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

**FORM 8-K/A
(Amendment No. 1)**

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **August 12, 2014**

YOUR INTERNET DEFENDER INC.
(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation)

333-176581

(Commission File Number)

30-0687898

(IRS Employer Identification No.)

309 Waverly Oaks Rd., Suite 105, Waltham, MA 02452

(Address of principal executive offices and Zip Code)

(508) 653-3335

(Registrant's telephone number, including area code)

20 E. Sunrise Highway, Suite 202, Valley Stream, NY 11581

(Former Name and Address of Registrant)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a -12)
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d -2(b))
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e -4(c))
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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING INFORMATION

This Current Report on Form 8-K (the "Report") contains certain forward-looking statements (as such term is defined in Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and information relating to Your Internet Defender Inc., a Nevada corporation (the "Company"), that are based on the current beliefs of, and assumptions made by our management and the information currently available to our management. Forward-looking statements relate to expectations concerning matters that are not historical facts. Words such as "anticipate," "believe," "estimate," "expect," "intend," "plan," "predict," "opinion," "will" and similar expressions and their variants, are intended to identify forward-looking statements. These forward-looking statements include, but are not limited to statements related to our expected business, products, adoption of robotic medical procedures, results of operations, future financial condition, ability to increase our revenues, financing plans and capital requirements, or costs of revenue, expenses, potential tax assets or liabilities, effect of recent accounting pronouncements, cash flows and ability to finance operations from cash flows, and similar matters. These forward-looking statements should be considered in light of various important factors, including, without limitation, the impact of global and regional economic and credit market conditions on health care spending; health care reform legislation in the United States and its impact on hospital spending, reimbursement and fees which will be levied on certain medical device revenues, decreases in hospital admissions and actions by payers to limit or manage surgical procedures timing and success of product development and market acceptance of developed products, procedure counts; regulatory approvals, clearances and restrictions; guidelines and recommendations in the health care and patient communities, intellectual property positions and litigation, competition in the medical device industry and in the specific markets of surgery in which we operate, the inability to meet demand for products, the results of legal proceedings to which we are or may become a party, product liability and other litigation claims, adverse publicity regarding our Company and safety of our products and the adequacy of training; our ability to expand in foreign markets; and other risk factors. Readers are cautioned not to place undue reliance on these forward-looking statements, which are based on current expectation and are subject to risks, uncertainties; and assumptions that are difficult to predict, including those risk factors described elsewhere in this filing and particularly in Item 2.01, Form 10 Information, Risk Factors. Our actual results may differ materially and adversely from those expressed in any forward-looking statements. We undertake no obligation to publicly update or release any revisions to these forward-looking statements except as required by law.

EXPLANATORY NOTE

Upon the closing of the transactions contemplated by the Securities Exchange and Acquisition Agreement as more fully described below (the "Acquisition"), Your Internet Defender Inc., a Nevada corporation ("Your Internet Defender" or the "Company"), became the parent company of Corindus, Inc., a Delaware corporation ("Corindus"), and Corindus Security Corporation, a Delaware corporation.

We were incorporated as Your Internet Defender Inc. in Nevada on May 4, 2011. Prior to the Acquisition, we were in the business of providing online brand management, focusing on offsite search engine optimization, social media marketing and monitoring, and specialized brand reputation marketing (the "Former Business"). We had developed a range of services, proprietary methodology and systems that enabled companies, professionals and individuals to protect and promote their brands while attracting traffic to their desired web locations. Our search engine optimization, on-line reputation management and social monitoring services were fully operational. In addition, we had developed automated reputation monitoring products and downloadable software to be used directly by our customers.

On August 12, 2014, pursuant to the Securities Exchange and Acquisition Agreement and the transactions contemplated thereby (the "Acquisition"), the stockholders of Corindus sold all of their capital stock in Corindus to us in exchange for 73,360,287 shares of Common Stock of the Company. We also acquired Corindus Security Corporation, a Delaware corporation, pursuant to an Interest Transfer Agreement entered into between Corindus and the Company. Accordingly, Corindus and Corindus Security Corporation became wholly owned subsidiaries of the Company.

