or his bank account or the person whom the Company may then recognize as the owner thereof or entitled thereto under Article 22 or 23 hereof, as applicable, or such person's bank account), or to such person and at such other address as the person entitled thereto may by writing direct. Every such check or draft shall be made payable to the order of the person to whom it is sent, or to such person as the person entitled thereto as aforesaid may direct, and payment of the check or draft by the bank upon which it is drawn shall be a good discharge to the Company.

64. Receipt from a Joint Holder.

If two or more persons are registered as joint holders of any share, or are entitled jointly thereto in consequence of the death or bankruptcy of the holder or otherwise, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable in respect of such share.

ACCOUNTS; AUDITS

65. Books of Account.

The Board of Directors shall cause accurate books of account to be kept in accordance with the provisions of the Companies Law and of any other applicable law. Such books of account shall be kept at the principal office of the Company, or at such other place or places as the Board of Directors may deem fit, and they shall always be open to inspection by all Directors. Such books of account and other corporate documents and records shall also be open to inspection by the shareholders and by auditors appointed by the members, provided that such shareholders and auditors shall enter into confidentiality undertakings reasonably satisfactory to the Board of Directors.

66. Audit.

At least once in every fiscal year the accounts of the Company shall be audited and the correctness of the profit and loss account and balance sheet certified by one or more duly qualified auditors.

67. Auditors.

The appointment, authorities, rights and duties of the auditor(s) of the Company shall be regulated by Companies Law; provided, however, that the Board of Directors shall have the authority to fix the remuneration of the auditor(s).

RIGHTS OF SIGNATURE, STAMP AND SEAL

68. Rights of Signature, Stamp and Seal.

(a) The Board shall be entitled to authorize any person or persons (who need not be Directors) to act and sign on behalf of the Company, and the acts and signature(s) of such person(s) on behalf of the Company shall bind the Company to the extent such person acted and signed within the scope of his or their authority.

(b) The Board may provide for a seal. If the Board so provides, it shall also provide for the safe custody thereof. Such seal shall not be used except by the authority of the Board of Directors and in the presence of the person(s) authorized to sign on behalf of the Company, who shall sign every instrument to which such seal is affixed.

NOTICES

69. Notices.

(a) For purposes of this Section, the term "Business Day" means a day on which the banks are open for business in the country of receipt of any notice.

(b) All notices and other communications made pursuant to these Articles shall be in writing and shall be conclusively deemed to have been duly given:

(i) in the case of hand delivery to the address of the respective Person, on the next Business Day after delivery;

(ii) in the case of delivery by an internationally recognized overnight courier to the address of the respective Person, freight prepaid, on the next Business Day after delivery;

(iii) in the case of a notice sent by facsimile transmission to the fax number of the respective Person, on the next Business Day after delivery, if facsimile transmission is confirmed;

(iv) in the case of a notice sent by email to the email address of the respective Person (if any), on the date of written acknowledgment of receipt of such e-mail by the recipient.

(c) In the event that notices are given pursuant to one of the methods listed in sub-clauses (b)(i) to (iii) above, a copy of the notice should also be sent by email (if one is provided).

(d) A Person may change or supplement the contact details for service of any notice pursuant to these Articles, or designate additional addresses, facsimile numbers and email addresses for the purposes of this Section, by giving the other Persons written notice of the new contact details in the manner set forth above.

EXEMPTION, INDEMNITY AND INSURANCE

70. Exemption From Liability

Subject to the provisions of the Companies Law, the Company may exempt an Office Holder in advance from all or part of such Officer Holder's responsibility or liability for damages caused to the Company due to any breach of such Office Holder's duty of care towards the Company.

71. Indemnification

(a) Subject to the provisions of the Companies Law, the Company may indemnify any Office Holder to the fullest extent permitted by the Companies Law, with respect to the following liabilities and expenses, provided that such liabilities or expenses were imposed on or incurred by such Office Holder in such Office Holder's capacity as an Office Holder of the Company:

(i) A financial obligation imposed on an Office Holder in favor of another person by a court judgment, including a compromise judgment or an arbitrator's award approved by a court of law;

(ii) Reasonable legal expenses, including attorney's fees, expended by the Office Holder as a result of an investigation or proceeding instituted against the Office Holder 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; and

(iii) Reasonable legal expenses, including attorney's fees, 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 or by another on behalf of the Company, 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.

(b) Subject to the provisions of the Companies Law, the Company may undertake to indemnify an Office Holder as aforesaid (i) prospectively, provided, that, in respect of Article 71(a)(i), the undertaking is limited to events which, in the opinion of the Board of Directors are foreseeable in light of the Company's actual operations when the undertaking to indemnify is given, and to an amount or criteria set by the Board of Directors as reasonable under the circumstances, and further provided that such events and amount or criteria are set forth in the undertaking to indemnify, and (ii) retroactively.

72. Insurance

(a) Subject to the provisions of the Companies Law, the Company may enter into a contract to insure an Office Holder for all or part of the 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 the Company, with respect to each of the following:

(i) breach of his duty of care to the Company or to another person;

(ii) breach of his duty of loyalty to the Company, provided that the Office Holder acted in good faith and had reasonable grounds to assume that the action in question would not prejudice the interests of the Company; and

(iii) a financial obligation imposed on him in favor of another person.

(b) Articles 70, 71 and 72(a) shall not apply under any of the following circumstances:

(i) a breach of an Office Holder's fiduciary duty, in which the Office Holder did not act in good faith and with reasonable grounds to assume that the action in question would not prejudice the interests of the Company;

(ii) a grossly negligent or intentional violation of an Office Holder's duty of care;

(iii) an intentional action by an Office Holder in which such Office Holder intended to reap a personal gain illegally; and

(iv) a fine or ransom levied on an Office Holder.

(c) The Company may procure insurance for or indemnify any person who is not an Office Holder, including without limitation, any employee, agent, consultant or contractor, provided, however, that any such insurance or indemnification is in accordance with the provisions of these Articles and the Companies Law.

(d) The Company may procure insurance for or indemnify any person who is not an Office Holder, including without limitation, any employee, agent, consultant, the Observer or contractor (and in case of an Officer holders - to the extent that the insurance, release or indemnity is not prohibited by law), provided, however, that any such insurance or indemnification is in accordance with the provisions of these Articles and the Companies Law, and was duly approved by the Board of Directors.

WINDING UP

73. Winding Up.

In the event of a liquidation, bankruptcy, winding-up, dissolution, or reorganization of the Company (other than a solvent reorganization), the following shall apply:

(a) First, each Preferred Share shall entitle its holder to a per share distribution in the amount of the applicable Original Issue Price (adjusted for share combinations or subdivisions or other recapitalizations of the Company's shares) multiplied by 1.5, less the amount of the Dividend Preference and other distributions actually paid, plus an amount equal to declared but unpaid dividends, if any, on each Preferred Share prior to payments to the other shareholders of the Company (the "**Preference**"). In the event that the assets of the Company available for distribution shall be insufficient to pay the Preference in full to the Preferred Shareholders, all of such assets shall be distributed among the holders of the Preferred Shares in proportion to the full Preference such holders would otherwise be entitled to receive, subject to applicable law.

(b) In the event of a Deemed Liquidation Event, and to the extent that the assets of the Company available for distribution and are being distributed shall exceed the amount necessary to pay the Preference, any remaining assets, up to an aggregate amount of US$350,000, shall be distributed to NGT or its assignee in preference to all holders of Ordinary Shares to cover the obligations of NGT and/or the Company to the Office of the Chief Scientist in Israel ("**NGT Payment**").

(c) In the event that the assets of the Company that available for distribution shall exceed the amount necessary to pay the Preference and the NGT Payment, the remaining assets shall be distributed among the holders of the Preferred Shares and the Ordinary Shares in proportion to the respective percentage holdings of all of the Ordinary Shares (assuming conversion of the Preferred Shares).

74. Deemed Liquidation Event

For purposes of Article 73, in addition to any liquidation, dissolution, reorganization or winding up of the Company under applicable law, the Company shall be deemed to be liquidated (a "**Deemed Liquidation Event**"): (a) in the event of a consolidation, merger, acquisition, or reorganization of the Company with or into, or a sale of all or substantially all of the Company's assets, or substantially all of the Company's issued and outstanding share capital, to, any other company, or any other entity or person, other than a wholly-owned subsidiary of the Company, excluding a transaction in which shareholders of the Company prior to the transaction will maintain voting control of the surviving or acquiring entity after the transaction (provided, however, that shares of the surviving or acquiring entity held by shareholders of the Company acquired by means other than the exchange or conversion of the shares of the Company shall not be used in determining if the shareholders of the Company own more than fifty percent (50%) of the voting power of the surviving or acquiring entity (or its parent)), but shall be used for determining the total outstanding voting power of the surviving or acquiring entity); (b) in the event that pursuant to a transaction or series of transactions a person or entity acquires, fifty percent (50%) or more of the issued and outstanding shares of the Company; or (c) in the event of any lease, transfer or exclusive license of all or substantially all of the assets of the Company (other than to a wholly owned subsidiary of the Company). Upon any deemed liquidation event of the Company as described in this Article 74, at the closing of the transaction at which the Company is deemed for purposes of this Article 74 to be liquidated, the shareholders shall be paid in cash, securities or a combination thereof, an amount equal to the amount per share which would be payable to the shareholders of the Company, respectively, pursuant to Article 73 as if all consideration being received by the Company and its shareholders in connection with such transaction were being distributed in a liquidation of the Company.

MAJOR DECISIONS

75. Major Decisions.

(a) Subject to Article 75(d) below, the Company shall not and shall ensure that no subsidiary of the Company shall, without first obtaining: (A) the written consent of the holders of 67% of the Preferred Shares if the matter is brought before the Shareholders; or (B) the affirmative vote of the majority of the ABV Director or the Orchestra Director(s) (if appointed) if the matter is brought before the Board, either directly or by amendment, merger, consolidation or otherwise, do any of the following or cause any subsidiary to carry out any of such actions:

(i) Any amendment or replacement of the articles of association of the Company ("**Amendment to Articles**");

(ii) any amendment or change of the rights, preferences, privileges or powers of, or the restrictions provided for the benefit of, the Preferred Shares;

(iii) Any issuance of any class of shares having rights, preferences or privileges equal to or more favorable than the rights, preferences or privileges of the Preferred Shares;

(iv) Any increase in the authorized share capital of the Company, or any increase in the number of issued Preferred Shares, except as contemplated by the Series A SPA;

(v) Any purchase, redemption, subdivision, consolidation, re-designation or other variation of or in the share capital of the Company (including any action that reclassifies any outstanding shares) or the rights attaching to shares in the share capital of the Company;

(vi) Any reduction in the amount standing to the Company's capital redemption or share premium reserve;

(vii) Any merger, consolidation, acquisition or similar transaction of the Company with one or more other companies in which the shareholders of the Company prior to such transaction, or series of transactions, would hold shares representing less than a majority of the voting power of the outstanding shares of the surviving corporation immediately after such transaction, or series of transactions;

(viii) The sale of all or substantially all of the Company's assets;

(ix) Any transaction or series of transactions whereby the Company acquires another company, including the acquisition of shares representing a majority of the voting power of the outstanding shares of another company, or an acquisition of all or substantially all of another company's assets;

(x) Any resolution for the winding up or liquidation of the Company;

(xi) Any declaration or payment of a dividend or resolution to declare a dividend;

(xii) [Reserved]

(xiii) Material change in the nature of the business of the Company or in the Company's business plan or budget ("**Change of Business Plan or Budget**");

(xiv) Any increase or decrease in the authorized number of directors of the Company;

(xv) Instruct or enter into any engagement, agreement or understanding whatsoever with any broker, advisor (including, without limitation, financial, accounting, auditing or legal advisors), investment bank or similar party (each a "**Service Provider**"), to provide any services in connection with the listing of any of the Company's shares or the merger or consolidation of the Company with or into, or the sale of all or substantially all of the assets or shares of the Company to, any person or entity;

(xvi) issue or sell Series A Preferred Shares other than pursuant to the Series A SPA;

(xvii) create, or hold capital stock in, or make any loan or advance to any subsidiary that is not wholly owned (either directly or through one or more other subsidiaries) by the Company, or sell, transfer or otherwise dispose of any capital stock of any direct or indirect subsidiary of the Company, or permit any direct or indirect subsidiary to sell, lease, transfer, exclusively license or otherwise dispose (in a single transaction or series of related transactions) of all or substantially all of the assets of such subsidiary; or

(xviii) enter into any contract, arrangement or transaction with an affiliate of the Company or any office holder of the Company or any of their family members, unless such contract, arrangement or transaction (A) is on terms that are no less favorable to the Company than those the Company would have been reasonably likely to obtain as a result of arms-length negotiations with an unrelated third party and (B) has been approved by a majority vote of the disinterested members of the Board of Directors of the Company ("**Related Party Transaction**"). For the avoidance of doubt any transfer of shares by a shareholder to a Permitted Transferee shall not be deemed to be a Related Party Transaction.

(b) Subject to Article 75(d) below, the Company shall not: (i) make an Amendment to the Articles; (ii) make any Change of Business Plan or Budget; or (iii) enter into a Related Party Transaction: without (A) the written consent, not to be unreasonably withheld or delayed, of NGT, if the matter is brought before the Shareholders; or (B) the affirmative vote, not to be unreasonably withheld or delayed, of the NGT Director, if the matter is brought before the Board.

(c) Notwithstanding anything in these Articles to the contrary, with respect to any exclusive rights granted to a specific named shareholder (not by virtue of such shareholders holdings) (the "**Specific Rights**"), the Company shall not and shall ensure that no subsidiary of the Company shall amend, change, or modify such Specific Rights, without the prior specific written consent of the holder(s) of the relevant Specific Rights proposed to be amended, changed or modified.

(d) Notwithstanding the foregoing any veto rights granted to NGT in Article 75(b)(i) (Amendment to the Articles) and in Article 75(b)(iii) (Related Party Transaction) shall terminate (and the affirmative vote of the NGT Director shall not be required to have been obtained) (x) when the Second Milestone Closing has been fully consummated by ABV and Orchestra as contemplated in the Series A SPA, (y) if or NGT shall have become a Defaulting Purchaser, or (z) if the Second Milestone is not met by the Second Milestone Closing Date (as such terms are defined in the Series A SPA). Notwithstanding the foregoing any veto rights granted to NGT in Article 75(b)(ii) (Change of Business Plan or Budget) shall terminate (and the affirmative vote of the NGT Director shall not be required to have been obtained) (x) when the Third Milestone Closing has been fully consummated by ABV and Orchestra as contemplated in the Series A SPA, (y) if or NGT shall have become a Defaulting Purchaser, or (z) if the Third Milestone is not met by the Third Milestone Closing Date (as such terms are defined in the Series A SPA).

76. Bring Along.

(a) Subject to the provisions of and without derogating from Article 75 above and the provisions of Section 341 of the Companies Law, notwithstanding anything in these Articles to the contrary, until a Qualified IPO, if any person or entity offers to purchase all of the issued and outstanding share capital of the Company (the "**Bring Along Transaction**"), and shareholders holding more than (i) seventy percent (70%) of the voting power in the Company calculated on an as converted basis; and (ii) 67% of the Preferred Shares, indicate their acceptance of such offer (the "**Proposing Shareholders**"), and such offer is approved by a majority of the Board, then at the closing of such transaction, all holders of all classes of shares in the Company will transfer their shares to such person or entity at the same price and on the same terms and conditions as the Proposing Shareholders subject to any adjustments as may be necessary in order to give full effect to Article 74 hereof. The distribution of the consideration of such Bring Along Transaction shall be distributed in accordance with the provisions of Article 74 above, and in the order of preference and priority as set forth therein, and shall not derogate from the liquidation preferences set forth in such Article 73 and Article 74 in relation to a Deemed Liquidation Event.

FOURTH AMENDMENT TO CONVERTIBLE NOTES AGREEMENT

This Fourth Amendment to Convertible Notes Agreement (this "**Amendment**") is made and entered into as of the 18 day of October, 2016 (the "**Effective Date**"), by and among Motus GI Medical Technologies Ltd., a company organized under the laws of the State of Israel, with offices at Keren Hayesod 22 Tirat Carmel, Israel (the "**Company**") and the persons and entities listed on **Exhibit A** attached hereto (the "**Purchasers**") (each Purchaser and the Company separately, a "**Party**", and together, the "**Parties**").

WHEREAS, the Company and the Purchasers are parties to that certain Convertible Notes Agreement dated June 9, 2015, as amended on December 29, 2015, on February 15, 2016 and on July 25, 2016 (the "**Third Amendment**" and collectively with all amendments, the "**CNA**"), attached hereto as **Exhibit B** (capitalized not defined herein shall have the meaning ascribed to them in the CNA, unless it is specifically provided otherwise);

WHEREAS, the Board of Directors of the Company has decided that it is in the best interest of the Company to increase the aggregate amount the Company may raise under the CNA to US$12.5 Million; and

WHEREAS, the Parties wish to amend certain terms of the CNA, including the increase of the aggregate Loan Amount to an aggregate principal amount of up to US$12.5 Million, and amend certain terms of the Notes and the Warrants issued to the Purchasers under the CNA (including any Deferred Closing Notes and Deferred Closing Warrants issued or to be issued in the future under the CNA.)

NOW THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

1. Amendments

1.1. Section 3 of the Third Amendment is hereby amended such that the aggregate amount that may be extended by Additional Purchasers (the "**Additional Loan Amount**"), together with the aggregate Loan Amount previously extended or committed to be extended by the Purchasers and/or previous Additional Purchasers (including, for greater certainty, the additional Loan Amounts to be extended by the Major Purchasers pursuant to the Third Amendment) shall not exceed US$12.5 Million.

1.2. The Notes issued to the Purchasers and /or Additional Purchasers under the CNA (including any Deferred Closing Notes issued or to be issued in the future under the CNA) are hereby amended and restated in their entirety to be on the form of the Amended Notes attached hereto as **Exhibit C** (the "**Amended Notes**").

1.3. The Warrants issued to the Purchasers and/or Additional Purchasers under the CNA (including any Deferred Closing Warrants issued or to be issued in the future under the CNA) are hereby amended and restated in their entirety to be in the form of the Amended Warrants attached hereto as **Exhibit D** (the "**Amended Warrants**").

1.4. Within [__] days following the execution of this Agreement, the Company shall issue to the Purchasers, Amended Notes and Amended Warrants in accordance with the allocation set forth in **Exhibit A** attached hereto, against surrender to the Company by each Purchaser of the original copy of the Note and Warrant previously issued to it under the CNA or an affidavit of loss of such Note and Warrant, in a form and substance reasonably acceptable to the Company.

1.5. Notwithstanding anything herein to the contrary, upon issuance by the Company of such Amended Notes and Amended Warrants to the Purchasers, the Notes and Warrants previously issued to such Purchasers under the CNA shall immediately and automatically terminate and shall have no further force and effect whether or not physically surrendered to the Company.