At the closing of the Acquisition, pursuant to a Spin-Out Agreement, the assets of the Former Business were transferred to Lisa Grossman, a former director, officer and shareholder of the Company, in exchange for the cancellation of the Grossman Note (as described elsewhere herein).

As a result of the Acquisition, we sold the Former Business and acquired the business of Corindus, a global technology leader in robotic-assisted vascular interventions. Corindus' flagship product, the CorPath® Vascular Robotics System (the "CorPath System," or "CorPath 200 System") brings the precision and accuracy of robotic technology to percutaneous coronary intervention ("PCI") procedures performed in an interventional cath lab and is the first robotic system that offers interventional cardiologists precise procedure and stent control during vascular interventions.

Unless otherwise indicated in this Report, all references herein to "we," "us," "our Company," "our," "Corindus," the "Company," or the "Registrant" refers to Your Internet Defender and the business of Corindus and Corindus Security Corporation, after giving effect to the Acquisition. Unless otherwise indicated in this Report, all references in this Report to the Company's Board of Directors refers to the Board of Directors of Your Internet Defender which was reconstituted upon the closing of the Acquisition. The business of Your Internet Defender following the Acquisition consists solely of those of our subsidiaries, Corindus and Corindus Security Corporation.

This Current Report contains summaries of material terms of various agreements executed in connection with the transactions described herein. The summaries of these agreements are subject to, and are qualified in their entirety by reference to these agreements, which are filed as exhibits hereto and incorporated herein by reference.

ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.

The information contained in Item 2.01 below relating to the various agreements described therein is incorporated herein by reference.

ITEM 2.01 COMPLETION OF ACQUISITION OR DISPOSITION OF ASSETS.

Securities Exchange and Acquisition Agreement between Your Internet Defender Inc. and Corindus, Inc.

On August 5, 2014, Your Internet Defender Inc. entered into a Securities Exchange and Acquisition Agreement (the "Acquisition Agreement") with Corindus, Inc. to acquire Corindus and its wholly owned subsidiary, Corindus Security Corporation. The transactions contemplated by the Acquisition Agreement were consummated on August 12, 2014 (the "Closing"), and pursuant to the terms of the Acquisition Agreement, (i) all outstanding shares of common stock of Corindus, \$0.01 par value per share (the "Corindus Shares"), were exchanged for shares of the Company's common stock, \$0.0001 par value per share (the "Company Common Stock") and (ii) all outstanding options and warrants to purchase Corindus Shares (the "Corindus Options" and "Corindus Warrants," respectively) were each exchanged or replaced with options and warrants to acquire shares of Company Common Stock (the "Company Options" and "Company Warrants") (the foregoing transactions described in clause (i) and (ii), collectively, the "Transaction"). The Company acquired Corindus Security Corporation pursuant to an Interest Transfer Agreement between Corindus and the Company. Accordingly, Corindus and Corindus Security Corporation became wholly owned subsidiaries of the Company. Immediately prior to the consummation of the Transaction, all issued and outstanding shares of Corindus preferred stock were converted into Corindus Shares. The Acquisition Agreement was filed as an exhibit to our Current Report on Form 8-K filed with the Securities and Exchange Commission (the "Commission") on August 6, 2014 and is incorporated herein by reference.

Issuance and Exchange of Company Shares for Corindus Shares

At Closing, each Corindus Share outstanding immediately prior to the Closing was exchanged for such number of shares of Company Common Stock (the "Company Shares"), with all fractional shares rounded up to the nearest whole share based on the exchange ratio of 25.00207 Company Shares for each Corindus Share (the "Exchange Ratio"). Accordingly, the Company issued an aggregate of 73,360,287 Company Shares for 100% of the outstanding Corindus Shares.