1.6. Any reference in the CNA to Notes and Warrants shall be deemed to refer to the Amended Notes and the Amended Warrants.

2. Miscellaneous

2.1. The headings in this Amendment are for convenience only and shall not be used for purposes of construction.

2.2. All terms and conditions of the CNA (including any of its exhibits) shall remain in full force and effect subject to the provisions of this Amendment, which shall be regarded as an integral part of the CNA. In case of a contradiction between this Amendment and the CNA, the provisions of this Amendment shall prevail.

2.3. This Amendment may be executed in several counterparts, each of which shall be deemed an original, and all of which taken together shall constitute a single instrument.

IN WITNESS WHEREOF, the parties hereto constituting at least 70% of the aggregate outstanding principal amount of the Notes have executed this Fourth Amendment to Convertible Notes Agreement on the date first above written.

Motus GI Medical Technologies Ltd.

By: _____
Title: _____

[*Purchasers' Signature Pages to Follow*]

IN WITNESS WHEREOF, the parties hereto constituting at least 70% of the aggregate outstanding principal amount of the Notes have executed this Fourth Amendment to Convertible Notes Agreement on the date first above written.

Orchestra Medical Ventures II, L.P.

By: _____
Title: _____

Orchestra MOTUS Co-Investment Partners, LLC

By: _____
Title: _____

Ascent Biomedical Ventures II, L.P.(3)

By: _____
Title: _____

Ascent Biomedical Ventures Synecor, L.P.

By: _____
Title: _____

Jacobs Investments Company LLC

By: _____
Title: _____

IN WITNESS WHEREOF, the parties hereto constituting at least 70% of the aggregate outstanding principal amount of the Notes have executed this Fourth Amendment to Convertible Notes Agreement on the date first above written.

E. Jeffrey Peierls

Brian Eliot Peierls

UD E.F. Peierls for Brian E. Peierls
By: _____
Title: _____

UD E.F. Peierls for E. Jeffrey Peierls
By: _____
Title: _____

UD J.N. Peierls for Brian Eliot Peierls
By: _____
Title: _____

UD J.N. Peierls for E. Jeffrey Peierls
By: _____
Title: _____

UW J.N. Peierls for Brian E. Peierls
By: _____
Title: _____

UD Ethel F. Peierls Charitable Lead Trust
By: _____
Title: _____

The Peierls Bypass Trust
By: _____
Title: _____

UD E.S. Peierls for E.F. Peierls et al
By: _____
Title: _____

UW E.S. Peierls for Brian E. Peierls - Accumulation
By: _____
Title: _____

UW E.S. Peierls for E. Jeffrey Peierls - Accumulation
By: _____
Title: _____

UW J.N. Peierls for E. Jeffrey Peierls
By: _____
Title: _____

The Peierls Foundation, Inc.
By: _____
Title: _____

James T. Lenehan

Exhibit A

Installment	Shareholder	Date	Note	Warrant
First	Orchestra Medical Ventures II, L.P.	07/08/2015	$ 309,999	102,300
	Orchestra MOTUS Co-Investment Partners, LLC	07/08/2015	$ 325,837	107,526
	Ascent Biomedical Ventures II, L.P. (3)	23/06/2015	$ 416,277	137,371
	Ascent Biomedical Ventures Synecor, L.P.	10/07/2015	$ 207,826	68,583
	Jacobs Investments Company LLC	09/06/2015	$ 195,508	64,518
Second Installment	Orchestra Medical Ventures II, L.P.	21/09/2015	$ 309,999	102,300
	Orchestra MOTUS Co-Investment Partners, LLC	21/09/2015	$ 325,837	107,526
	Ascent Biomedical Ventures II, L.P. (3)	24/09/2015	$ 416,277	137,371
	Ascent Biomedical Ventures Synecor, L.P.	15/10/2015	$ 207,826	68,583
	Jacobs Investments Company LLC	15/10/2015	$ 195,508	64,518
Third Installment	Orchestra Medical Ventures II, L.P.	14/12/2015	$ 309,999	102,300
	Orchestra MOTUS Co-Investment Partners, LLC	14/12/2015	$ 325,837	107,526
	Ascent Biomedical Ventures II, L.P. (3)	24/12/2015	$ 416,277	137,371
	Ascent Biomedical Ventures II, L.P. (3)	16/02/2016	$ 207,826	68,583
	Jacobs Investments Company LLC	14/12/2015	$ 195,508	64,518
	E. Jeffrey Peierls	14/01/2016	$ 97,500	32,175
	Brian Eliot Peierls	14/01/2016	$ 60,000	19,800
	UD E.F. Peierls for Brian E. Peierls	14/01/2016	$ 40,500	13,365
	UD E.F. Peierls for E. Jeffrey Peierls	14/01/2016	$ 40,500	13,365
	UD J.N. Peierls for Brian Eliot Peierls	14/01/2016	$ 40,500	13,365

	UD J.N. Peierls for E. Jeffrey Peierls	14/01/2016	$	40,500	13,365
	UW J.N. Peierls for Brian E. Peierls	14/01/2016	$	42,000	13,860
	UW J.N. Peierls for E. Jeffrey Peierls	14/01/2016	$	42,000	13,860
	UD Ethel F. Peierls Charitable Lead Trust	14/01/2016	$	37,500	12,375
	The Peierls Bypass Trust	14/01/2016	$	15,000	4,950
	UD E.S. Peierls for E.F. Peierls et al	14/01/2016	$	28,500	9,405
	UW E.S. Peierls for Brian E. Peierls - Accumulation	14/01/2016	$	34,500	11,385
	UW E.S. Peierls for E. Jeffrey Peierls - Accumulation	14/01/2016	$	21,000	6,930
	The Peierls Foundation, Inc.	14/01/2016	$	397,500	131,175
Fourth Installments	Orchestra Medical Ventures II, L.P.	04/05/2016	$	309,999	102,300
	Ascent Biomedical Ventures II, L.P. (3)	03/06/2016	$	624,103	205,954
	Jacobs Investments Company LLC	25/04/2016	$	195,508	64,518
	E. Jeffrey Peierls	28/04/2016	$	32,500	10,725
	Brian Eliot Peierls	28/04/2016	$	20,000	6,600
	UD E.F. Peierls for Brian E. Peierls	28/04/2016	$	13,500	4,455
	UD E.F. Peierls for E. Jeffrey Peierls	28/04/2016	$	13,500	4,455
	UD J.N. Peierls for Brian Eliot Peierls	28/04/2016	$	13,500	4,455
	UD J.N. Peierls for E. Jeffrey Peierls	28/04/2016	$	13,500	4,455
	UW J.N. Peierls for Brian E. Peierls	28/04/2016	$	14,000	4,620
	UW J.N. Peierls for E. Jeffrey Peierls	28/04/2016	$	14,000	4,620
	UD Ethel F. Peierls Charitable Lead Trust	28/04/2016	$	12,500	4,125
	The Peierls Bypass Trust	28/04/2016	$	5,000	1,650
	UD E.S. Peierls for E.F. Peierls et al	28/04/2016	$	9,500	3,135
	UW E.S. Peierls for Brian E. Peierls - Accumulation	28/04/2016	$	11,500	3,795
	UW E.S. Peierls for E. Jeffrey Peierls - Accumulation	28/04/2016	$	7,000	2,310
	The Peierls Foundation, Inc.	28/04/2016	$	132,500	43,725

Fifth Installments					
	Orchestra Medical Ventures II, L.P.	10/08/2016	$	143,479 (according to CNA shall be $315,000)	47,348 (according to CNA shall be 103,950)
	Ascent Biomedical Ventures II, L.P. (3)	04/08/2016	$	294,000	97,020
	Jacobs Investments Company LLC	01/08/2016	$	91,000	30,030
Deferred Closing	James T. Lenehan	31/08/2016	$	100,000	33,000
Sixth Installment	Orchestra Medical Ventures II, L.P.	16/09/2016		$ 143,479 (according to CNA shall be $315,000)	47,348(according to CNA shall be 103,950)
	Jacobs Investments Company LLC	16/09/2016	$	91,000	30,030

Exhibit B

CNA

EXHIBIT C TO FOURTH AMENDMENT TO CONVERTIBLE NOTE AGREEMENT

Date: _____

Purchaser: _____

Principal Amount: US$_____

CONVERTIBLE

PROMISSORY NOTE

For value received, **Motus GI Medical Technologies Ltd.**, an Israeli company ("**Company**") promises to pay to the Purchaser named above ("**Holder**"), the principal sum stated above (the "**Principal Amount**") in accordance with the terms set forth herein, as follows:

1. **Note Part of a Series**. This Note is being sold by the Company as part of a series of notes issued pursuant to that certain Convertible Notes Agreement dated as of June 9, 2015, by and among the Company and purchasers of such Notes, as amended (the "**CNA**"). The term "**Notes**" shall mean herein all Notes issued under the CNA.

2. **Interest**. Interest shall accrue on the unpaid Principal Amount of this Note from the date of this Note until the actual repayment of all amounts due hereunder, at an annual rate of 10% (ten percent), compounded annually. Interest shall be computed on the basis of a year of 360 days for the actual number of days occurring in the period for which such interest is payable. Upon conversion of the Principal Amount in accordance with the terms hereof, all interest accrued thereon shall be converted together with the Principal Amount or repaid to the Holder in cash, after deduction of all applicable taxes with respect thereto, as shall be determined by the Company, at its sole discretion. The actual amount to be converted in accordance with the Company's election, as specified in the preceding sentence, shall be hereinafter referred to as the "**Conversion Amount**."

3. **Automatic Conversion upon QFR**. To the extent not previously converted or repaid according to the terms specified herein, the Conversion Amount shall be automatically converted, immediately prior and subject to the closing of a QFR (as defined below), on the same terms and conditions applicable to the QFR, such that the Holder shall receive the same type of securities issued, and any other rights granted to the investors in such QFR (the "**QFR Securities**"), under the same terms as if the Holder had participated in the QFR as an investor (including any warrants or any other securities granted to the investors therein), but at a conversion price per share equal to the QFR Conversion Price (as defined below).

It being agreed and acknowledged that (a) the original issue price (or any equivalent term used under the then applicable Articles of Association of the Company) of QFR Securities issued to the Holder shall be set to be the QFR Conversion Price, and any rights that are attached to the QFR Securities issued to the Holder which are determined, derived, calculated, triggered, or otherwise based on the original price of such shares (including, without limitation, liquidation and dividend preferences, anti-dilution rights or the like) shall be determined, calculated, triggered or otherwise based on the actual QFR Conversion Price; and (b) in the event that the QFR Securities also comprise of warrants to purchase, or other securities convertible into, shares of the Company (any such preceding convertible security a "**Convertible Security**"), then (i) upon such conversion, the Holder shall be entitled to receive such number of warrants and/or Convertible Securities of the same class or type that are issued to the investors in the framework of the QFR, in a number which shall be determined using the same warrant and/or Convertible Securities coverage ratio offered to the investors in such QFR, such that the ratio between the shares and the warrants and/or Convertible Securities issued to the Holder shall be equal to the ratio between the shares and the warrants and/or Convertible Securities issued to each investor in such QFR; and (ii) the discount rate reflected in the QFR Conversion Price shall not apply in respect of the exercise price or conversion price (as applicable) of such warrants and/or Convertible Securities.

For example, if the terms of the QFR are as follows:

- The QFR unit price is US$10.
- Each unit is comprised of two (2) Ordinary Shares and one (1) warrant to purchase one (1) Ordinary Share.
- The discount rate reflected in the QFR Conversion Price of the Holder is 10%.
- The exercise price of the warrants issued in the QFR is US$12.
- The Conversion Amount of the Holder is US$1,800.

then, in the framework of such QFR, the Holder shall be issued, upon conversion of the Conversion Amount, 200 Ordinary Shares ((US$1,800))/((1-10%)*US$10)) and 100 warrants to purchase 100 Ordinary Shares (100/2), at an exercise price per share of US$12, while an investor, who is not a holder of Notes, and invests in the QFR the same amount (i.e., US$1,800), shall be issued only 180 Ordinary Shares and 90 warrants to purchase 90 Ordinary Shares, at an exercise price per share of US$12.

The term "**QFR**" means the first financing round consummated by the Company after the date of the Note, through an equity investment (including an initial public offering but excluding the issuance of any convertible notes, or the issuance of shares upon conversion of such notes), either in one transaction or in a series of related transactions, with an aggregate investment amount of not less than US$3,000,000 (Three US Dollars), excluding the outstanding principal amount of the Notes and all accrued and unpaid interest thereon.

The term "**QFR Conversion Price**" means a conversion price reflecting the lower of (i) a 10% discount on the price paid by the investor(s) for the shares issued in the QFR; or (ii) US$1.15 per share. Notwithstanding the foregoing, in the event that the QFR in an initial public offering with gross proceeds to the Company of not less than US$25,000,000 (Twenty Five Million US Dollars) (including the outstanding principal amount of the Notes and all accrued and unpaid interest thereon) (the "**QIPO**"), the QFR Conversion Price shall mean a conversion price reflecting a 50% discount on the price paid for the shares issued in the QIPO and if the price in such QIPO is fixed per each unit offered in the QIPO, the discount shall be applicable to such unit price.

If this Note is converted in accordance with this Section 3, written notice shall be delivered to the Holder of this Note, notifying the Holder of the conversion, specifying the Conversion Amount, the date of such conversion, and the securities issued upon conversion. For the avoidance of doubt, in such event this Note shall be null and void even if not surrendered to the Company.

4 **Automatic Conversion upon M&A Event.**

4.1. In the event that, prior to the conversion of the Conversion Amount or its repayment according to the terms specified herein, an M&A Event (as defined below) shall occur, then immediately prior and subject to the closing of such M&A Event, the Conversion Amount shall be automatically converted into Series A Preferred Shares, par value NIS 0.01 per share, of the Company (the "**Preferred A Shares**"), at a conversion price equal to the price per share paid by the Company's investors in consideration for the Preferred A Shares (i.e., US$1) (the "**M&A Conversion Price**").

It being agreed and acknowledged that the original issue price (or any equivalent term used under the then applicable Articles of Association of the Company) of the Preferred A Shares issued to the Holder shall be set to be the M&A Conversion Price, and any rights that are attached to such Preferred A Shares issued to the Holder which are determined, derived, calculated, triggered, or otherwise based on the original price of such shares (including, without limitation, liquidation and dividend preferences, anti-dilution rights or the like) shall be determined, calculated, triggered or otherwise based on the actual M&A Conversion Price.

The term "**M&A Event**" means (i) a merger or consolidation of the Company in which the Company's shareholders immediately prior to such transaction do not own, directly or indirectly, more than 50% of the share capital of the surviving entity; (ii) the acquisition of more than 50% of the Company's outstanding share capital by a single unaffiliated person, entity or group ,or by persons or entities acting in concert; (iii) the sale or transfer of all or substantially all of the assets of the Company; or (iv) a reverse triangular merger in which the Company is the surviving entity but the shares of the Company's share capital outstanding immediately prior to the merger are converted by virtue of the merger into other property, whether in the form of securities, cash or otherwise.

4.2. Irrespective of any other provision of this Note, in the event that prior to the conversion of the Conversion Amount or its repayment according to the terms specified herein, the Company becomes a subsidiary of a newly-formed entity formed under the laws of one of the states of the United States ("**Newco**") either by way of a reverse triangular merger or by way of share swap or by way of any other similar transaction or series of related transactions, the result of which will be the capital stock of the Company being wholly owned by Newco (or any other entity into which or with which Newco merges), and simultaneously with or in connection with such transaction(s) or shortly thereafter, Newco (or any other entity into which or with which Newco merges), consummates an equity financing of at least US$ 10,000,000 (the "**New Financing**"), the Conversion Amount will be automatically exchanged for a number of securities (including any "units" or basket of securities that consist of stock together with warrants and/or securities or rights convertible or exchangeable for stock) sold in the New Financing calculated on the basis of an exchange price of 90% of the sale price of the units issued in such New Financing.

5. **Voluntary Conversion upon NQFR.** In the event that, prior to the conversion of the Conversion Amount or its repayment according to the terms specified herein, the Company shall consummate a financial round through an equity investment, either in one transaction or in series of transactions (including an initial public offering but excluding the issuance of any convertible notes or the issuance of shares upon conversion of such notes), which is not a QFR (a "**NQFR**"), then the holders of Notes reflecting 70% (Seventy percent) of the aggregate outstanding principal amount of the Notes (the "**Majority Holders**"), shall be entitled, no later than fourteen (14) days prior to the closing of such NQFR, to notify the Company in writing of their choice to convert the entire Conversion Amount of the Notes (the "**Aggregate Conversion Amount**"). In such event the entire Aggregate Conversion Amount shall be converted immediately prior and subject to the closing of the NQFR, on the same terms and conditions specified in Section 3 above ("**Automatic Conversion upon a QFR**"), *mutatis mutandis*. The election of the Majority Holders to convert the entire Aggregate Conversion Amount shall be binding on all of the holders of the Notes and each such holder shall be deemed to have elected to convert its respective portion of the Aggregate Conversion Amount in accordance with the terms and conditions specified herein.

6. **Maturity Date**. If not converted or repaid according to the terms set forth herein until thirty (30) months from the date of this Note (i.e., _____) (the "**Maturity Date**"), then at the Maturity Date the Conversion Amount shall be automatically converted into Preferred A Shares, at a conversion price per share equal to the price per share paid by the Company's investors in consideration for the Preferred A Shares (i.e., US$1) (the "**Maturity Conversion Price**").

   It being agreed and acknowledged that the original issue price (or any equivalent term used under the applicable Articles of Association of the Company) of the Preferred A Shares issued to the Holder shall be set to be the Maturity Conversion Price, and any rights that are attached to such Preferred A Shares issued to the Holder which are determined, derived, calculated, triggered, or otherwise based on the original price of such shares (including, without limitation, liquidation and dividend preferences, anti-dilution rights or the like) shall be determined, calculated, triggered or otherwise based on the actual Maturity Conversion Price.

7. **Event of Default**. In the event that, prior to the conversion of the Conversion Amount or its repayment according to the terms hereunder an Event of Default occurs, then the Conversion Amount shall be, at the election of the Holder, at its sole discretion, either: (i) become immediately due and payable to the Holder in cash; or (ii) converted into Preferred A Shares, at a conversion price per share equal to the price per share paid by the Company's investors in consideration for the Preferred A Shares (i.e., US$1) (the "**Default Conversion Price**").

   It being agreed and acknowledged that the original issue price (or any equivalent term used under the then applicable Articles of Association of the Company) of the Preferred A Shares issued to the Holder shall be set to be the Default Conversion Price, and any rights that are attached to such Preferred A Shares issued to the Holder which are determined, derived, calculated, triggered, or otherwise based on the original price of such shares (including, without limitation, liquidation and dividend preferences, anti-dilution rights or the like) shall be determined, calculated, triggered or otherwise based on the actual Default Conversion Price.