Issuance and Exchange of Company Options and Company Warrants for Corindus Options and Corindus Warrants; Approval of 2014 Stock Award Plan

At Closing, the Company issued Company Options in exchange for Corindus Options. The Company Options cover a number of Company Shares equal to the product (rounded down to the next whole number of Company Shares) of the number of Corindus Shares underlying each Corindus Option immediately prior to the Closing multiplied by the Exchange Ratio, and have an exercise price per Company Share equal to the per share exercise price of such Corindus Option immediately prior to the Closing divided by the Exchange Ratio. The Company Options continue to vest and become exercisable on the same time-vesting schedule as applied prior to the Closing, based on the Option Holder's continued service to the Company. The Company similarly issued Company Warrants in exchange for Corindus Warrants. Accordingly, the Company reserved 9,035,016 and 5,029,865 Company Shares for issuance upon the exercise of Company Options and Company Warrants, respectively (the "Reserved Shares").

The Corindus Options had been issued pursuant to either the Corindus, Inc. 2006 Umbrella Option Plan (the "2006 Option Plan") or the Corindus, Inc. 2008 Stock Incentive Plan (the "2008 Option Plan"). At Closing, the Company's Board of Directors approved the 2014 Stock Award Plan pursuant to which the Company issued Company Options to replace Corindus Options. The Company's Board of Directors also approved the forms of replacement (i) Employee Stock Option for 2006 Option Holders, (ii) Director Stock Option for 2006 Option Holders, (iii) Employee Stock Option for 2008 Option Holders, (iv) Officer Stock Option for 2008 Option Holders and (v) Director Stock Option for 2008 Option Holders. The above-listed forms of replacement options were filed as exhibits to our Current Report on Form 8-K filed with the Commission on August 6, 2014 and are incorporated herein by reference.

At Closing, our Board of Directors adopted the 2014 Stock Award Plan as a replacement for the 2006 Option Plan and 2008 Option Plan and under which the Company Options will be issued. The 2014 Stock Award Plan is limited to award issuances which in the aggregate equal 9,035,016 shares, all of which shares will be used for the issuance of the Company Options. The 2014 Stock Award Plan was filed as an exhibit to our Current Report on Form 8-K filed with the Commission on August 6, 2014 and is incorporated herein by reference.

Lock-up Agreements on Company Shares, Company Options and Company Warrants

The former holders of Corindus Shares (the "Corindus Shareholders"), the former holders of Corindus Options issued pursuant to the 2006 Option Plan and the former holders of Corindus Warrants executed lock-up agreements (the "Lock-Up Agreements"), which provide for an initial 12-month lock-up period followed by a subsequent 12-month limited sale period, commencing with the date of Closing. The holders of Corindus Options issued pursuant to the 2008 Option Plan are governed by similar lock-up provisions outlined in the 2014 Stock Award Plan. The form of Lock-Up Agreement was filed as an exhibit to our Current Report on Form 8-K filed with the Commission on August 6, 2014 and is incorporated herein by reference.

Spin-Out of the Company's Former Operating Business

At Closing, the Company and Lisa Grossman, a former director, officer and shareholder of the Company, executed a Spin-Out Agreement under which the Former Business was transferred to Mrs. Grossman in exchange for the cancellation of a promissory note issued to her in the principal amount of approximately \$248,832 plus accrued interest of \$423 (the "Grossman Note") and the assumption by Mrs. Grossman of all liabilities related to the Former Business. Pursuant to the Spin-Out Agreement, the Company transferred to Mrs. Grossman (i) the names "Your Internet Defender Inc." and "Your Internet Defender," (ii) the websites www.YourInternetDefender.com and www.YIDefender.com and (iii) the business operations of the Former Business as existed on the date of Closing, including, but not limited to, any operations on the above-listed websites, but excluding the shares of Corindus and Corindus Security Corporation acquired concurrently by the Company pursuant to the Acquisition Agreement. Immediately after the transfer, the business of Corindus became the sole focus of the Company. The Spin-Out Agreement is filed as an exhibit to this Report and is incorporated herein by reference.

Increase in Authorized Shares of the Company and Name Change

After Closing, we filed a Certificate to Accompany Restated or Amended and Restated Articles with the Nevada Secretary of State to change our Company's name to "Corindus Vascular Robotics, Inc." and to increase our authorized capital stock from 151,000,000 shares to 260,000,000 shares (250,000,000 shares of common stock at \$0.0001 par value per share and 10,000,000 shares of preferred stock at \$0.0001 par value per share). The form of Certificate to Accompany Restated or Amended and Restated Articles is filed as an exhibit to this Report and is incorporated herein by reference.

Repurchase of Outstanding Company Shares

Immediately after Closing, the Company and the majority shareholder and another shareholder of the Company entered into a Repurchase Agreement pursuant to which the two shareholders sold an aggregate of 31,143,700 shares of the Company's Common Stock (the "Repurchase Shares") to the Company at par value (or an aggregate of \$3,114). The Repurchase Shares were immediately canceled and returned to the authorized but unissued shares of the Company. The Repurchase Agreement is filed as an exhibit to this Report and is incorporated herein by reference.

Interest Transfer Agreement to Acquire Corindus Security Corporation

Concurrent with Closing, the Company and Corindus entered into an Interest Transfer Agreement pursuant to which Corindus transferred all of its rights and title to Corindus Security Corporation to the Company and Corindus Security Corporation became a wholly owned subsidiary of the Company. The Interest Transfer Agreement was filed as an exhibit to our Current Report on Form 8-K filed with the Commission on August 6, 2014 and is incorporated herein by reference.

Change in Directors and Officers of the Company

At Closing, the former sole director of the Company appointed the Board designees of Corindus to the Company's Board of Directors and, thereafter, resigned. The Company's newly elected Board of Directors immediately appointed the officer designees of Corindus. Identification of our directors and officers, including biographical information on each of them, is included elsewhere in this Report.

Equity Infusion of \$2 Million

Immediately after Closing and in conjunction with the Transaction, the Company and a private investor (the "Private Investor") closed a Stock Purchase Agreement pursuant to which the Private Investor purchased one million shares of the Company's Common Stock at a purchase price of \$2.00 per share (the "Equity Infusion Shares"). The Private Investor was granted piggyback registration rights with regard to the Equity Infusion Shares pursuant to a Registration Rights Agreement. The form of the Stock Purchase Agreement and the Private Investor Registration Rights Agreement were filed as exhibits to our Current Report on Form 8-K filed with the Commission on August 6, 2014 and are incorporated herein by reference.

Demand Registration Rights Agreement

Immediately after Closing and in conjunction with the Transaction, the Company entered into a Demand Registration Rights Agreement with each of Koninklijke Philips N.V., HealthCor Partners Fund LP, HealthCor Hybrid Offshore Master Fund, L.P., HealthCor Partners Fund II, LP and 20/20 Capital III LLC, which together own an aggregate of approximately 72.58% of the outstanding shares of the Company's Common Stock upon the Closing, in order to grant such shareholders registration rights with respect to their ownership of Company Shares. Under the Demand Registration Rights Agreement, the shareholders were granted demand, piggyback and Form S-3 registration rights pursuant to terms therein, exercisable following the required one-year anniversary of Closing and subject to the terms of the Lock-Up Agreements. Pursuant to the Demand Registration Rights Agreement, the Company is required to use its reasonable best efforts to register Company Shares that are subject to a demand notice within sixty days of such demand. The Registration Rights Agreement is filed as an exhibit to this Report and is incorporated herein by reference.

Aggregate Beneficial Ownership of the Company's Common Stock After the Transaction

Prior to the Closing, the former Corindus Shareholders owned zero shares of the Company's capital stock and there were no material relationships between the management of Corindus and the management of the Company. After the Closing, the aggregate beneficial ownership of the Company's outstanding shares of Common Stock on a fully diluted basis is as follows:

- The former Corindus Shareholders, Option holders and Warrant holders who exchanged their Corindus Shares, Corindus Options and Corindus Warrants in connection with the Acquisition acquired an aggregate ownership of approximately 80% of the issued and outstanding shares of Common Stock of the Company; and
- Shareholders beneficially owning 100% of the shares of the Company's Common Stock immediately prior to the consummation of the Acquisition were diluted to an aggregate ownership of approximately 20% of the issued and outstanding shares of Common Stock of the Company.