The term "**Event of Default**" means (a) dissolution, termination of existence, suspension or discontinuance of business or ceasing to operate as going concern for a period of more than thirty (30) days; (b) the appointment of a receiver, trustee, custodian or similar official, for the Company or any material portion of the property or assets of the Company and the continuation of such appointment without dismissal for a period of thirty (30) days or more; (c) the conveyance of any material portion of the assets of the Company to a trustee, mortgage or liquidating agent or an assignment for the benefit of creditors by the Company which is not dismissed within a period of thirty (30) days; (d) the commencement of any proceeding, whether federal or state, relating to bankruptcy, insolvency, dissolution, reorganization, composition, renegotiations of outstanding indebtedness, arrangement or otherwise to the relief or debtors or the readjustment of indebtedness, by or against the Company, which is not stayed, vacated or released within sixty (60) days of commencement; (e) any material breach by the Company of any covenant or obligation in the Note, CAN or any documents and agreements ancillary thereto (the "**Transaction Documents**") which is not cured, if curable, within thirty (30) days following receipt by the Company of a written notice of such breach; (f) any material misrepresentation has occurred in the Transaction Documents, which is not cured, if curable, within thirty (30) days following receipt by the Company of a written notice of such breach; (g) the Company shall fail to make any required payment of interest, principal or otherwise under the Notes, which is not cured within thirty (30) days following receipt by the Company of a written notice of such failure. The Company undertakes to notify the Holder immediately following occurrence of any of the events detailed in clauses (a) to (g) above.

8. **Conversion; Fractional Interests.** Each conversion shall be deemed to have been effected as to this Note (or the specified portion thereof) on the date on which the requirements set forth above in this Note required to be satisfied by the Holder, or the circumstances that are required to exist, have been satisfied as to this Note (or portion thereof), and the person whose name any certificate or certificates for shares shall be issuable upon such conversion shall be deemed to have become on said date the holder of record of the shares represented thereby. No fractional shares or scrip representing fractional shares shall be issued upon conversion of this Note and the number of shares issued shall be rounded to the nearest whole number.

9. **Payments; Taxes**

9.1. Payments. All payments of interest and of principal shall be in U.S. Dollar ("**US$**") or in the New Israeli Shekels ("**NIS**") equivalent. If any payment is paid in a NIS equivalent, it shall be paid in accordance with the representative rate of exchange of the U.S. Dollar against the NIS last published by the Bank of Israel immediately prior to the certain payment date.

9.2. Taxes on Payments. To the extent required pursuant to applicable law, VAT shall be added by the Company to any payment to be made by the Company pursuant to this Note. The Company shall be entitled to deduct and withhold any withholding taxes which the Company determines it is legally required to deduct or withhold from any payment to be made by the Company pursuant to this Note.

10. **Not a Shareholder.** Prior to the conversion of this Note or any portion thereof according to the provisions specified herein, the Holder, in its capacity as an Holder, shall not be entitled to any rights of a shareholder of the Company, including, without limitation, the right to vote or to receive dividends or other distributions, with respect to the Note and the shares issuable upon conversion of the Note.

11. **Miscellaneous**

11.1. Governing Law. This Note shall be deemed to be a contract made under the laws of the State of New York, and for all purposes shall be construed in accordance with the laws of said state, without regard to principles of conflict of laws. Any dispute arising under or in relation to this Agreement shall be resolved exclusively in the competent court in New York New York, and each of the parties hereby irrevocably submits to the exclusive jurisdiction of such court.

11.2. Successors and Assigns. Except as otherwise expressly limited herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors, and administrators of the parties hereto. None of the rights, privileges, or obligations set forth in, arising under, or created by this Note may be assigned or transferred without the prior consent in writing of each party to this Note.

11.3. Delays or Omissions; Waiver. No delay or omission to exercise any right, power, or remedy accruing to either the Company or the Holder upon any breach or default by the other under this Note shall impair any such right or remedy, nor shall it be construed to be a waiver of any such breach or default, or any acquiescence therein or in any similar breach or default thereafter occurring.

11.4. Entire Agreement**.** This Note, when read together with the CNA, contains the entire understanding of the parties with respect to its subject matter and all prior negotiations, discussions, commitments, and understandings heretofore had between them with respect hereto are merged therein. In the case of any discrepancy between the provisions of this Note and the provisions of any other agreement previously entered into by the Company or the Holder, the provisions of this Note and the CNA shall prevail.

11.5. Amendment. Any term of this Note – as well as of all other Notes - may be amended (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and the Majority Holders.

11.6. Headings. All article and section headings herein are inserted for convenience only and shall not modify or affect the construction or interpretation of any provision of this Note.

11.7. Notices. All notices and other communications made pursuant to this Note shall be in writing and shall be conclusively deemed to have been duly given if delivered in accordance with the notice provisions of the CNA.

11.8. Severability. If any provision of this Note is held by a court of competent jurisdiction to be unenforceable under applicable law, then such provision shall be excluded from this Note and the remainder of this Note shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms; provided, however, that in such event this Note shall be interpreted so as to give effect, to the greatest extent consistent with and permitted by applicable law, to the meaning and intention of the excluded provision as determined by such court of competent jurisdiction.

Motus GI Medical Technologies Ltd.

By: _____

Name: _____

Title: _____

EXHIBIT D TO FOURTH AMENDMENT TO CONVERTIBLE NOTES AGREEMENT

NEITHER THIS WARRANT CERTIFICATE NOR THE SHARES ISSUABLE UPON EXERCISE OF THIS WARRANT CERTIFICATE HAVE BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR ANY OTHER SECURITIES ACT, AND THIS WARRANT CERTIFICATE AND THE SHARES ISSUABLE UPON EXERCISE OF THIS WARRANT CERTIFICATE MAY NOT BE SOLD, OFFERED, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH APPLICABLE SECURITIES LAWS AND THE RESTRICTIONS, TERMS AND CONDITIONS SET FORTH HEREIN.

MOTUS GI MEDICAL TECHNOLOGIES LTD.

PREFERRED A SHARES WARRANT CERTIFICATE

To purchase
[_____] Preferred A Shares (subject to adjustment) of
Motus GI Medical Technologies Ltd. (the "**Company**")
at a per share price and subject to the terms detailed below
VOID AFTER 17:00 p.m. Israel Standard Time
on the last day of the Warrant Period (as defined below)

THIS IS TO CERTIFY THAT, [_____] (the "**Holder**"), is entitled to purchase from the Company, an aggregate of up to [_____] (as may be adjusted hereunder) Preferred A Shares of the Company, nominal value NIS 0.01 per share (the " **Warrant Shares**"), at an aggregate purchase price of US$ [_____], reflecting an exercise price per share of US$ 1.00 (the "**Exercise Price**"), during the Warrant Period.

This Warrant Certificate (this "**Warrant**") is issued to the Holder in connection with that certain Convertible Notes Agreement dated June 9, 2015 by and among the Company and the Purchasers listed on Exhibit A thereto, as amended (the "**Convertible Notes Agreement**").

1. EXERCISE OF WARRANT

1.1. Warrant Period. This Warrant may be exercised, subject to the terms and conditions hereof, in whole or in part, at one time or from time to time during the period commencing on _____ (the "**Initial Date**") until the earlier of: (i) seven (7) years thereafter (i.e., _____); and (ii) the closing of an Exit Event (as defined in Section 5 below); provided that such Exit Event is consummated within 180 days from the Exit Event Notice (each of (i) or (ii), the "**Expiry Date**"). The period between the Initial Date and the Expiry Date shall be referred to hereinafter as the "**Warrant Period**."

1.2. Exercise for Cash. This Warrant may be exercised by presentation and surrender thereof to the Company at its principal office or at such other office or agency as it may designate from time to time, accompanied by:

(a) A duly executed notice of exercise, in the form attached hereto as **Schedule 1.1** (the "**Exercise Notice**"); and

(b) Payment to the Company, for the account of the Company, of the Exercise Price for the number of Warrant Shares purchased payable in immediately available funds by wire transfer to the Company's bank account. The Exercise Price will be paid in United States Dollars or the equivalent sum in NIS according to the Bank of Israel exchange rate as published upon the date immediately prior to the exercise date.

1.3. Exercise on Net Issuance Basis. In lieu of payment to the Company as set forth in Section 1.1 above, the Holder may elect to exercise this Warrant into the number of Warrant Shares calculated pursuant to the formula below, by presentation and surrender thereof to the Company at its principal office or at such other office or agency it may designate from time to time, accompanied by a duly executed notice of exercise, in the form attached hereto as **Schedule 1.3** (the "**Net Issuance Notice**"):

$$X = \frac{Y*(A - B)}{A}$$

Where:

X = the number of Warrant Shares to be issued to the Holder;

Y = the number of Warrant Shares in respect of which the net issuance election is being made;

A = the Fair Market Value (as defined below) of one Warrant Share; and

B = the Exercise Price of one Warrant Share.

For purposes of this Section 1.3, the "**Fair Market Value**" of one Warrant Share as of a particular date (the **"Determination Date"**) shall be:

(a) If the net issuance right is exercised in connection with and contingent upon an initial public offering of the Company's shares (an "**IPO**"), then the initial "price to public" (i.e., before deduction of discounts, commissions or expenses) specified in the final prospectus or registration statement with respect to such offering.

(b) If the net issuance right is exercised in connection with and contingent upon an Exit Event that is not an IPO, the price per Preferred A Share (or any securities to which the Preferred A Shares have been converted to in accordance with the Company's organizational documents and applicable law) in such Exit Event.

(c) If the net issuance right is not exercised in connection with and contingent upon an Exit Event, then as follows:

(i) If the Preferred A Share (or any securities to which the Preferred A Shares have been converted to in accordance with the Company's organizational documents and applicable law) are traded on a securities exchange, the Fair Market Value shall be deemed to be the average of the closing prices of such shares on such exchange over the fifteen (15) trading days immediately prior to (but not including) the Determination Date;

(ii) If the Preferred A Share (or any securities to which the Preferred A Shares have been converted to in accordance with the Company's organizational documents and applicable law) are quoted for trading on an over-the-counter system, the Fair Market Value shall be deemed to be the average of the closing bid prices of such shares over the fifteen (15) trading days immediately prior to (but not including) the Determination Date; and

(iii) If there is no public market for the Preferred A Shares (or any securities to which the Preferred A Shares have been converted to in accordance with the Company's organizational documents and applicable law), the Fair Market Value of the shares shall be determined in good faith by the Board of Directors of the Company.

1.4. Issuance of Warrant Shares. Upon presentation and surrender of this Warrant, accompanied by (a) the duly executed Exercise Notice and the payment of the applicable Exercise Price for the Warrant Shares being purchased pursuant to Section 1.1 above; or (b) the duly executed Net Issuance Notice pursuant to Section 1.3 above, as the case may be, the Company shall promptly (i) issue to the Holder the Warrant Shares to which the Holder is entitled; and (ii) deliver to the Holder the share certificate evidencing such Warrant Shares.

Upon receipt by the Company of this Warrant and the applicable duly executed notice of exercise (and the Exercise Price for the Warrant Shares being purchased, if applicable), together with any other documents and/or approvals that may be required by law, the Holder shall be deemed to be the holder of record of the Warrant Shares issuable upon such exercise, notwithstanding that the share transfer books of the Company shall then be closed or that certificates representing such shares shall not then be actually delivered to the Holder.

1.5. Fractional Shares. No fractions of shares shall be issued in connection with the exercise of this Warrant, and the number of shares issued shall be rounded to the nearest whole number.

1.6. Partial Exercise. If this Warrant is exercised in part only, the Company shall, upon surrender of this Warrant for cancellation, execute and deliver a new Warrant evidencing the rights of the Holder to purchase the balance of the Warrant Shares purchasable hereunder.

1.7. Additional Documents. The Holder will sign and deliver any and all documents or approvals required by law, to facilitate the issuance of the Warrant Shares upon exercise of this Warrant.

1.8. Loss or Destruction of Warrant. Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant, and (in the case of loss, theft or destruction) of reasonable reimbursement of expenses and satisfactory indemnification, and upon surrender and cancellation of this Warrant, if mutilated, the Company will execute and deliver a new Warrant of like tenor and date.

2. TAXES

2.1. The Holder acknowledges that the grant of the Warrant, the issuance of the Warrant Shares and the execution and/or performance of this Warrant may have tax consequences to the Holder and that the Company is not able to ensure or represent to the Holder the nature and extent of such tax consequences.

2.2. The Company shall pay all of the applicable taxes and other charges payable by the Company in connection with the issuance of the Warrant Shares and the preparation and delivery of share certificates in the name of the Holder (such as transfer taxes in respect of the issuance or delivery of Warrant Shares upon exercise of this Warrant), if any, but shall not pay any taxes payable by the Holder by virtue of the holding, issuance, exercise, sale of this Warrant or the Warrant Shares by the Holder.

3. RESERVATION OF SHARES; PRESERVATION OF RIGHTS OF HOLDER

3.1. Reservation of Shares. The Company hereby agrees that, at all times prior to the expiration or exercise of this Warrant, it will maintain and reserve, free from pre-emptive or similar rights, such number of authorized but unissued shares so that this Warrant may be exercised without additional authorization of shares.

3.2. Preservation of Rights. The Company will not, by amendment of its organizational documents or through reorganization, recapitalization, consolidation, merger, dissolution, transfer of assets, issue or sale of securities or any other voluntary act, avoid or seek to avoid the observance or performance of any of the covenants, stipulations, conditions or terms to be observed or performed hereunder, but will at all times in good faith assist in the carrying out of all the provisions hereof and in taking of all such actions and making all such adjustments as may be necessary or appropriate in order to fulfill the provisions hereof.

4. ADJUSTMENT

4.1. The number of Warrant Shares purchasable upon the exercise of this Warrant and the Exercise Price shall be subject to adjustment from time to time or upon exercise, as follows:

(a) Bonus Shares. In the event that during the Warrant Period the Company shall distribute a non-cash dividend or shares pursuant to a reclassification of its share capital, to all of the holders of shares of the Company (i.e., bonus shares), then this Warrant shall represent the right to acquire, in addition to the number of Warrant Shares indicated in the caption of this Warrant, the amount of such bonus shares that are distributed to persons holding the class of share capital for which the Warrant is exercisable and/or to receive the stock dividends which are distributed to persons holding the class of share capital for which the Warrant is exercisable, without payment of any additional consideration therefor, to which the Holder would have been entitled had this Warrant been exercised prior to the distribution of the stock dividends or the bonus shares.

(b) Consolidation and Division. In the event that during the Warrant Period the Company consolidates its share capital into shares of greater par value, or subdivides them into shares of lesser par value, then the number of Warrant Shares to be allotted on exercise of this Warrant after such consolidation or subdivision shall be reduced or increased accordingly, as the case may be, and in each case the Exercise Price shall be adjusted appropriately such that the aggregate consideration hereunder to the Company shall not change.

(c) Capital Reorganization. In the event that during the Warrant Period a reorganization of the share capital of the Company is effected (other than subdivision, combination or reclassification provided for elsewhere in this Section 4) and the Preferred A Shares are exchanged for other securities of the Company, then, as part of such reorganization, provision shall be made so that the Holder shall be entitled to purchase upon exercise of this Warrant such kind and number of shares or other securities of the Company to which the Holder would have been entitled had this Warrant been exercised without taking into effect such reorganization.

(d) Irrespective of any other provision of this Warrant, in the event that during the Warrant Period the Company becomes a subsidiary of a newly-formed entity formed under the laws of one of the states of the United States ("**Newco**") either by way of a reverse triangular merger or by way of share swap or by way of any other similar transaction or series of related transactions, the result of which will be the capital stock of the Company being wholly owned by Newco (or any other entity into which or with which Newco merges), and simultaneously with or in connection with such transaction(s) or shortly thereafter, Newco (or any other entity into which or with which Newco merges) consummates an equity financing of at least US$ 10,000,000(the "**New Financing**" and the "**Qualified Transaction**", respectively), this Warrant shall be automatically exchanged for five-year Newco (or any other entity into which or with which Newco merges) warrants exercisable for Newco (or any other entity into which or with which Newco merges) Common Stock at an exercise price per share of 100% of the original issue price of the securities (including any "units" or basket of securities that consist of stock together with warrants and/or securities or rights convertible or exchangeable for stock) issued in the New Financing (the "**Original Issue Price**"). The number of Common Stock underlying such new warrant shall be equal to one-third (1/3) of the principal amount of that certain Note dated [_____] issued by the Company to the Holder, divided by the Original Issue Price. For greater certainty, the Qualified Transaction described in this sub-section (d) shall not be deemed an Exit Event.

4.2. Whenever an adjustment is effected hereunder, the Company shall promptly compute such adjustment and deliver to the Holder a certificate setting forth the number of Warrant Shares (or any other securities) for which this Warrant is exercisable and the Exercise Price as a result of such adjustment, a brief statement of the facts requiring such adjustment and the computation thereof and when such adjustment has or will become effective.

4.3. Except as otherwise provided herein, Sections 4.1(a) to 4.1(d) hereof are intended to operate independently of one another. If an event occurs that requires the application of more than one subsection, all applicable subsections shall be given independent effect, but there shall be no duplicate adjustments if two separate subsections provide the same protection.

4.4. Notices of Certain Transactions. In case:

(a) the Company shall take a record of the holders of its Preferred A Shares (or other stock or securities at the time deliverable upon the exercise of this Warrant) for the purpose of entitling or enabling them to receive any dividend or other distribution, or

(b) of the voluntary or involuntary dissolution, liquidation or winding-up of the Company

then, and in each such case, the Company will mail or cause to be mailed to the Holder a notice specifying, as the case may be, (i) the date on which a record is to be taken for the purpose of such dividend or distribution, and stating the amount and character of such dividend or distribution, or (ii) the effective date on which such voluntary dissolution, liquidation or winding-up is to take place, and the time, if any is to be fixed, as of which the holders of record of Shares (or such other shares or securities at the time deliverable upon such voluntary dissolution, liquidation or winding-up) are to be determined. Such notice shall be mailed at least seven (7) days prior to the record date or effective date for the event specified in such notice.

5. EXERCISE OF THE WARRANT UPON AN EXIT EVENT

Notwithstanding anything to the contrary in this Warrant, if at any time during the Warrant Period, the Company consummates an Exit Event, or at the discretion of the Board of Directors of the Company, in the event that the Company believes that an Exit Event is likely to be consummated during such period, the Company shall provide written notice of such Exit Event (or, if applicable, an anticipated Exit Event) to the Holder (the "**Exit Event Notice**"). Within fourteen (14) days after Holder's receipt of the Exit Event Notice, Holder must notify the Company if it intends to exercise this Warrant pursuant to Section 1.2 or 1.3 of this Warrant, in which case such exercise shall be effective contingent upon and immediately prior to the consummation of the Exit Event. Thereafter, so long as the Company consummates such Exit Event within one hundred and eighty (180) days after Holder's receipt of the Exit Event Notice (to the extent the Exit Event shall not have occurred prior to the Exit Event Notice), Holder shall have no further rights hereunder and this Warrant shall be automatically terminated if not so exercised. If the Company fails to consummate such Exit Event within such time, then this Warrant shall remain in effect subject to the provisions contained herein.