After giving effect to the issuance of the Company Shares and Equity Infusion Shares, and the cancellation of the Repurchase Shares, the number of shares of Company Common Stock issued and outstanding is 95,216,587, of which the Corindus shareholders own approximately 77%. After giving effect to the issuance of the Company Shares, Equity Infusion Shares and Reserved Shares, and the cancellation of the Repurchase Shares, the number of shares of Company Common Stock issued and outstanding will be 109,281,468 on a fully diluted basis, of which the Corindus shareholders own approximately 80%.

The foregoing description is a summary of the material terms of the Acquisition Agreement and is not intended to modify or supplement any factual disclosures about the Company or Corindus in any public reports filed by the Company with the Commission. The representations, warranties, and covenants contained in the Acquisition Agreement were made only for purposes of the Acquisition Agreement as of the specified dates set forth therein, were solely for the benefit of the parties to the Acquisition Agreement, and are subject to limitations agreed upon by the parties to the Acquisition Agreement, including being qualified by confidential disclosure schedules provided by the Company and Corindus in connection with the execution of the Acquisition Agreement. These disclosure schedules contain information that modifies, qualifies and creates exceptions to the representations and warranties set forth in the Acquisition Agreement. Moreover, certain representations and warranties in the Acquisition Agreement have been made for the purposes of allocating risk between the parties to the Acquisition Agreement instead of establishing matters of fact. Accordingly, the representations and warranties in the Acquisition Agreement may not constitute the actual state of facts about the Company or Corindus. The representations and warranties set forth in the Acquisition Agreement may also be subject to a contractual standard of materiality different from the actual state of facts or the actual condition of the Company or Corindus or any of their respective affiliates. Moreover, information concerning the subject matter of the representations and warranties may change after the date of the Acquisition Agreement, which subsequent information may or may not be fully reflected in the Company's public disclosures.

FORM 10 INFORMATION

THE BUSINESS

Corporate Overview and History of Your Internet Defender Inc.

Your Internet Defender Inc. was incorporated under the laws of the State of Nevada on May 4, 2011. On August 12, 2014, we closed the Acquisition Agreement to acquire Corindus and Corindus Security Corporation as wholly owned subsidiaries. Immediately following the Closing, the business of Corindus became our sole focus. Unless otherwise stated or unless the context otherwise requires, the description of our business set forth below is provided on a combined basis, taking into account our newly-acquired wholly owned subsidiaries, Corindus and Corindus Security Corporation.

Corporate Overview and History of Corindus

Corindus was founded in Israel in April 2002 under the name NaviCath Ltd., opened a U.S. subsidiary in 2005 and later changed its name to Corindus, Inc. Subsequently, the Israel and U.S. operations were combined into the one U.S. entity. We developed initial robotic systems for evaluation in 2006. In 2011, we received CE Mark clearance and conducted the PRECISE trial (as more fully described below), after which we received 510(k) clearance from the U.S. Food and Drug Administration ("FDA") for marketing the CorPath[®] System, a Class II device, in July 2012. The CorPath System is the only FDA-cleared vascular robotic system for percutaneous coronary intervention enabling precise sub-millimeter measurement and 1mm advancement. By optimizing stent selection (a stent is a mesh-like tube that holds open an artery) and positioning, the CorPath System provides the tools to use the fewest stents per lesion, which has been shown to improve procedural outcomes. We currently have installed 18 CorPath Systems in the U.S. and two outside of the U.S.

We have not been involved in any bankruptcy, receivership or any similar proceeding, and except for the subject Acquisition set forth herein, have not had or been a party to any material reclassifications, mergers or consolidations since inception.

Our primary SIC is 3841-Surgical and Medical Instruments and Apparatus. Our primary NAICS is 339112 – Surgical and Medical Instrument Manufacturing.

Certain statistical information included in this Business section was obtained from third-party sources and is referenced in the numerical footnotes.