For the purposes hereof, an "**Exit Event**" shall mean the closing of (i) an initial public offering; (ii) a merger of the Company with or into another corporation, (iii) an acquisition of all or substantially all of the shares of the Company, (iv) the sale or license of all or substantially all of the assets of the Company, any with respect to (ii)-(iv), other than a merger or transaction in which the persons that beneficially owned, directly or indirectly, a majority of the share capital of the Company immediately prior to such merger or transaction, beneficially own, directly or indirectly, a majority of the total shares of capital stock of the surviving or transferee entity. For greater certainty, the Qualified Transaction described in Section 4.1(d) shall not be deemed an Exit Event and the provisions of this Section 5 shall not apply solely in connection with such Qualified Transaction.

6. RIGHTS OF THE HOLDER

6.1. This Warrant shall not entitle the Holder, by virtue hereof, to any voting rights or other rights as a shareholder of the Company, except for the rights expressly set forth herein.

6.2. The Holder acknowledges that the Warrant Shares shall be subject to such rights, privileges, restrictions and limitations as set forth in this Warrant and the organizational documents of the Company (or any other agreement with respect thereto), as may be amended from time to time, and that, as a result, *inter alia*, of such limitations, it may be difficult or impossible for the Holder to realize his investment and/or to sell or otherwise transfer the Warrant Shares. The Holder further acknowledges that the Company's shares are not publicly traded.

7. TERMINATION

Notwithstanding anything to the contrary, this Warrant and all the rights conferred hereby shall terminate and expire at the aforementioned time on the Expiry Date.

8. MISCELLANEOUS

8.1. Entire Agreement; Amendment. This Warrant sets forth the entire understanding of the parties with respect to the subject matter hereof and supersedes all existing agreements among them concerning such subject matter. All article and section headings herein are inserted for convenience only and shall not modify or affect the construction or interpretation of any provision of this Warrant. Subject to Section 8.8 below, no modification or amendment of this Warrant will be valid unless executed in writing by the Company and the Holder.

8.2. Waiver. No failure or delay on the part of any of the parties in exercising any right, power or privilege hereunder and/or under any applicable law or the exercise of such right or power in a manner inconsistent with the provisions of this Warrant or applicable law shall operate as a waiver thereof. Any waiver must be evidenced in writing signed by the party against whom the waiver is sought to be enforced.

8.3. Successors and Assigns; Assignment. Except as otherwise expressly limited herein, this Warrant shall inure to the benefit of, be binding upon, and be enforceable by the Holder and its respective successors, and administrators and is otherwise non-transferable without the prior consent of the Company. The Holder represents and warrants to the Company that this Warrant and the Warrant Shares, if and when purchased by the Holder, are for the Holder's own account and for investment purposes only and not with a view for resale or transfer and that all the rights pertaining to the Warrant or the Warrant Shares, by law or equity, shall be purchased and possessed by the Holder for the Holder exclusively.

8.4. Governing Law. This Warrant shall be exclusively governed and construed in accordance with the laws of the State of New York, without regard to conflicts of laws provisions thereof.

8.5. Notices. All notices and other communications made pursuant to this Warrant shall be in writing and shall be conclusively deemed to have been duly given if delivered in accordance with the notice provisions of the Convertible Notes Agreement.

8.6. Severability. If any provision of this Warrant is held by a court of competent jurisdiction to be unenforceable under applicable law, then such provision shall be excluded from this Warrant and the remainder of this Warrant shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms; provided, however, that in such event this Warrant shall be interpreted so as to give effect, to the greatest extent consistent with and permitted by applicable law, to the meaning and intention of the excluded provision as determined by such court of competent jurisdiction.

8.7. Counterparts. This Warrant may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument. Facsimile or electronic signatures of a party shall be binding as evidence of such party's agreement hereto and acceptance hereof.

8.8. Amendments. To the extent that any amendment(s) to the Convertible Notes Agreement or the transactions contemplated thereby result in a required amendment to the terms of this Warrant, this Warrant shall be deemed amended to the extent that the amendment(s) to the Convertible Notes Agreement are completed in accordance with the terms thereof.

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized.

Dated: _____

Motus GI Medical Technologies Ltd.

Signature: _____

Name: _____

Title: _____

Schedule 1.2

Exercise Notice

Date: _____

To: Motus GI Medical Technologies Ltd.

The undersigned, pursuant to the provisions set forth in the Warrant to which this Exercise Notice is attached (the "**Warrant**"), hereby elects to purchase _____ Warrant Shares (as such term is defined in the Warrant) pursuant to Section 1.1 of the Warrant, and herewith makes payment of _____, representing the full Exercise Price for such shares as provided for in such Warrant.

The undersigned hereby irrevocably directs that the said shares (or such other securities into which the Warrant is exercisable) be issued and registered in the name of the undersigned, as set forth below.

Names	Address	No. of Shares

Signature: _____

Address: _____

Schedule 1.3

Net Issuance Notice

Date: _____

To: Motus GI Medical Technologies Ltd.

The undersigned, pursuant to the provisions set forth in the Warrant to which this Exercise Notice is attached (the "**Warrant**"), hereby elects to exercise the Warrant for the purchase of Warrant Shares (as such term is defined in the Warrant), pursuant to the provisions of Section 1.3 of the Warrant.

The undersigned hereby irrevocably directs that the said shares (or such other securities into which the Warrant is exercisable) be issued and registered in the name of the undersigned, as set forth below.

Names	Address	No. of Shares

Signature: _____

Address: _____

FIFTH AMENDMENT TO CONVERTIBLE NOTES AGREEMENT

This Fifth Amendment to Convertible Notes Agreement (this "**Amendment**") is made and entered into as of the __ day of November, 2016 (the "**Effective Date**"), by and among Motus GI Medical Technologies Ltd., a company organized under the laws of the State of Israel, with offices at Keren Hayesod 22 Tirat Carmel, Israel (the "**Company**") and the persons and entities listed on **Exhibit A** attached hereto (the "**Purchasers**") (each Purchaser and the Company separately, a "**Party**", and together, the "**Parties**").

WHEREAS,the Company and the Purchasers are parties to that certain Convertible Notes Agreement dated June 9, 2015, as amended on December 29, 2015, on February 15, 2016, on July 25, 2016 (the "**Third Amendment**") and on October 18, 2016 (the "**Fourth Amendment**" and collectively with all amendments, the "**CNA**"), attached hereto as **Exhibit B** (capitalized not defined herein shall have the meaning ascribed to them in the CNA, unless it is specifically provided otherwise);

WHEREAS,the Board of Directors of the Company has decided that it is in the best interest of the Company to increase the aggregate amount the Company may raise under the CNA to US$14 Million; and

WHEREAS,the Parties wish to increase the aggregate Loan Amount to an aggregate principal amount of up to US$14.

NOW THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

1. Amendments

Section 3 of the Third Amendment (as amended in the Fourth Amendment) is hereby amended such that the aggregate amount that may be extended by Additional Purchasers (the "**Additional Loan Amount**"), together with the aggregate Loan Amount previously extended or committed to be extended by the Purchasers and/or previous Additional Purchasers (including, for greater certainty, the additional Loan Amounts to be extended by the Major Purchasers pursuant to the Third Amendment) shall not exceed US$14 Million.

2. Miscellaneous

2.1. The headings in this Amendment are for convenience only and shall not be used for purposes of construction.

2.2. All terms and conditions of the CNA (including any of its exhibits) shall remain in full force and effect subject to the provisions of this Amendment, which shall be regarded as an integral part of the CNA. In case of a contradiction between this Amendment and the CNA, the provisions of this Amendment shall prevail.

2.3. This Amendment may be executed in several counterparts, each of which shall be deemed an original, and all of which taken together shall constitute a single instrument.

IN WITNESS WHEREOF, the parties hereto constituting at least 70% of the aggregate outstanding principal amount of the Notes have executed this Fifth Amendment to Convertible Notes Agreement on the date first above written.

Motus GI Medical Technologies Ltd.

By: _____

Title: _____

[*Purchasers' Signature Pages to Follow*]

IN WITNESS WHEREOF, the parties hereto constituting at least 70% of the aggregate outstanding principal amount of the Notes have executed this Fifth Amendment to Convertible Notes Agreement on the date first above written.

Orchestra Medical Ventures II, L.P.

By:_____

Title:_____

Orchestra MOTUS Co-Investment Partners, LLC

By:_____

Title:_____

Ascent Biomedical Ventures II, L.P.(3)

By:_____

Title:_____

Ascent Biomedical Ventures Synecor, L.P.

By:_____

Title:_____

Jacobs Investments Company LLC

By: _____

Title: _____

IN WITNESS WHEREOF, the parties hereto constituting at least 70% of the aggregate outstanding principal amount of the Notes have executed this Fifth Amendment to Convertible Notes Agreement on the date first above written.

E. Jeffrey Peierls

Brian Eliot Peierls

UD E.F. Peierls for Brian E. Peierls
By:_____
Title:_____

UD E.F. Peierls for E. Jeffrey Peierls
By:_____
Title:_____

UD J.N. Peierls for Brian Eliot Peierls
By:_____
Title:_____

UD J.N. Peierls for E. Jeffrey Peierls
By:_____
Title:_____

UW J.N. Peierls for Brian E. Peierls
By:_____
Title:_____

UD Ethe l F. Pe ierls Charitable Lead Trust
By:_____
Title:_____

The Peierls Bypass Trust
By:_____
Title:_____

UD E.S. Peierls for E.F. Peierls et al
By:_____
Title:_____

UW E.S. Peierls for Brian E. Pe ie rls -Accumulation
By:_____
Title:_____

UW E.S. Peierls for E. Jeffrey Peierls -Accumulation
By:_____
Title:_____

UW J.N. Peierls for E. Jeffrey Pe ie rls
By:_____
Title:_____

The Pe ierls Foundation, Inc.
By:_____
Title:_____

James T. Lenehan

IN WITNESS WHEREOF, the parties hereto constituting at least 70% of the aggregate outstanding principal amount of the Notes have executed this Fifth Amendment to Convertible Notes Agreement on the date first above written.

Isagen LLC.

Sunny Wong

Perceptive Life Sciences Master Fund
By:_____
Title:_____

Titan Perc Ltd
By:_____
Title:_____

A.K.S. Fa mily Partners, LP
By:_____
Title:_____

Rexford Capital, LLC
By:_____
Title:_____

Jason Batansky

Douglas Jay Cohen

Lester Petracca

Arthur Fo le y

Narinde r S. Arora

DB Investor Group LLC
By:_____
Title:_____

Patrick Casey Lorenz

Dominion Capital LLC
By:_____
Title:_____

Derek Sroufe

First Riverside Investors, LP
By:_____
Title:_____

Keith Murphy

RGM Group, LLC.
By:_____
Title:_____

John P. Brancacc io

Natalie E. Cohen

John E. Dell

Harry Shufflebarger

Anemarie Edmundowic z

Anne S Hand

Ramnarain Jaigobing

GJG LifeSc iences LLC.
By:_____
Title:_____

LPD Invesments Ltd.

LGA Family Partners
By:_____
Title:_____

Altbach Co LLC Roth 401-K Plan.
By:_____
Title:_____

RBC Capital Markets LLC Csdn fbo Laurence Allen IRA
By:_____
Title:_____

Harry Ioannou

A.I International

Exhibit A

1. Orchestra Medical Ventures II, L.P.
2. Orchestra MOTUS Co-Investment Partners, LLC
3. Ascent Biomedical Ventures II, L.P. (3)
4. Ascent Biomedical Ventures Synecor, L.P.
5. Jacobs Investments Company LLC
6. E. Jeffrey Peierls
7. Brian Eliot Peierls
8. UD E.F. Peierls for Brian E. Peierls
9. UD E.F. Peierls for E. Jeffrey Peierls
10. UD J.N. Peierls for Brian Eliot Peierls
11. UD J.N. Peierls for E. Jeffrey Peierls
12. UW J.N. Peierls for Brian E. Peierls
13. UW J.N. Peierls for E. Jeffrey Peierls
14. UD Ethel F. Peierls Charitable Lead Trust
15. The Peierls Bypass Trust
16. UD E.S. Peierls for E.F. Peierls et al
17. UW E.S. Peierls for Brian E. Peierls - Accumulation
18. UW E.S. Peierls for E. Jeffrey Peierls -Accumulation
19. The Peierls Foundation, Inc.
20. James T. Lenehan
21. Perceptive Life Sciences Master Fund
22. Titan Perc Ltd
23. Isagen LLC.
24. A.K.S. Family Partners, LP
25. Sunny Wong
26. Rexford Capital, LLC
27. Jason Batansky
28. Douglas Jay Cohen
29. Lester Petracca
30. Arthur Foley

31. Narinder S. Arora
32. DB Investor Group LLC
33. Patrick Casey Lorenz
34. Dominion Capital LLC
35. Derek Sroufe
36. First Riverside Investors, LP
37. Keith Murphy
38. John P. Brancaccio
39. Natalie E. Cohen
40. John E. Dell
41. Harry Shufflebarger
42. RGM Group, LLC.
43. GJG LifeSciences LLC
44. LGA Family Partners
45. RBC Capital Markets LLC Csdn fbo Laurence Allen IRA
46. Anemarie Edmundowicz
47. Ramnarain Jaigobing
48. Anne S Hand
49. LPD Invesments Ltd.
50. Altbach Co LLC Roth 401-K Plan
51. A.I International
52. Harry Ioannou

Exhibit B

CNA

Attached

810 Seventh Ave., 18th Fl.
New York, NY 10019
(212) 813-1010

FINDER'S AGREEMENT

This agreement (the "Agreement") is entered into as of October 14, 2016 between Motus GI Medical Technologies Ltd., an Israeli company (the "Company") and Aegis Capital Corp., a New York corporation ("Finder" or "Aegis").

RECITALS

WHEREAS, Finder represents that it will endeavor to introduce the Company to one or more Targets (as defined in Section 2 below) who may be interested in an investment in newly issued securities of the Company (a "Transaction").

WHEREAS, the Company desires to engage the non-exclusive services of Finder to provide an introduction to such Targets in accordance with the terms and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and mutual covenants hereinafter contained, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

(1) The Company engages Finder as the Company's non-exclusive finder, to find Targets interested in effecting a Transaction. Finder will endeavor to introduce the Company to such Targets.

(2) For the purposes of this Agreement, "Targets" shall mean individuals or entities introduced to the Company by Finder during the Term (as defined in Section 4 below).

(3) If a Target enters into any Transaction during the Term, the Company will compensate the Finder, at the closing of each such Transaction, in the form of (i) a cash fee equal to ten percent (10%) of the amount of such Target's investment at each closing, and (ii) a non-accountable expense allowance equal to three percent (3%) of the amount of such Target's investment at such closing. In addition, if the Target invests in notes of the Company and such notes are subsequently exchanged for equity units in a private offering for which Finder acts as Placement Agent, Finder shall be issued Placement Agent Warrants in form and quantity identical to those it receives for cash investors in such private offering, but shall not receive any cash compensation in such subsequent exchange. In addition, the Company shall notify Finder at least three business days prior to any closing of any Transaction in which any Target or Targets participate.

(4) This Agreement shall remain in full force and effect until the earlier of January 31, 2017 or such date as the Finder is engaged as Placement Agent for a private offering of equity securities that contemplates the exchange of Targets' notes for units of the private offering upon the first closing of the offering and consummation of a merger whereby the Company becomes a wholly-owned subsidiary of a recently-formed corporation. termination date of Company's private placement offering; provided, however, that Sections 3,4,5 and 9-12 shall survive termination of this Agreement.

(5) (a) Finder shall act as an independent contractor under this Agreement, and this Agreement does not create any partnership, joint venture or other similar relationship between the Company and Finder and any duties arising out of its engagement shall be owed solely to the Company. Finder shall have no authority to accept any order or to bind or obligate the Company in any way without the Company's prior written consent. As an independent contractor, Finder will be solely responsible for its income and all other applicable taxes. Finder shall have no restrictions to on its ability to provide services to companies other than the Company, except as stated herein.

(b) The Company acknowledges that Finder has not done any due diligence with respect to any Target and that Finder makes no representations whatsoever with respect to any Target (including without limitation its financial condition or its ability to perform any obligations to which it is or may become bound), and the Company expressly agrees that Finder shall have no liability whatsoever in connection with any Transaction it may enter into with a Target.

(6) Finder understands and agrees that the Company, in its sole discretion, reserves the right to accept or reject, in whole or in part, any offer by, or to withdraw any offer to, a Target introduced by Finder to enter into a Transaction.

(7) The Company represents, warrants and covenants to Finder as follows:

(a) The Company is duly organized and validly existing under the laws of the country of its formation and is duly qualified to do business in each jurisdiction in which its business activities require such qualification, except where the failure to so qualify or be authorized would not have a material adverse effect on its assets or on its business, operations or condition, financial or otherwise.

(b) The Company has full authority to execute and to perform this Agreement in accordance with its terms; the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby does not and will not result in a breach, violation or default or give rise to an event which, with the giving of notice or after the passage of time, or both, would result in a breach, violation or default of any of the terms or provisions of its Articles of Incorporation, By-Laws or other formation documents, or of any indenture, other agreement, judgment, decree or other instrument or restriction to which it is a party or by which any of its properties or assets may be bound or affected.

(c) The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized, and all requisite action on its part has been taken, and no further authorization or approval, whether of its shareholders, directors or officers, or any governmental bodies or otherwise, will be necessary in order to enable it to enter into and perform the same; and this Agreement constitutes a valid and binding obligation enforceable against it in accordance with their respective terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally.

(d) Neither the Company nor, to the best of its knowledge, any of its directors or officers: (i) is subject to any order of the SEC, the Financial Industry Regulatory Authority ("FINRA") or any other federal, state, local or foreign securities agency or self-regulatory organization or (ii) has been convicted within the past 10 years of any felony or misdemeanor involving the solicitation, offer or sale of securities or the rendering of investment advice.

(8) Finder represents, warrants and covenants to the Company as follows:

(a) Finder has full authority to execute and to perform this Agreement in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally.

(b) Finder is a member of FINRA and is registered as a broker-dealer under the Exchange Act of 1934.

(c) Neither Finder nor its affiliates is subject to any of the disqualifications set forth in Rule 506(d) of Regulation D under the Securities Act of 1933, as amended.

(9) This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to its conflict of law principles.

(10) This Agreement, inclusive of Appendix A hereto, constitutes the entire agreement between the parties and supersedes any prior agreements, whether written or oral, between the parties. No modification, extension or change in this Agreement shall be effective unless it is in writing and signed by both Finder and the Company.

(11) The provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their heirs, legal representatives, successors and assigns. This Agreement may not be assigned except upon the prior written consent of the other party to this Agreement.

(12) Any notice hereunder shall be in writing and delivery thereof shall be complete if delivered in person, by facsimile or mailed by overnight mail, or registered or certified mail, postage prepaid to the following addresses (unless changed by written notice):

Finder: Aegis Capital Corp.
810 Seventh Ave., 18th Floor
New York, NY 10019
Attention: Adam Stern, Head of Private Equity Banking

Company: Motus GI Medical Technoloties Ltd.

Attention: Mark Pomeranz, Chief Executive Officer

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto as of the date first above written.

MOTUS GI MEDICAL TECHNOLOGIES LTD.	AEGIS CAPITAL CORP.
By: */s/ Mark Pomeranz*	By: */s/ Adam Stern*
Mark Pomeranz	Adam Stern
Chief Executive Officer	Private Equity Banking

APPENDIX A
INDEMNIFICATION

The Company agrees to indemnify and hold harmless Finder, its selected dealers and their respective affiliates (as defined in Rule 405 under the Securities Act of 1933, as amended (the "Act")) and their respective directors, officers, employees, agents and controlling persons (Finder and each such person being an "Indemnitee") from and against all losses, claims, damages and liabilities (or actions, including shareholder actions, in respect thereof), joint or several, to which such Indemnitee may become subject under any applicable federal or state law, or otherwise, which are related to or result from the performance by Finder of the services contemplated by, or the engagement of Finder pursuant to, this Agreement and will promptly reimburse any Indemnitee for all reasonable expenses (including reasonable counsel fees and expenses) as they are incurred in connection with the investigation of, preparation for or defense arising from any threatened or pending claim, whether of not such Indemnitee is a party and whether or not such claim, action or proceeding is initiated or brought by the Company. The Company will not be liable to any Indemnitee under the foregoing indemnification and reimbursement provisions, (i) for any settlement by an Indemnitee effected without its prior written consent (not to be unreasonably withheld); or (ii) to the extent that any loss, claim, damage or liability is found in a final, non-appealable judgment by a court of competent jurisdiction to have arisen from an Indemnitee's willful misconduct or gross negligence.

Promptly after receipt by an indemnified party of notice of any intention or threat to commence an action, suit or proceeding or notice of the commencement of any action, suit or proceeding, such indemnified party will, if a claim in respect thereof is to be made against the Company pursuant hereto, promptly notify the indemnifying party in writing of the same. In case any such action is brought against any indemnified party and such indemnified party notifies the indemnifying party of the commencement thereof, the indemnifying party may elect to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party, and an indemnified party may employ counsel to participate in the defense of any such action provided, that the employment of such counsel shall be at the indemnified party's own expense, unless (i) the employment of such counsel has been authorized in writing by the indemnifying party , (ii) the indemnified party has reasonably concluded (based upon advice of counsel to the indemnified party) that there may be legal defenses available to it or other Indemnified Parties that are different from or in addition to those available to the Company, or that a conflict or potential conflict exists (based upon advice of counsel to the indemnified party) between the indemnified party and the indemnifying party that makes it impossible or inadvisable for counsel to the indemnifying party to conduct the defense of both the indemnifying party and the indemnified party (in which case the indemnifying party will not have the right to direct the defense of such action on behalf of the indemnified party), or (iii) the indemnifying party has not in fact employed counsel reasonably satisfactory to the indemnified party to assume the defense of such action within a reasonable time after receiving notice of the action, suit or proceeding, in each of which cases the reasonable fees, disbursements and other charges of such counsel will be at the expense of the indemnifying party ; provided, further, that in no event shall the indemnifying party be required to pay fess and expenses for more than one firm of attorneys representing indemnified parties unless the defense of one indemnified party is unique or separate from that of another indemnified party subject to the same claim or action. Any failure or delay by an indemnified party to give the notice referred to in this paragraph shall not affect such indemnified party's right to be indemnified hereunder, except to the extent that such failure or delay causes actual harm to the indemnifying party, or prejudices to its ability to defend such action, suit or proceeding on behalf of such indemnified party.

An indemnifying party agrees that without indemnified party's prior written consent, which shall not be unreasonably withheld, it will not settle, compromise or consent to the entry of any judgment in any pending or threatened claim, action or proceeding in respect of which indemnification could be sought under the indemnification provisions of this Agreement (in which any indemnifying party is an actual or potential party to such claim, action or proceeding), unless such settlement, compromise or consent includes an unconditional release of each indemnified party from all liability arising out of such claim, action or proceeding.

In the event that an indemnified party is requested or required to appear as a witness in any action brought by or on behalf of or against the indemnifying party in which such indemnified party is not named as a defendant, the indemnifying party agrees to promptly reimburse the indemnified party on a monthly basis for all reasonable expenses incurred by it in connection with such indemnified party's appearing and preparing to appear as such a witness, including, without limitation, the reasonable fees and disbursements of its legal counsel.

If multiple claims are brought with respect to at least one of which indemnification is permitted under applicable law and provided for under this Agreement, the Company agrees that any judgment of arbitration award shall be conclusively deemed to be based on claims as to which indemnification is permitted and provided for, except to the extent the judgment or arbitration award expressly states that it, or any portion thereof, is based solely on a claim as to which indemnification is not available.

FINDER'S AGREEMENT

This agreement (the "Agreement") is entered into as of December 22, 2016 between Motus GI Holdings, Inc., a Delaware corporation (the "Company") and Aegis Capital Corp., a New York corporation ("Finder").

RECITALS

WHEREAS, Finder may have occasion to introduce the Company to one or more Targets (as defined in Section 2 below) who may be interested in engaging in one or more business combinations with the Company, which may include (i) a merger, purchase of some or all of the assets of the Company, purchase of a substantial percentage of stock of the Company (i.e., at least 20% of the issued and outstanding stock) by a Target, (ii) purchase of some or all of the assets of a Target by the Company or purchase of a substantial percentage of stock of a Target (i.e., at least 20% of the issued and outstanding stock) by the Company or (iii) a joint venture, license agreement or a related transaction (singularly and/or collectively a "Transaction" and for clarification purposes a Transaction shall exclude standard corporate finance transactions where the Company or a Target is selling equity securities to support its operations or business objectives); and

WHEREAS, the Company desires to engage the services of Finder to provide an introduction to such Targets in accordance with the terms and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and mutual covenants hereinafter contained, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. The Company engages Finder as a non-exclusive finder, to locate proposed Targets interested in effecting a Transaction.

2. For the purposes of this Agreement, "Targets" shall mean companies or entities (including, for these purposes, their related parties or affiliates) introduced to the Company (or any subsidiaries of the Company) by Finder, which shall consist of those persons set forth on Exhibit A hereto, as such Exhibit may be updated from time to time for any new introductions that are made following the date hereof with respect to a possible Transaction (for these purposes, the Finder must demonstrate that the new introduction has had at least one meeting or call with the Company during the Term for purposes of a possible Transaction, and the Company must demonstrate that the Company had a pre-existing relationship prior to the date of any new introductions in order to reject Finder's potential updates to Exhibit A).

3. In the event of a consummated Transaction, the Company shall pay to Finder a cash fee as follows:

(i) 5% of the first $1,000,000 or portion thereof of the consideration paid in such transaction; plus

(ii) 4% of the next $1,000,000 or portion thereof of the consideration paid in such transaction; plus

(iii) 3% of the next $5,000,000 or portion thereof of the consideration paid in such transaction; plus

(iv) 2.5% of any consideration paid in such transaction in excess of $7,000,000.

"Consideration paid in such transaction" for purposes of this Agreement shall mean the value of all consideration paid to the Company and/or its stockholders in connection with, and at the time of closing of, a Transaction, including cash, securities, assumption of debt, or other consideration exchanged or paid at closing and any deferred payments including, without limitation, promissory notes or other debt issued at closing. Consideration shall not include any earn-outs or other contingent payments, milestone payments, royalties or other post-closing commercial payments that are not known or paid out at the time of closing. If any of the Consideration is other than in cash, it shall be valued at fair market value in accordance with generally accepted valuation principles. The value of indebtedness, including indebtedness assumed, shall be the face amount. Payment of the applicable fee set forth above will be made in immediately available funds at the closing of the related Transaction or the time of payment of any deferred payments.

In the event that any fees due to Finder are not paid when due, the Company shall also be liable to Finder for interest on the amount due at the annual rate of three (3%) percent over the prime rate, accruing on a daily basis from the date of closing.

4. This Agreement shall remain in full force and effect for a period of three (3) years following the date hereof (the "Term"); provided, however, that Finder shall be entitled to receive the full fee set forth in paragraph 3 hereof in the event discussions are held with a Target during the Term of this Agreement and a Transaction is consummated with such Target within six months from the expiration of this Agreement.

5. The Company shall not be liable for any retainers, costs, expenses or other charges incurred by Finder or third parties at the request of Finder unless the Company has authorized its payment of such costs or expenses in writing.

6. (a) Finder shall act as an independent contractor under this Agreement, and this Agreement does not create any partnership, joint venture or other similar relationship between the Company and Finder and any duties arising out of its engagement shall be owed solely to Company. Finder shall have no authority to accept any order or to bind or obligate the Company in any way without the Company's prior written consent. As an independent contractor, Finder will be solely responsible for its income and all other applicable taxes. Finder shall have no restrictions on its ability to provide services to companies other than the Company.

(b) The Company acknowledges that Finder has not, and will not, conduct any due diligence with respect to any Target and that Finder makes no representations whatsoever with respect to any Target (including without limitation its financial condition or its ability to perform any obligations to which it is or may become bound), and the Company expressly agrees that Finder shall have no liability whatsoever in connection with any Transaction that the Company may enter into with a Target.

(c) The Finder covenants that it will not utilize any written material describing the Company that has not been approved by the Company.

(d) The Company shall be under no obligation of any type or kind to pursue, negotiate and/or consummate any potential Transaction. Any and all determinations with respect to any potential Transaction shall at all times remain within the sole, absolute, exclusive and non-reviewable discretion of the Company.

7. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to its conflict of law principles.

8. This Agreement constitutes the entire agreement between the parties and supersedes any prior agreements, whether written or oral, between the parties. No modification, extension or change in this Agreement shall be effective unless it is in writing and signed by both Finder and the Company.

9. The provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their heirs, legal representatives, successors and assigns. This Agreement may not be assigned except upon the prior written consent of the other party to this Agreement.

10. Any notice hereunder shall be in writing and delivery thereof shall be complete if delivered in person, by facsimile or mailed by overnight mail, or registered or certified mail, postage prepaid to the following addresses (unless changed by written notice):

Finder: Aegis Capital Corp.
810 Seventh Avenue, 18th Floor
New York, NY 10019
Attention: Adam Stern, Head of Private Equity Banking
email address adam@sternaegis.com

Company: Motus GI Holdings, Inc.
150 Union Square
New Hope, PA 18938
Attention: Mark Pomeranz, Chief Executive Officer
email address: Mark@motusgi.com

11. Finder agrees to, and to cause its affiliates, shareholders, officers, directors and representatives to, keep the matters described herein confidential until such time, if ever, as a definitive agreement with respect to any potential Transaction is executed and publicly announced, subject to applicable requirements of law and subject to legal process. Neither Finder nor any of its affiliates, shareholders, officers, directors or representatives will make any press release or public announcement concerning the existence of this Agreement or with respect to any potential Transaction contemplated hereby without the prior written approval of the Company. This Section shall survive termination of this Agreement for any reason.

12. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which taken together shall constitute one and the same Agreement. Transmittal and receipt of a scanned or facsimile copy of this Agreement with the scanned or facsimile signature(s) shall be binding on the parties hereto, with the original executed Agreement to be delivered subsequently by regular mail. Alternatively, transmittal and receipt of a digital signature of an Adobe Acrobat PDF copy of this Agreement shall also be binding on the parties hereto. The failure to deliver the original signature copy and the non-receipt of the original signature copy shall have no effect upon the binding and enforceable nature of this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto as of the date first above written.

MOTUS GI HOLDINGS, INC.

By: */s/ Mark Pomeranz*
Name:
Title:

AEGIS CAPITAL CORP.

By: */s/ Adam Stern*
Name: Adam Stern
Title: Private Equity Banking

[*Signature Page to Finder's Agreement*]

Exhibit A
Target List

All (i) investors in the Offering (as defined in that certain Placement Agency Agreement, dated December 1, 2016 by and between Finder, Motus GI Medical Technologies Ltd. and the Company (the "PAA") and their respective related parties and affiliates and (ii) persons listed on the Tail Investor List (as defined in the PAA) and their respective related parties and affiliates shall be deemed Targets for purposes hereof, provided, however that prior shareholders or warrant holders of the Company and their respective related parties and affiliates shall not be deemed Targets hereunder. In both cases, paragraphs (i) and (ii) will be exclusive of any party with whom the Company had a pre-existing relationship prior to the date of the specific introduction by Finder (including situations where the Company had previously been introduced to such party by someone other than the Finder or a party with whom the Company had already commenced discussions).

INDEMNIFICATION AGREEMENT

This Indemnification Agreement ("Agreement") is made as of _____ __, 2016 by and between Motus GI Holdings, Inc., a Delaware corporation (the "Company"), and _____ ("Indemnitee").

RECITALS

WHEREAS, highly competent persons have become more reluctant to serve publicly-held corporations as directors or officers or in other capacities unless they are provided with adequate protection through insurance or adequate indemnification against inordinate risks of claims and actions against them arising out of their service to and activities on behalf of the corporation and due to the fact that such exposure frequently bears no relationship to compensation paid to such officers and directors;

WHEREAS, the Company and Indemnitee recognize that plaintiffs often seek damages in such large amounts and the costs of litigation may be so enormous (whether or not the case is meritorious), that the defense and/or settlement of such litigation is often beyond the personal resources of directors and officers;

WHEREAS, the Company's Bylaws provide for the indemnification of the officers and directors of the Company to the fullest extent permitted by the General Corporation Law of the State of Delaware (the "DGCL"). The Bylaws expressly provide that the indemnification provisions set forth therein are not exclusive and contemplate that contracts may be entered into between the Company and its directors and officers with respect to indemnification;

WHEREAS, Section 145 of the DGCL empowers the Company to indemnify its officers, directors, employees and agents by agreement and to indemnify persons who serve, at the Company's request, as the directors, officers, employees or agents of other corporations or enterprises;

WHEREAS, Section 102(b)(7) of the DGCL allows the Company to include in its Certificate of Incorporation a provision limiting or eliminating the personal liability of a director for monetary damages in respect of claims by shareholders and corporations for breach of certain fiduciary duties, and the Company has so provided in its Certificate of Incorporation that each director shall be exculpated from such liability to the maximum extent permitted by law;

WHEREAS, the Company, after reasonable investigation, has determined that the liability insurance coverage presently available to the Company may be inadequate in certain circumstances to cover all possible exposure for which Indemnitee should be protected.

WHEREAS, the uncertainties relating to such insurance and to indemnification have increased the difficulty of attracting and retaining highly competent persons to serve as directors and officers. The Board has determined that the increased difficulty in attracting and retaining such persons is detrimental to the best interests of the Company's stockholders and that the Company should act to assure such persons that there will be increased certainty of such protection in the future;

WHEREAS, it is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified;

WHEREAS, this Agreement is a supplement to and in furtherance of the Company's Certificate of Incorporation and Bylaws and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder; and

WHEREAS, Indemnitee does not regard the protection available under the Company's Certificate of Incorporation, Bylaws and insurance as adequate in the present circumstances, and may not be willing to serve as an officer or director without adequate protection, and the Company desires Indemnitee to serve in such capacity. Indemnitee is willing to serve, continue to serve and to take on additional service for or on behalf of the Company on the condition that he be so indemnified;

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

Section 1. Services to the Company. Indemnitee agrees to serve as a director or officer of the Company or, at the request of the Company, as a director, officer, employee, agent or fiduciary of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise. Indemnitee may at any time and for any reason resign from such position (subject to any other contractual obligation or any obligation imposed by operation of law), in which event the Company shall have no obligation under this Agreement to continue Indemnitee in such position. This Agreement shall not be deemed an employment contract between the Company (or any of its subsidiaries or any other corporation, limited liability company, partnership, joint venture, trust employee benefit plan or other enterprise of which Indemnitee was serving at the Company's request as a director, officer, employee, agent or fiduciary) and Indemnitee. Indemnitee specifically acknowledges that Indemnitee's employment with the Company (or any of its subsidiaries or any other corporation, limited liability company, partnership, joint venture, trust employee benefit plan or other enterprise of which Indemnitee was serving at the Company's request as a director, officer, employee, agent or fiduciary), if any, is at will, and the Indemnitee may be discharged at any time for any reason, with or without cause, except as may be otherwise provided in any written employment contract between Indemnitee and the Company (or any of its subsidiaries or any other corporation, limited liability company, partnership, joint venture, trust employee benefit plan or other enterprise of which Indemnitee was serving at the Company's request as a director, officer, employee, agent or fiduciary). The foregoing notwithstanding, this Agreement shall continue in force after Indemnitee has ceased to serve as an officer or director of the Company.

Section 2. Definitions. As used in this Agreement:

(a) A "Change in Control" shall be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events:

i. Acquisition of Stock by Third Party. Any Person (as defined below) is or becomes the Beneficial Owner (as defined below), directly or indirectly, of securities of the Company representing thirty-five percent (35%) or more of the combined voting power of the Company's then outstanding securities;

ii. Change in Board. During any period of two (2) consecutive years (not including any period prior to the execution of this Agreement), individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in Sections 2(a)(i), 2(a)(iii) or 2(a)(iv)) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the members of the Board;

iii. Corporate Transactions. The effective date of a merger or consolidation of the Company with any other entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 51% of the combined voting power of the voting securities of the surviving entity outstanding immediately after such merger or consolidation and with the power to elect at least a majority of the board of directors or other governing body of such surviving entity;

iv. Liquidation. The approval by the stockholders of the Company of a complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets; and

v. Other Events. There occurs any other event of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or a response to any similar item on any similar schedule or form) promulgated under the Exchange Act (as defined below), whether or not the Company is then subject to such reporting requirement.

For purposes of this Section 2(a), the following terms shall have the following meanings:

(A) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

(B) "Person" shall have the meaning as set forth in Sections 13(d) and 14(d) of the Exchange Act; provided, however, that Person shall exclude (i) the Company, (ii) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, and (iii) any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

(C) “Beneficial Owner” shall have the meaning given to such term in Rule 13d-3 under the Exchange Act; provided, however, that Beneficial Owner shall exclude any Person otherwise becoming a Beneficial Owner by reason of the stockholders of the Company approving a merger of the Company with another entity.

(b) “Corporate Status” describes the status of a person who is or was a director, officer, employee, agent or fiduciary of the Company or of any other corporation, limited liability company, partnership or joint venture, trust, employee benefit plan or other enterprise which such person is or was serving at the request of the Company.

(c) “Disinterested Director” means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(d) “Expenses” shall include all reasonable attorneys’ fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding. Expenses also shall include (i) Expenses incurred in connection with any appeal resulting from any Proceeding, including without limitation the premium, security for, and other costs relating to any cost bond, supersedeas bond, or other appeal bond or its equivalent, and (ii) for purposes of Section 13(d) only, Expenses incurred by Indemnitee in connection with the interpretation, enforcement or defense of Indemnitee’s rights under this Agreement, by litigation or otherwise. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(e) “Independent Counsel” means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning the Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term “Independent Counsel” shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee’s rights under this Agreement. The Company agrees to pay the reasonable fees and expenses of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(f) “Proceeding” shall include any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative, legislative, or investigative nature, including any appeal therefrom, in which Indemnitee was, is or will be involved as a party, potential party, non-party witness or otherwise by reason of the fact that Indemnitee is or was a director or officer of the Company, by reason of any action taken by him or of any action on his part while acting as director or officer of the Company, or by reason of the fact that he is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, limited liability company, partnership, joint venture, trust or other enterprise, in each case whether or not serving in such capacity at the time any liability or expense is incurred for which indemnification, reimbursement, or advancement of expenses can be provided under this Agreement; except one initiated by an Indemnitee to enforce his rights under this Agreement.

Section 3. Indemnity in Third-Party Proceedings. The Company shall indemnify Indemnitee in accordance with the provisions of this Section 3 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3, Indemnitee shall be indemnified to the fullest extent permitted by applicable law against all Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee or on his behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company and, in the case of a criminal proceeding had no reasonable cause to believe that his conduct was unlawful.

Section 4. Indemnity in Proceedings by or in the Right of the Company. The Company shall indemnify Indemnitee in accordance with the provisions of this Section 4 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 4, Indemnitee shall be indemnified to the fullest extent permitted by applicable law against all Expenses actually and reasonably incurred by him or on his behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company. No indemnification for Expenses shall be made under this Section 4 in respect of any claim, issue or matter as to which Indemnitee shall have been finally adjudged by a court to be liable to the Company, unless and only to the extent that the Delaware Court of Chancery or any court in which the Proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification.

Section 5. Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provisions of this Agreement, to the fullest extent permitted by applicable law and to the extent that Indemnitee is a party to (or a participant in) and is successful, on the merits or otherwise, in any Proceeding or in defense of any claim, issue or matter therein, in whole or in part, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or on his behalf in connection with each successfully resolved claim, issue or matter. If the Indemnitee is not wholly successful in such Proceeding, the Company also shall indemnify Indemnitee against all Expenses reasonably incurred in connection with a claim, issue or matter related to any claim, issue, or matter on which the Indemnitee was successful. For purposes of this Section and without limiting the foregoing, if any Proceeding is disposed of, on the merits or otherwise (including a disposition without prejudice), without (i) the disposition being adverse to Indemnitee, (ii) an adjudication that Indemnitee was liable to the Company, (iii) a plea of guilty or nolo contendere by Indemnitee, (iv) an adjudication that Indemnitee did not act in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company and (v) with respect to any criminal proceeding, an adjudication that Indemnitee had reasonable cause to believe Indemnitee's conduct was unlawful, Indemnitee shall be considered for purposes of this Agreement to have been successful with respect thereto.

Section 6. Indemnification For Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the fullest extent permitted by applicable law and to the extent that Indemnitee is, by reason of his Corporate Status, a witness or otherwise participates in any Proceeding to which Indemnitee is not a party, he shall be indemnified against all Expenses actually and reasonably incurred by him or on his behalf in connection therewith.

Section 7. Additional Indemnification.

(a) Notwithstanding any limitation in Sections 3, 4, or 5, the Company shall indemnify Indemnitee to the fullest extent permitted by applicable law if Indemnitee is a party to or threatened to be made a party to any Proceeding (including a Proceeding by or in the right of the Company to procure a judgment in its favor) against all Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee in connection with the Proceeding.

(b) For purposes of Section 7(a), the meaning of the phrase "to the fullest extent permitted by applicable law" shall include, but not be limited to:

i. to the fullest extent permitted by the provision of the DGCL that authorizes or contemplates additional indemnification by agreement, or the corresponding provision of any amendment to or replacement of the DGCL, and

ii. to the fullest extent authorized or permitted by any amendments to or replacements of the DGCL adopted after the date of this Agreement that increase the extent to which a corporation may indemnify its officers and directors.

Section 8. Exclusions. Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnity in connection with any claim made against Indemnitee:

(a) for which payment has actually been made to or on behalf of Indemnitee under any insurance policy or other indemnity provision, except with respect to any excess beyond the amount paid under any insurance policy or other indemnity provision; or

(b) for any Proceedings with respect to which final judgment is rendered against Indemnitee for payment of (i) an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Exchange Act (as defined in Section 2(a) hereof) or similar provisions of state statutory law or common law, or (ii) any reimbursement of the Company by the Indemnitee of any bonus or other incentive-based or equity-based compensation or of any profits realized by the Indemnitee from the sale of securities of the Company, as required in each case under the Exchange Act (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), or the payment to the Company of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act), or

(c) any Proceeding involving the enforcement of non-compete and/or non-disclosure agreements or the non-compete and/or non-disclosure provisions of employment, consulting or similar agreements the Indemnitee may be a party to with the Company or any subsidiary of the Company or any other applicable foreign or domestic corporation, partnership, joint venture, trust or other enterprise, if any; or

(d) except as provided in Section 13(d) of this Agreement, in connection with any Proceeding (or any part of any Proceeding) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees or other indemnitees, unless (i) the Board authorized the Proceeding (or any part of any Proceeding) prior to its initiation or (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law.

Section 9. Advances of Expenses. The Company shall advance, to the extent not prohibited by law, the Expenses incurred by Indemnitee in connection with any Proceeding, and such advancement shall be made within thirty (30) days after receipt by the Corporation of (i) a statement or statements from Indemnitee requesting such advance or advances from time to time, whether prior to or after final disposition of any Proceeding, and (ii) an undertaking by or on behalf of Indemnitee to repay such amount or amounts, only if, and to the extent that, it shall ultimately be determined that Indemnitee is not entitled to be indemnified by the Corporation as authorized by this Agreement or otherwise. Such undertaking shall be accepted without reference to the financial ability of Indemnitee to make such repayment. Advances shall be unsecured and interest free. Advances shall include any and all reasonable Expenses incurred pursuing an action to enforce this right of advancement, including Expenses incurred preparing and forwarding statements to the Company to support the advances claimed. This Section 9 shall not apply to any claim made by Indemnitee for which indemnity is excluded pursuant to Section 8 or to any Proceeding for which the Company has assumed the defense thereof in accordance with Section 10(b) of this Agreement.

Section 10. Procedure for Notification and Defense of Claim.

(a) Indemnitee shall notify the Company in writing of any matter with respect to which Indemnitee intends to seek indemnification or advancement of Expenses hereunder as soon as reasonably practicable following the receipt by Indemnitee of written notice thereof. The written notification to the Company shall include a description of the nature of the Proceeding and the facts underlying the Proceeding. To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification following the final disposition of such action, suit or proceeding. The omission by Indemnitee to notify the Company hereunder will not relieve the Company from any liability which it may have to Indemnitee hereunder or otherwise than under this Agreement, and any delay in so notifying the Company shall not constitute a waiver by Indemnitee of any rights under this Agreement. The Secretary of the Company shall, promptly upon receipt of such a request for indemnification, advise the Board in writing that Indemnitee has requested indemnification.

(b) In the event the Company shall be obligated to pay the Expenses of Indemnitee with respect to a Proceeding, as provided in this Agreement, the Company shall be entitled to assume the defense of such Proceeding, with counsel reasonably acceptable to Indemnitee, upon delivery of written notice of its election to do so. After delivery of such notice, approval of such counsel by Indemnitee and retention of such counsel by the Company, the Company will not be liable to Indemnitee under this Agreement for any fees of counsel subsequently incurred by Indemnitee with respect to the same Proceeding, provided that (1) Indemnitee shall have the right to employ Indemnitee's own counsel in such Proceeding at Indemnitee's expense and (2) if (i) the employment of counsel by Indemnitee has been previously authorized in writing by the Company, (ii) counsel to the Company or Indemnitee shall have reasonably concluded that there may be a conflict of interest or position, or reasonably believes that a conflict is likely to arise, on any significant issue between the Company and the Indemnitee in the conduct of such defense or (iii) the Company shall not, in fact, have employed counsel to assume the defense of such Proceeding, then the fees and expenses of Indemnitee's counsel shall be at the expense of the Company, except as otherwise expressly provided by this Agreement.

(c) The Company will be entitled to participate in the Proceeding at its own expense.

Section 11. Procedure Upon Application for Indemnification.

(a) Upon written request by Indemnitee for indemnification pursuant to Section 10(a), a determination, if required by applicable law, with respect to Indemnitee's entitlement thereto shall be made in the specific case: (i) if a Change in Control shall have occurred after the date of this Agreement, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee; or (ii) if a Change in Control shall not have occurred after the date of this Agreement, (A) by a majority vote of the Disinterested Directors, even though less than a quorum of the Board, (B) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors, even though less than a quorum of the Board, (C) if there are no such Disinterested Directors or, if such Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee or (D) if so directed by the Disinterested Directors, by the stockholders of the Company; and, if it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten (10) days after such determination. Indemnitee shall cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any costs or Expenses (including attorneys' fees and disbursements) incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

(b) In the event the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 11(a) hereof, the Independent Counsel shall be selected as provided in this Section 11(b). If a Change in Control shall not have occurred after the date of this Agreement, the Independent Counsel shall be selected by the Board, and the Company shall give written notice to Indemnitee advising him of the identity of the Independent Counsel so selected. If a Change in Control shall have occurred after the date of this Agreement, the Independent Counsel shall be selected by Indemnitee (unless Indemnitee shall request that such selection be made by the Board, in which event the preceding sentence shall apply), and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either event, Indemnitee or the Company, as the case may be, may, within ten (10) days after such written notice of selection shall have been given, deliver to the Company or to Indemnitee, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 2 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit. If, within twenty (20) days after the submission by Indemnitee or the Company, as the case may be, of a written objection, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition a court of competent jurisdiction for resolution of any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the Court or by such other person as the Court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 11(a) hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 13(a) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

Section 12. Presumptions and Effect of Certain Proceedings.

(a) In making a determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall, to the fullest extent not prohibited by law, presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 10(a) of this Agreement, and the Company shall, to the fullest extent not prohibited by law, have the burden of proof to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption. Neither the failure of the Company (including by its directors or independent legal counsel) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Company (including by its directors or independent legal counsel) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(b) Subject to Section 13(e), if the person, persons or entity empowered or selected under Section 11 of this Agreement to determine whether Indemnitee is entitled to indemnification shall not have made a determination within sixty (60) days after receipt by the Company of the request therefor, the requisite determination of entitlement to indemnification shall, to the fullest extent not prohibited by law, be deemed to have been made and Indemnitee shall be entitled to such indemnification, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law; provided, however, that such 60-day period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if the person, persons or entity making the determination with respect to entitlement to indemnification in good faith requires such additional time for the obtaining or evaluating of documentation and/or information relating thereto; and provided, further, that the foregoing provisions of this Section 12(b) shall not apply (i) if the determination of entitlement to indemnification is to be made by the stockholders pursuant to Section 11(a) of this Agreement and if (A) within fifteen (15) days after receipt by the Company of the request for such determination the Board has resolved to submit such determination to the stockholders for their consideration at an annual meeting thereof to be held within seventy-five (75) days after such receipt and such determination is made thereat, or (B) a special meeting of stockholders is called within fifteen (15) days after such receipt for the purpose of making such determination, such meeting is held for such purpose within sixty (60) days after having been so called and such determination is made thereat, or (ii) if the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 11(a) of this Agreement.

(c) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his conduct was unlawful.

(d) Reliance as Safe Harbor. For purposes of any determination of good faith, Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the Company or other corporation, limited liability company, partnership, joint venture, trust employee benefit plan or other enterprise of which Indemnitee was serving as a director, officer, employee, agent or fiduciary, including financial statements, or on information supplied to Indemnitee by the officers of the Company or other corporation, limited liability company, partnership, joint venture, trust employee benefit plan or other enterprise of which Indemnitee was serving as a director, officer, employee, agent or fiduciary in the course of their duties, or on the advice of legal counsel for the enterprise or on information or records given or reports made to the Company or other corporation, limited liability company, partnership, joint venture, trust employee benefit plan or other enterprise of which Indemnitee was serving as a director, officer, employee, agent or fiduciary by an independent certified public accountant or by an appraiser or other expert selected with the reasonable care by the Company or other corporation, limited liability company, partnership, joint venture, trust employee benefit plan or other enterprise of which Indemnitee was serving as a director, officer, employee, agent or fiduciary. The provisions of this Section 12(d) shall not be deemed to be exclusive or to limit in any way the other circumstances in which the Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement.

(e) Actions of Others. The knowledge and/or actions, or failure to act, of any other director, officer, agent or employee of the Company or other corporation, limited liability company, partnership, joint venture, trust employee benefit plan or other enterprise of which Indemnitee was serving as a director, officer, employee, agent or fiduciary shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

Section 13. Remedies of Indemnitee.

(a) Subject to Section 13(e), in the event that (i) a determination is made pursuant to Section 11 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 9 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 11(a) of this Agreement within ninety (90) days after receipt by the Company of the request for indemnification, (iv) payment of indemnification is not made pursuant to Section 5 or 6 or the last sentence of Section 11(a) of this Agreement within ten (10) days after receipt by the Company of a written request therefor, (v) payment of indemnification pursuant to Section 3, 4 or 7 of this Agreement is not made within ten (10) days after a determination has been made that Indemnitee is entitled to indemnification, or (vi) in the event that the Company or any other person takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or Proceeding designed to deny, or to recover from, the Indemnitee the benefits provided or intended to be provided to the Indemnitee hereunder, Indemnitee shall be entitled to an adjudication by a court of his entitlement to such indemnification or advancement of Expenses. Alternatively, Indemnitee, at his option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Indemnitee shall commence such proceeding seeking an adjudication or an award in arbitration within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 13(a); provided, however, that the foregoing clause shall not apply in respect of a proceeding brought by Indemnitee to enforce his rights under Section 5 of this Agreement. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 11(a) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 13 shall be conducted in all respects as a de novo trial, or arbitration, on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 13 the Company shall have the burden of proving Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be.

(c) If a determination shall have been made pursuant to Section 11(a) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 13, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) The Company shall, to the fullest extent not prohibited by law, be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 13 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement. It is the intent of the Company that the Indemnitee not be required to incur legal fees or other Expenses associated with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement by litigation or otherwise because the cost and expense thereof would substantially detract from the benefits intended to be extended to the Indemnitee hereunder. The Company shall indemnify Indemnitee against any and all Expenses and, if requested by Indemnitee, shall (within ten (10) days after receipt by the Company of a written request therefor) advance, to the extent not prohibited by law, such Expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advance of Expenses from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advancement of Expenses or insurance recovery, as the case may be.

(e) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding.

Section 14. Non-exclusivity; Survival of Rights; Insurance; Subrogation.

(a) The rights of indemnification and to receive advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Company's Certificate of Incorporation, the Company's By-laws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in Delaware law, whether by statute or judicial decision, permits greater indemnification or advancement of Expenses than would be afforded currently under the Company's Certificate of Incorporation, the Company's By-laws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, officers, employees, or agents of the Company or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise which such person serves at the request of the Company, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, officer, employee or agent under such policy or policies. If, at the time of the receipt of a notice of a claim pursuant to the terms hereof, the Company has director and officer liability insurance in effect, the Company shall give prompt notice of the commencement of such proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company and the Indemnitee shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such policies.

(c) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee with respect to any insurance policy, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(d) The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable (or for which advancement is provided hereunder) hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

(e) The Company's obligation to indemnify or advance Expenses hereunder to Indemnitee who is or was serving at the request of the Company as a director, officer, employee or agent of any other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement of Expenses from such other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise.

Section 15. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 16. Enforcement. The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve as a director or officer of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director or officer of the Company.

Section 17. Entire Agreement. Supersedes Prior Agreements . This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof; provided, however, that this Agreement is a supplement to and in furtherance of the Certificate of Incorporation of the Company and applicable law, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

Section 18. Modification and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by the parties thereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement nor shall any waiver constitute a continuing waiver.

Section 19. Notice by Indemnitee. Indemnitee agrees promptly to notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification or advancement of Expenses covered hereunder. The failure of Indemnitee to so notify the Company shall not relieve the Company of any obligation which it may have to the Indemnitee under this Agreement or otherwise except to the extent the Corporation is prejudiced in its defense of such action, suit or proceeding as a result of such failure.

Section 20. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given if (a) delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, (b) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed, (c) mailed by reputable overnight courier and receipted for by the party to whom said notice or other communication shall have been directed or (d) sent by facsimile transmission, with receipt of oral confirmation that such transmission has been received:

(a) If to Indemnitee, at the address indicated on the signature page of this Agreement, or such other address as Indemnitee shall provide to the Company.

(b) If to the Company to

Motus GI Holdings, Inc.
150 Union Square Drive
New Hope, PA 18938
Attention: Chairman of the Board

or to any other address as may have been furnished to Indemnitee by the Company.

Section 21. Contribution. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

Section 22. Applicable Law and Consent to Jurisdiction. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. Except with respect to any arbitration commenced by Indemnitee pursuant to Section 13(a) of this Agreement, the Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Chancery Court of the State of Delaware (the "Delaware Court"), and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) appoint, to the extent such party is not otherwise subject to service of process in the State of Delaware, irrevocably Corporation Services Company as its agent in the State of Delaware as such party's agent for acceptance of legal process in connection with any such action or proceeding against such party with the same legal force and validity as if served upon such party personally within the State of Delaware, (iv) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (v) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

Section 23. Identical Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

Section 24. Miscellaneous. Use of the masculine pronoun shall be deemed to include usage of the feminine pronoun where appropriate. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the day and year first above written.

MOTUS GI HOLDINGS, INC.

By: _____
Name:
Title:

INDEMNITEE

_____
Name:

Address: _____
_____
_____

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement"), dated August 16, 2017 and effective as of the Commencement Date (as defined below), is entered into between Motus GI Medical Technologies Ltd., a Delaware corporation, having its corporate headquarters at 1301 East Broward Blvd, Fort Lauderdale, Florida ("Company"), and Andrew Taylor, an individual residing at 816 Winter Road, Rydal, PA 19046 ("Executive") (Company and Executive, each a "Party" and together, the "Parties").

WHEREAS, Company desires to employ Executive as its Chief Financial Officer; and

WHEREAS, Executive is willing to accept such employment on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual agreements set forth herein, Company and Executive hereby agree as follows:

ARTICLE I
EMPLOYMENT; POSITION, DUTIES AND RESPONSIBILITIES

1.01 Employment and Acceptance. Company agrees to, and does hereby, employ Executive, and Executive agrees to, and does hereby accept, such employment, upon the terms and subject to the conditions set forth in this Agreement.

1.02 Position, Duties and Responsibilities. During the Term (as defined in Section 2.01 below), Executive shall serve as Chief Financial Officer of Company as well as in such other positions or capacities as may be reasonably requested by the Board of Directors of Company (the "Board") or the Chief Executive Officer of Company (the "CEO") and shall have such duties and responsibilities as are customary for, and are consistent with, such position(s) as may, from time to time, be assigned by the Board, the CEO and/or any of their respective nominees. Executive's employment by Company shall be full-time and exclusive to Company and Executive shall (a) report to Company's CEO, (b) comply with Company's policies and procedures in place from time to time, and (c) serve Company faithfully and to the best of Executive's ability. During the Term, and except for paid time off in accordance with the terms of Section 3.01(G) below or absences due to illness or incapacity, Executive shall devote all of Executive's business time, attention, skill and efforts exclusively to the business and affairs of Company (including its affiliates) and the promotion of its interests. Notwithstanding anything contained herein to the contrary, Executive may do the following, provided that such activities do not inhibit or prohibit the performance of Executive's duties hereunder or inhibit or conflict with the business of Company and/or its affiliates: (i) engage in charitable, educational, religious, civic and similar types of activities and manage Executive's personal investments, and (ii) with consent of the Board which shall not be unreasonably withheld, serve on the board of directors, managers, advisors (or their equivalent) of outside business enterprises for up to 30 hours in the aggregate per calendar quarter (including but not limited to AngelMed, GenPro, and eNeura). Executive shall be required to spend on average eight days per month at the Company's corporate offices in either Florida or Israel including travel. Executive acknowledges that he shall be required to travel as reasonably necessary to perform Executive's duties hereunder, including international travel.

ARTICLE II
TERM

2.01 Term of Employment. Executive's employment under this Agreement shall commence on August 16, 2017 (the " Commencement Date") and shall continue for two years, unless terminated sooner by either Company or Executive pursuant to Article IV hereof. The Term shall thereafter be deemed to be automatically extended, upon the same terms and conditions, for successive periods of one year, unless either Party, at least one hundred twenty (120) days prior to the expiration of the original term or any extended term, shall give written notice to the other of its intention not to renew such employment term. The period during which Executive is employed pursuant to this Agreement, including any extension thereof in accordance with the preceding sentence, shall be referred to as the "Term." It is understood and agreed that, for purposes of this Agreement, the non-renewal of this Agreement by either party shall not be deemed to be a termination of Executive's employment hereunder without "Cause" (as defined below).

ARTICLE III
COMPENSATION AND BENEFITS; EXPENSES

3.01 Compensation and Benefits. For all services rendered by Executive in any capacity during the Term (including, without limitation, serving as an officer, director or member of any committee of Company or any affiliate or division thereof), Executive shall be compensated as follows (subject, in each case, to the provisions of Article IV below):

(A) Base Salary. During the Term, Company shall pay to Executive a base salary at the initial rate of $295,000 on an annualized basis (the "Base Salary"). As used in this Agreement, the term "Base Salary" shall refer to Base Salary as may be adjusted from time to time with the consent of the Company and the Executive. Base Salary shall be payable in accordance with the customary payroll practices of Company.

(B) Starting Bonus. Executive shall be eligible to receive a starting bonus of $15,000.00 payable on the next regular paydate following the six month anniversary of the Commencement Date, provided Executive is actively employed in good standing on such date.

(C) Relocation Bonus. The Company agrees to reimburse the Executive for reasonable and customary expenses that the Executive incurs through the twenty-fourth month anniversary of the Commencement Date, in an amount up to $35,000, if Executive elects to relocate to Florida and upon presentation of receipts associated with Executive's relocation to Florida.

(D) First Year Bonus. Executive shall be eligible to receive a bonus of up to $30,000.00 payable on the next regular paydate following the one year anniversary of the Commencement Date (the "First Year Bonus"), provided Executive is actively employed in good standing on such date. Seventy percent (70%) of the First Year Bonus shall be based upon the Company's determination of whether the Company has achieved certain designated milestones (such milestones to be communicated to Executive in advance of the Commencement Date) and thirty percent (30%) of the First Year Bonus shall be based upon the Company's assessment of the Executive's performance, as determined in the Board's discretion and judgment.

(E) Second Year Bonus. Executive shall be eligible to receive a bonus of up to $35,000.00 payable on the next regular paydate following the two year anniversary of the Commencement Date (the "Second Year Bonus"), provided Executive is actively employed in good standing on such date. Seventy percent (70%) of the Second Year Bonus shall be based upon the Company's determination of whether the Company has achieved certain designated milestones (such milestones to be communicated to Executive in advance of Second Year) and thirty percent (30%) of the Second Year Bonus shall be based upon the Company's assessment of the Executive's performance, as determined in the Board's discretion and judgment.

(F) Equity Compensation. Pursuant to the terms of the Company's Equity Incentive Plan (the "Plan"), Executive shall, as soon as reasonably practicable after the Commencement Date, be granted an option (the "Option") to purchase 240,000 shares of the Company's common stock (the "Common Stock"). The Option shall vest equally over three (3) years on a quarterly basis. The exercise price of the Option will be equal to the fair market value of the Common Stock on the date of grant, as determined by the Board in a manner consistent with Section 409A of the Code. The Option will be governed by a stock option agreement to be entered into between Executive and the Company pursuant to the Plan. Thereafter during the Term, Executive shall be eligible to receive from time to time stock option grants and/or restricted stock awards pursuant to the Plan in amounts, if any, to be approved by the Board or the Compensation Committee in its discretion. Such grants or awards will be subject to the terms and conditions established within the Plan (or any successor equity compensation plan as may be in place from time to time) and separate stock option and/or restricted stock award agreements between Company and Executive that sets forth the terms of the award or grant. If there is a Change of Control, the Company agrees that all outstanding unvested equity options or rights granted to the Executive during the Term shall become fully vested and exercisable for the remainder of their full term. A "Change in Control" shall mean the consummation of any one of the following events: (a) a sale, lease, transfer or other disposition of all or substantially all of the assets of the Company; (b) a consolidation or merger of the Company with or into any other corporation or other entity or person, or any other corporate reorganization, in which the stockholders of the Company immediately prior to such consolidation, merger or reorganization, own less than fifty percent (50%) of the Company's outstanding voting power of the surviving entity following the consolidation, merger or reorganization; (c) any transaction (or series of related transactions involving a person or entity, or a group of affiliate persons or entities) in which in excess of fifty percent (50%) of the Company's then outstanding voting power is transferred, excluding any consolidation or merger, effected exclusively to change the domicile of the Company and excluding any such change of voting power resulting from a bona fide equity financial event or public offering of the stock of the Company.

(G) Benefits. During the Term, Executive shall be entitled to participate in all Executive benefit plans and programs (excluding severance plans, if any) generally made available by Company to Executives of Company, to the extent permissible under the general terms and provisions of such plans or programs and in accordance with the provisions thereof. Company may amend, modify or rescind any employee benefit plan or program and/or change employee contribution amounts to benefit costs without notice in its discretion. Executive's eligibility for severance shall be governed by the terms of this Agreement.

(H) Paid Time Off (PTO). During the Term, Executive shall be entitled to paid time off in accordance with Company's policy in place from time to time; *provided, however,* that Executive shall be eligible to accrue no less than twenty (20) days per calendar year (with such amount prorated for the balance of 2017).

3.02 Expenses. Executive shall be entitled to receive reimbursement from Company for reasonable out-of-pocket expenses incurred by Executive during the Term in connection with the performance of Executive's duties and obligations under this Agreement, according to Company's expense account and reimbursement policies in place from time to time and provided that Executive shall submit reasonable documentation with respect to such expenses; *provided, however*, in no event shall a reimbursement be made later than December 31 of the year following the year in which the expense was incurred. For purposes of clarity, notwithstanding the Company's expense account and reimbursement policies, Executive is permitted to travel by air in business class or equivalent if the trip is international and if flight time (one-way) of such international trip is greater than six hours. Further, for all air, lodging, ground transportation and related expenses associated with Executive's business travel, Executive is eligible to retain in his own personal account all points, mileage and equivalent affinity benefits associated with that travel.

ARTICLE IV
TERMINATION

4.01 Events of Termination. This Agreement and Executive's employment hereunder shall terminate upon the occurrence of any one or more of the following events:

(A) Death. In the event of Executive's death, this Agreement and Executive's employment hereunder shall automatically terminate on the date of death.

(B) Disability. To the extent permitted by law, in the event of Executive's physical or mental disability that prevents Executive from performing the essential functions of Executive's duties under this Agreement (with or without reasonable accommodation) for a period of at least ninety (90) consecutive days in any 12-month period or one hundred twenty (120) non-consecutive days in any 12-month period, Company may terminate this Agreement and Executive's employment hereunder upon giving written notice of termination to Executive.

(C) Termination by Company for Cause. Company may, at its option, terminate this Agreement and Executive's employment hereunder for Cause (as defined below) upon giving notice of termination to Executive. As used in this Agreement, "Cause" shall mean the termination of the Executive's employment because of:

(1) gross negligence or willful misconduct in the performance of the Executive's duties hereunder, or if the Executive otherwise breaches this Agreement;

(2) the Executive's failure to obey a lawful directive that is from the CEO or the Board, which failure is not cured within 15 days written notice of the alleged failure to perform;

(3) a material violation of the restrictive covenants described in Article V below or of any written employee conduct policy of the Company against workplace harassment or discrimination); or

(4) conviction of a felony or other serious crime; or

(5) any other act or omission that results in material harm to the business, reputation of the Company.

(D) Without Cause by Company. Company may, at its option, at any time terminate this Agreement and Executive's employment hereunder for no reason or for any reason whatsoever (other than for Cause or as a result of Executive's death or Disability) by giving written notice of termination to Executive.

(E) Termination by Executive. Executive may terminate this Agreement and Executive's employment hereunder with or without Good Reason (as defined below) by: (i) in the case of a resignation without Good Reason, giving thirty (30) days prior written notice of termination to Company; or (ii) in the case of a resignation for Good Reason, giving written notice of resignation within thirty (30) days after the expiration of the Good Reason Cure Period; *provided, however*, in each case, Company reserves the right, upon written notice to Executive, to accept Executive's notice of resignation and to accelerate such notice and make Executive's resignation effective immediately, or on such other date prior to Executive's intended last day of work as Executive deems appropriate. The Company's election to accelerate Executive's notice of resignation shall not be deemed a termination by Company. For purposes of this Agreement, "Good Reason" means the occurrence of any of the following circumstances without Executive's prior express written consent: (i) a material adverse change in the nature of Executive's title, duties or responsibilities with the Company that represents a material demotion from his title, duties or responsibilities as in effect immediately prior to such change; (ii) a material breach of this Agreement by the Company; (iii) a failure by the Company to make any payments to Executive when due, unless the payment is not material and is being contested by the Company, in good faith; (iv) the Company's performance of any illegal or civilly actionable act that materially damages Executive's reputation or is considered harassment under applicable law; (v) any material reduction of the Executive's then current annual Base Salary except to the extent that the annual Base Salary of all other similarly situated employees of the Company or its successor is similarly reduced; (vi) any requirement that the Executive relocate to a work site that is more than fifty miles from his home; or (vii) a liquidation, bankruptcy or receivership of the Company. Notwithstanding the foregoing, no Good Reason shall be deemed to exist with respect to the Company's acts described in clause (i) above, unless Executive shall have given written notice to the company specifying the Good Reason with reasonable particularity within (ninety) 90 days after the date Executive first knew or should reasonably have known of the occurrence of any such event and, within fifteen (15) days after such notice, the Company shall not have cured or eliminated the problem or thing giving rise to such Good Reason; *provided*, *however*, that a repeated breach after notice and cure of any provision of clause (i) above involving the same or substantially similar actions or conduct, shall be grounds for termination for Good Reason without any additional notice from Executive. If Executive fails to provide the notice and Good Reason Cure Period prior to Executive's resignation, or resigns more than ninety (90) days after the initial existence of the condition, Executive's resignation will not be deemed to be for "Good Reason" and any claim of such circumstances as "Good Reason" shall be deemed irrevocably waived by Executive.

(F) Mutual Agreement. This Agreement and Executive's employment hereunder may be terminated at any time by the mutual agreement of Company and Executive.

4.02 Company's Obligations upon Termination.

(A) Termination by Company for Cause; Termination by Executive without Good Reason; Mutual Agreement; Death; Disability . In the event of a termination of this Agreement and Executive's employment hereunder pursuant to Sections 4.01(A), 4.01(B), 4.01(C), 4.01(E) (other than a termination for Good Reason), or 4.01(F) above, then this Agreement and Executive's employment with Company shall terminate and Company's sole obligation to Executive (or Executive's estate, heirs, executors, administrators, representatives and assigns) under this Agreement or otherwise shall be to: (i) pay to Executive (or, if applicable, Executive's estate) any Base Salary earned, but not yet paid, prior to the effective date of such termination, payable in accordance with Company's standard payroll practices; (ii) reimburse Executive (or, if applicable, Executive's estate) for any expenses incurred by Executive through the effective date of such termination in accordance with Section 3.02 above; and (iii) pay and/or provide any amounts or benefits that are vested amounts or vested benefits or that Executive is otherwise entitled to receive under any plan, program, policy or practice (with the exception of those, if any, relating to severance) on the date of termination, in accordance with such plan, program, policy, or practice (including payment for unused, accrued vacation) (clauses (i), (ii) and (iii) of this sentence are collectively referred to herein as the "Accrued Obligations").

(B) Termination by Company without Cause; Termination by Executive for Good Reason. In the event of a termination of this Agreement and Executive's employment hereunder by Company pursuant to Section 4.01(D) or a termination of this Agreement and Executive's employment hereunder by Executive for Good Reason (as defined in Section 4.01(E) above) pursuant to Section 4.01(E), then this Agreement and Executive's employment with Company shall terminate and Company's sole obligation to Executive under this Agreement or other otherwise shall be to: (i) pay and/or provide, as applicable, the Accrued Obligations in accordance with the terms set forth in Section 4.02(A) above; and (ii) subject to Section 4.02(C) below, and provided Executive has been actively employed in good standing for at least 91 days from the Commencement Date (a) pay to Executive an aggregate amount equal to the Severance Payment (as defined below), (b) if Executive timely elects COBRA coverage, Company shall pay the Company portion of Executive's healthcare continuation payments under COBRA for a twelve (12)-month period following the date of Executive's termination of employment with Company during which time Executive shall be responsible for the Executive portion (unless Executive becomes eligible to obtain healthcare coverage from a new Company before the 12-month anniversary of the termination of Executive's employment, in which case Company's obligation to contribute to Executive's health care continuation payments under COBRA shall cease), and (c) the Company agrees to accelerate the vesting of any options that otherwise would have vested on the last day of the calendar quarter during which the termination date occurred. Executive acknowledges that he is obligated to inform Company if Executive obtains new employment or becomes eligible to obtain healthcare coverage from an alternate source before the twelve (12)-month anniversary of Executive's termination of employment.

As used in this Section 4.02(B), the term "Severance Payment" shall mean the following: (x) zero dollars if Executive has been employed by the Company for less than 91 days; (y) continuation of Executive's regular Base Salary for six months, if, on the termination date, Executive has been actively employed in good standing with the Company for at least 91 days and up to eighteen months; and (z) continuation of Executive's regular Base Salary for nine months if, on the termination date, Executive has been actively employed in good standing with the Company for at least eighteen months, with all amounts offset by any subsequent salary or consulting fees that the Executive receives from any alternate source during the applicable severance period. Subject to Section 4.02(E) below, the Severance Payment (less applicable withholdings and customary payroll deductions, excluding 401(k) contributions) shall be payable in equal installments in accordance with Company's customary payroll practices, commencing on the next regular pay date following the date that the Release (as defined in Section 4.02(D) below) becomes effective and is no longer subject to revocation*; provided, however*, the first payment shall include the cumulative amount of payments that would have been paid to Executive during the period of time between the effective date of termination and the actual commencement date of such payments had such payments commenced immediately following the effective date of Executive's termination.

Notwithstanding anything set forth in this Section 4.02(B) to the contrary, in the event of a breach by Executive under Article V of this Agreement or the Release and in addition to any other remedies hereunder, the Release or at law or in equity, Company's obligation to make any remaining installments of the Severance Payment or to contribute to Executive's health care continuation payments under COBRA through the 12-month anniversary of the date of termination shall terminate as of the date of such breach and Company shall have no further obligations under this Section 4.02(B) other than to pay/provide the Accrued Obligations (to the extent not previously paid/provided) and Executive shall be required, upon demand, to return to Company fifty percent (50%) of the Severance Payment (or installments thereof) paid by the Company pursuant to this Section 4.02(B).

(C) Release. With the exception of Accrued Obligations, all payments and benefits to Executive pursuant to this Section 4.02 (including the Severance Payment and the contribution to the Company portion of Executive's healthcare continuation payments under COBRA) shall be contingent upon Executive's execution, delivery within 21 days (or 45 days in the case of a group termination) following receipt by Executive, and non-revocation of a general release in a form satisfactory to Company (the "Release"). The Release will be delivered to Executive within ten (10) business days following the effective date of Executive's termination and will include, without limitation, a general release from all liability of Company, its affiliates and each of their respective officers, directors, shareholders, partners, managers, agents, Executives and other related parties. Notwithstanding anything to the contrary contained herein, in the event that any payment hereunder is contingent upon Executive's execution and delivery of the Release and the 21 (or 45 day) period covers more than one calendar year, the payment shall be paid in the second calendar year (on the first regular pay date of such calendar year following the date that the Release becomes effective and is no longer subject to revocation, all subject to Section 4.02(D) below), regardless of whether the Executive executes and delivers the Release in the first or the second calendar year encompassed in such 21 (or 45) day period.

(D) Specified Employee. If the Executive is a "specified employee" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") at the time of the Executive's termination of employment, amounts or benefits (including the Severance Payments) that are deferred compensation subject to Section 409A of the Code, as determined in the reasonable discretion of the Company, that would otherwise be payable or provided during the six month period immediately following the termination of employment will instead be paid or provided, with interest on any delayed payment at the short-term applicable federal rate under Section 1274(d) of the Code (with monthly compounding and at the rate published for the month prior to the month in which the Executive's termination of employment occurs), on the first business day after the date that is six months following the Executive's termination of employment.

(E) Removal from any Positions. If Executive's employment is terminated for any reason under this Agreement, Executive shall be deemed to resign from any position with Company or any affiliate of Company, including, but not limited to, as an officer of Company or any of its affiliates.

ARTICLE V
CONFIDENTIALITY, NONCOMPETITION, NONSOLICITATION AND OTHER COVENANTS

5.01 Confidentiality. Executive shall be provided with access to Confidential Information relating to the Company, its business, potential business or that of its clients and customers. "Confidential Information" includes all trade secrets, know-how, show-how, theories, technical, operating, financial, and other business information, whether or not reduced to writing or other medium and whether or not marked or labeled confidential, proprietary or the like, specifically including, but not limited to, information regarding source codes, software programs, computer systems, concepts, creations, costs, plans, materials, enhancements, research, specifications, works of authorship, techniques, documentation, models and systems, sales and pricing techniques, designs, inventions, discoveries, products, improvements, modifications, methodology, processes, concepts, records, files, memoranda, reports, plans, proposals, price lists, product development and project procedures. Confidential Information does not include general skills, experience or information that is generally available to the public, other than information which has become generally available as a result of Executive's direct or indirect act or omission. With respect to Confidential Information of the Company and its clients and customers:

(A) Executive will use Confidential Information only in the performance of Executive's duties for Company. Executive will not use Confidential Information at any time (during or after Executive's employment with Company) for Executive's personal benefit, for the benefit of any other individual or entity, or in any manner adverse to the interests of Company and its clients and customers except to the extent permitted by applicable law, including to enable Executive to exercise any protected legal right he may have;

(B) Executive will not disclose Confidential Information at any time (during or after Executive's employment with Company) except to authorized Company personnel, unless Company consents in advance in writing or unless the Confidential Information indisputably becomes of public knowledge or enters the public domain (other than through Executive's direct or indirect act or omission) or as authorized by a court or regulatory agency.

(C) Executive will safeguard the Confidential Information by all reasonable steps and abide by all policies and procedures of Company in effect from time to time regarding storage, copying, destroying, and handling of documents; and

(D) Executive will return or destroy all materials, models, software, prototypes and the like containing and/or relating to Confidential Information, together with all other property of Company and its clients and customers, to Company when Executive's employment relationship with Company terminates or otherwise on demand and, at that time Executive will certify to Company, in writing and under oath, that Executive has complied with this Agreement. Executive shall not retain any copies or reproductions of correspondence, memoranda, reports, notebooks, drawings, photographs, databases, diskettes, or other documents or electronically stored information of any kind relating in any way to the business, potential business or affairs of Company and its clients and customers.

(E) Executive acknowledges receipt of the following notice under the Defend Trade Secrets Act: An individual will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret if he/she (i) makes such disclosure in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney and such disclosure is made solely for the purpose of reporting or investigating a suspected violation of law; or (ii) such disclosure was made in a complaint or other document filed in a lawsuit or other proceeding if such filing is made under seal.

5.02 Obligations to Other Persons. Executive does not have any non-disclosure or other obligations to any other individual or entity (including without limitation, any previous Company) concerning proprietary or confidential information that Executive learned of during any previous employment or associations that would conflict with the Executive's obligations to Company under this Agreement. Executive shall not disclose to Company or induce Company to use any secret or confidential information or material belonging to others, including, without limitation, Executive's former employers, if any. Executive does not have any non-competition agreements, non-solicitation agreements or other restrictive covenants with any previous Company or other individual or entity that would conflict with the Executive's obligations to Company under this Agreement.

5.03 Covenants Against Competition and Solicitation.

Executive acknowledges and understands that, Executive's position with Company affords Executive extensive access to Confidential Information of the Company. Executive therefore agrees that during the course of Executive's employment with Company and for twelve (12) months after termination of Executive's employment with Company (for any reason or no reason) (collectively, "Restricted Period"), Executive shall not: (i) anywhere within the United States of America or any other country in which the Company then conducts or proposes to conduct business, either directly or indirectly, as an owner, stockholder, member, partner, joint venturer, officer, director, consultant, independent contractor, agent or Executive, engage in any business or other commercial activity which is engaged in or is seeking to engage in a "Competitive Business." As used in this Agreement, "Competitive Business" shall mean any individual or enterprise engaged in (x) cleansing of body cavities, tubular structures or other orafices or devices added on or attached to endoscopes or (y) any other business directly competitive with the business of the Company on the date of termination.

Executive further agrees that, during the Restricted Period, Executive shall not, directly or indirectly, either on Executive's own behalf or on behalf of any other individual or commercial enterprise: (i) contact, communicate, solicit or transact any business with or assist any third party in contacting, communicating, soliciting or transacting any business with (A) any of the customers or clients of the Company, or (B) any individual or entity who or which was within the most recent twelve (12) month period a customer or client of Company, for the purpose of inducing such customer or client or potential customer or client to be connected to or benefit from any competitive business or to terminate its or their business relationship with the Company; (ii) solicit, induce or assist any third party in soliciting or inducing any individual or entity who is then (or was at any time within the preceding six (6) an employee or full-time consultant, independent contractor or agent of Company) to leave the employment of the Company or cease performing services for the Company; (iii) hire or engage or assist any third party in hiring or engaging, any individual or entity that is or was (at any time within the preceding six (6) months) an employee or full-time consultant, independent contractor or agent of the Company, or (iv) solicit, induce or assist any third party in soliciting or inducing any other person or entity (including, without limitation, any third-party service provider or distributor) to terminate its relationship with the Company or otherwise interfere with such relationship.

5.04 Cooperation With Investigations/Litigation. Executive agrees, upon Company's request, to reasonably cooperate both during and after Executive's employment with Company in any Company investigation, litigation, arbitration, or regulatory proceeding regarding events that occurred during Executive's tenure with Company. Executive will make himself reasonably available to consult with Company's counsel, to provide information, and to appear to give testimony. Company will reimburse Executive for reasonable out-of-pocket expenses Executive incurs in extending such cooperation, so long as Executive provides advance written notice of Executive's request for reimbursement and provides satisfactory documentation of the expenses.

5.05 Reasonable Restrictions/Damages Inadequate Remedy. The Parties to this agreement acknowledge that the restrictions contained in this Article are reasonable and necessary to protect the legitimate business interests of Company and that any breach by Executive of any provision contained in this Article may result in immediate irreparable injury to Company for which a remedy at law would be inadequate. Accordingly, the Parties shall be entitled to temporary or permanent injunctive or other equitable relief (without being obligated to post a bond or other collateral) in the event of any breach or threatened breach of the provisions of this Article, in addition to any other remedy that may be available whether at law or in equity.

5.06 Separate Covenants. In the event that an arbitrator or any court of competent jurisdiction shall determine that any one or more of the provisions contained in this Article shall be unenforceable in any respect, then such provision shall be deemed limited and restricted to the extent that the adjudicator shall deem the provision to be enforceable. It is the intention of the parties to this Agreement that the covenants and restrictions in this Article be given the broadest interpretation permitted by law. The invalidity or unenforceability of any provision of this Article shall not affect the validity or enforceability of any other provision hereof. If, in any judicial or arbitration proceedings, a court of competent jurisdiction or arbitration panel should refuse to enforce all of the separate covenants and restrictions in this Article, then such unenforceable covenants and restrictions shall be eliminated from the provisions of this Agreement for the purpose of such proceeding to the extent necessary to permit the remaining separate covenants and restrictions to be enforced in such proceeding.

5.07 Ownership of Proprietary Rights

(A) Proprietary Rights. "Proprietary Rights" means all right, title and interest (including any copyrights, patent rights, trademarks, servicemarks and trade names) in and to, or associated with, or arising from, any and all notes, data, reference materials, sketches, drawings, memoranda, documentation, and any and all work product conceived, created, reduced to any medium of expression and/or produced as part of the activities of Executive for the Company, including all written, graphical, pictorial, visual, audio, and audiovisual elements relating thereto, software code or records in any way incorporating or reflecting any Confidential Information and any original works of authorship, derivative works, inventions, developments, concepts, know-how, improvements, trade secrets or ideas, whether or not fixed in a tangible medium of expression, that are conceived or developed in whole or in part by the Executive alone or in conjunction with others, whether or not conceived or developed during regular working hours by, or in association with, the Company that are made through the use of any Confidential Information or any of the Company's equipment, facilities, supplies, or trade secrets, or that relate to the Company's business or the Company's actual or demonstrably anticipated research and development, or that result from any work performed by the Executive for the Company.

(B) Ownership of Proprietary Rights. All Proprietary Rights shall belong exclusively to the Company, and the Executive agrees to assign and hereby assigns to the Company, all rights, title and interest throughout the world in and to all Proprietary Rights. The Executive agrees to promptly make full written disclosure to the Company, and will hold in trust for the sole right and benefit of the Company, all Proprietary Rights. Upon request of the Company and without any separate compensation, the Executive shall take such action and execute and deliver such documents and instruments as may be necessary or proper to vest in the Company all right, title and interest in and to all such Proprietary Rights. Without limiting the foregoing, the Executive further agrees that for any original works of authorship created by the Executive, the Company shall be deemed the author thereof under the United States Copyright Act; *provided*, *however*, that in the event and to the extent such works do not to constitute "works made for hire" as a matter of law, the Executive agrees to irrevocably assign and transfer, and hereby irrevocably assigns and transfers to the Company, all right, title and interest in and to such works, including but not limited to copyrights.

(C) Maintenance of Records. The Executive covenants and agrees to take commercially reasonable measures to keep and maintain adequate and current written records of all inventions and works of authorship made by the Executive (solely or jointly with others) during the term of the Executive's relationship with the Company. The records may be in the form of notes, sketches, drawings, flow charts, electronic data or recordings, laboratory notebooks, and any other format. The records will be available to and remain the sole property of the Company at all times. The Executive agrees not to remove such records from the Company's place of business except as expressly permitted by the Company policy, which may, from time to time, be revised at the sole election of the Company. The Executive agrees to return all such records (including any copies thereof) to the Company at the time of termination of services with the Company.

(D) Recordation of Rights. The Executive covenants and agrees to assist the Company, or its designee, at the Company's expense, in every proper way to secure the Company's, or its designee's, rights in the inventions and any copyrights, patents, trademarks, servicemarks, moral rights, or other intellectual property rights relating thereto in any and all countries, including the disclosure to the Company or its designee of all pertinent information and data with respect thereto, the execution of all applications, specifications, oaths, assignments, recordations, and all other instruments that the Company or its designee shall deem necessary in order to apply for, obtain, maintain and transfer such rights, or if not transferable, waive such rights, and in order to assign and convey to the Company or its designee and any successors, assigns and nominees the sole and exclusive rights, title and interest in and to such inventions, and any copyrights, patents or other intellectual property rights relating thereto. The Executive further agrees that the obligation to execute or cause to be executed, when it is in the Executive's power to do so, any such instrument or papers shall continue after the termination of this Agreement until the expiration of the last such intellectual property right to expire in any country of the world. If the Company or its designee is unable because of the Executive's mental or physical incapacity or unavailability or for any other reason to secure the Executive's signature to apply for or to pursue any application for any United States or foreign patents, copyrights, or other registrations covering inventions or works of authorship assigned or to be assigned to the Company or its designee as above, then the Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as the Executive's agent and attorney-in-fact, to act for and on the Executive's behalf and stead to execute and file any such applications and to do all other lawfully permitted acts to further the application for, prosecution, issuance, maintenance or transfer of letters patent, copyright or other registrations thereon with the same legal force and effect as if originally executed by the Executive. The Executive hereby waives and irrevocably quitclaims to the Company or its designee any and all claims, of any nature whatsoever, that the Executive now or hereafter has for infringement of any and all proprietary rights assigned to the Company or such designee.

ARTICLE VI
MISCELLANEOUS

6.01 Benefit of Agreement and Assignment. This Agreement shall inure to the benefit of Company, its affiliates and their respective successors and assigns (including, without limitation, the purchaser of all or substantially all of the assets of Company and/or any of its affiliates) and shall be binding upon Company and its successors and assigns. This Agreement also shall inure to the benefit of and be binding upon Executive and Executive's heirs, administrators, executors and assigns. Executive may not assign or delegate Executive's duties under this Agreement, without the prior written consent of Company.

6.02 Notices. All notices, requests, demands and other communications required or permitted hereunder shall be given in writing and shall be deemed to have been duly given (i) on the date delivered if personally delivered, (ii) upon receipt by the receiving party of any notice sent by registered or certified mail (first-class mail, postage pre-paid, return receipt requested), (iii) by email, or (iv) on the date targeted for delivery if delivered by nationally recognized overnight courier or similar courier service, addressed in the case of Company to:

Motus GI Medical Technologies Ltd.,
1301 East Broward Blvd
Fort Lauderdale, Florida 33301

Attn: Chief Executive Officer

with a copy which, itself, shall not constitute notice, to:
Lowenstein Sandler LLP
One Lowenstein Drive
Roseland, NJ 07068
Attn: Steven M. Skolnick, Esq.

and in the case of Executive to:

_____
_____
_____

Any Party may notify the other party in writing of the change in address by giving notice in the manner provided in this Section 6.02. Service of process in connection with any suit, action or proceeding (whether arbitration or otherwise) may be served on each party hereto anywhere in the world by the same methods as are specified for the giving of notices under this Agreement.

6.03 Non-Disparagement. During the Term and at all times thereafter, Executive agrees that Executive shall not knowingly disparage, criticize or otherwise make any derogatory statements regarding Company or its past, present and future directors, officers, shareholders, employees, agents or products.

6.04 Indemnification. The Company indemnifies Executive to the maximum extent provided in the Company's By-Laws and organizational documents, as currently in effect. Executive shall be entitled to coverage under the directors and officers liability insurance on terms no less favorable to him in any respect than the coverage then being provided to any other current or former director or officer of the Company and which the Company shall maintain with minimum coverage of $1 million.

6.05 Arbitration. With the exception of the Company's right to seek injunctive relief in a court of competent jurisdiction to enforce Article V, any dispute or controversy arising out of or relating to this Agreement or Executive's performance thereunder shall be exclusively settled by arbitration before a single arbitrator to be held in Florida in accordance with the rules then in effect of the American Arbitration Association. The decision of the arbitrator shall be final, conclusive and binding on the parties to the arbitration. Judgment may be entered on the arbitrator's decision in any court having jurisdiction. The Company and the Executive shall separately pay their own counsel fees and expenses. The arbitrator shall apply the laws of the State of Florida with respect to interpretation, construction or enforcement of this Agreement without giving effect to the principles of conflicts of law.

6.06 Entire Agreement. This Agreement contains the entire agreement of the Parties with respect to the terms and conditions of Executive's employment during the Term and activities following termination of this Agreement and Executive's employment with Company and supersedes any and all prior agreements and understandings, whether written or oral, between the Parties with respect to the subject matter of this Agreement. This Agreement may not be changed or modified except by an instrument in writing, signed by both the Company and the Executive.

6.07. Representation and Warranties. Executive and Company each respectively represent and warrant to the other that (a) he/it has the legal capacity to execute and perform this Agreement, (b) this Agreement is a valid and binding agreement enforceable against the parties according to its terms, and (c) the execution and performance of this Agreement by him/it does not violate or conflict with the terms of any existing agreement or understanding to which Executive or Company is a party or by which Executive or Company may be bound.

6.08 No Attachment. Except as required by law, no right to receive payments under this Agreement shall be subject to anticipation, commutation, alienation, sale, assignment, encumbrance, charge, pledge, or hypothecation or to execution, attachment, levy, or similar process or assignment by operation of law, and any attempt, voluntary or involuntary, to effect any such action shall be null, void and of no effect; *provided, however*, that nothing in this Section 6.06 shall preclude the assumption of such rights by executors, administrators or other legal representatives of Company or Executive's estate and their assigning any rights hereunder to the person or persons entitled thereto.

6.09 Source of Payment. All payments provided for under this Agreement shall be paid in cash from the general funds of Company. The Company shall not be required to establish a special or separate fund or other segregation of assets to assure such payments, and, if Company shall make any investments to aid it in meeting its obligations hereunder, Executive shall have no right, title or interest whatever in or to any such investments except as may otherwise be expressly provided in a separate written instrument relating to such investments. Nothing contained in this Agreement, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship, between Company and Executive or any other person. To the extent that any person acquires a right to receive payments from Company hereunder, such right, without prejudice to rights which Executives may have, shall be no greater than the right of an unsecured creditor of Company.

6.10 No Waiver. The waiver by any Party of a breach of any provision of this Agreement shall not operate or be construed as a continuing waiver or as a consent to or waiver of any subsequent breach hereof.

6.11 Headings. The Article and Section headings in this Agreement are for the convenience of reference only and do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

6.12 Validity. The invalidity or enforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision or provisions of this Agreement, which shall remain in full force and effect.

6.13 Executive Withholdings and Deductions. All payments to Executive hereunder shall be subject to such withholding and other Executive deductions as may be required by law.

6.14 Counterparts. This Agreement may be executed in one more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

6.15 Agreement to Take Actions. Each Party shall execute and deliver such documents, certificates, agreements and other instruments, and shall take all other actions, as may be reasonably necessary or desirable in order to perform his or its obligations under this Agreement.

6.16 Survival. The terms of Section 4.02 and Articles V and VI of this Agreement shall survive the termination of this Agreement and Executive's employment hereunder.

6.17 Section 409A Compliance.

(A) This Agreement is intended to comply with the requirements of Section 409A of the Code ("Section 409A") and regulations promulgated thereunder. To the extent that any provision in this Agreement is ambiguous as to its compliance with Section 409A, the provision shall be read in such a manner so that all payments due under this Agreement shall comply with Section 409A. For purposes of section 409A, each payment made under this Agreement shall be treated as a separate payment. In no event may Executive, directly or indirectly, designate the calendar year of payment. Notwithstanding anything contained herein to the contrary, Executive shall not be considered to have terminated employment with Company for purposes of Section 4.02 of this Agreement unless Executive would be considered to have incurred a "termination of employment" from Company within the meaning of Treasury Regulation §1.409A-1(h)(1)(ii).

(B) All reimbursements provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A, including, where applicable, the requirement that (i) any reimbursement is for expenses incurred during Executive's lifetime (or during a shorter period of time specified in this Agreement), (ii) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year, (iii) the reimbursement of an eligible expense will be made on or before the last day of the calendar year following the year in which the expense is incurred, and (iv) the right to reimbursement is not subject to liquidation or exchange for another benefit.

(C) Executive acknowledges that, while the Parties endeavor to have this Agreement comply with the requirements of Section 409A, any tax liability incurred by Executive under Section 409A is solely the responsibility of Executive.

6.18 Legal Counsel. Executive represents that Company has previously recommended that Executive engage counsel to assist Executive in reviewing this Agreement. Executive acknowledges that, prior to executing this Agreement, Executive has been given a reasonable opportunity to review the Agreement and to consult with counsel as to its content and is entering into this Agreement freely and voluntarily.

[Signatures appear on the following page]

IN WITNESS WHEREOF, Company and Executive have duly executed this Agreement as of the date first written above.

COMPANY:

Motus GI Medical Technologies Ltd.

BY: */s/ Mark Pomeranz*
Name: Mark Pomeranz
Title: CEO

EXECUTIVE:

/s/ Andrew Taylor
Andrew Taylor

Exhibit 21.1

Subsidiaries of Registrant

Motus GI Medical Technologies, Ltd., an Israeli corporation

Motus GI, Inc., a Delaware Corporation