PCI History and Development; Occupational Hazards of Catheterization Labs

Percutaneous coronary intervention ("PCI"), sometimes known as coronary angioplasty, is a non-surgical technique used to open narrowed arteries that supply the heart muscle with blood. PCI requires the use of the cardiac catheterization suite (sometimes called a cath lab) with special equipment, x-ray capability and trained personnel. Usually access to the heart and major blood vessels is obtained through the femoral artery in the groin area. The artery is punctured through the skin with a special needle. Under x-ray guidance, a catheter is threaded through the femoral artery up to the aorta (large artery from the heart) and then gently advanced into the blocked coronary artery. The catheter and its devices are threaded through the inside of the artery back into an area of coronary artery narrowing or blockage. At the leading tip of this catheter, several different devices such as a balloon, stent, or cutting device can be deployed. A balloon is used to open the coronary artery and restore blood flow. Usually a stent (a mesh-like tube that holds open the artery) is placed at that time to maintain good blood flow through the damaged area.

PCI is the single highest volume vascular intervention with more than 2.5 million procedures performed on a global basis annually.⁵ PCI can be used to relieve or reduce angina, prevent heart attacks and alleviate congestive heart failure, and allows some patients to avoid open heart surgery which often involves extensive surgery and a long rehabilitation period.

The first PCI procedure, then known as percutaneous transluminal coronary angioplasty, was performed in Zurich in September 1977 by Andreas Gruentzig, a Swiss radiologist. Those early procedures had limited success due to risks associated with the use of large guide catheters that could easily rupture the vessel, the fact that there were no guidewires and the balloon catheters were large with low burst pressure points. From 1977 to 1986, guide catheters, guidewires and balloon catheter technology were improved, with slimmer profiles and increased tolerance to higher inflation pressure. Stents, first introduced in 1986, are now used in most coronary interventions, have substantially increased procedural safety and success reducing the need for emergency coronary artery bypass surgery.

While there has been significant innovation in the devices and diagnostic tools used in interventional cardiology procedures, the way the manual procedures are performed by physicians have remained virtually unchanged since the first procedure by Dr. Gruentzig. In order to perform the procedure, a physician stands at a cath lab table wearing cumbersome and heavy protective apparel containing lead to block penetration and, therefore combat the effects of the radiation exposure from x-rays. Already under bodily strain, the physician must make constant adjustments to view x-ray images that help him manually manipulate the interventional devices inside the patient's heart. In addition to these physical demands, physicians also have difficulty visualizing and estimating the length of the lesion that requires treatment which often leads to improper device selection and placement accuracy.

Interventional cardiologists who perform vascular interventional procedures face life threatening risks, suffer significant occupational hazards and must overcome procedural challenges when performing traditional coronary interventions. The chronic radiation exposure associated with traditional PCI can cause posterior lens opacities, early cataracts and cancer malignancies. Orthopedic injuries from standing for long periods of time while wearing heavy radiation protection are also common, as are chronic pain complaints and missed physician workdays. In light of these risks, professional societies have called for reductions in radiation to improve catheterization laboratory safety.

Research shows that interventional cardiologists experience the highest amounts of radiation exposure of any medical professional,¹ in addition to the increased risks for cancer, cataracts and orthopedic strain. In a study of 36 physicians (of which 28 were interventional cardiologists), with brain tumors potentially linked to radiation exposure over their career, 86% were left-sided tumors, indicating a correlation with the physician's position at the cath lab table.² Additionally, in a survey of interventional cardiologists conducted by the Society for Cardiovascular Angiography and Interventions, 42% reported spine problems (avg. population is 2.3%), 28% reported hip, knee or ankle problems and 33% were limited in their practices by these problems.³ Many hospitals will not allow female interventional cardiologist to practice during pregnancy while others require them to wear lead protective gear with twice the typical thickness to protect from radiation exposure.

¹ Buchanan, GL et al; Women In Innovation Group. (2012). The occupational effects of interventional cardiology: results from the WIN for Safety survey. EuroIntervention. 2012 Oct; 8(6):658-63.

² Roguin A. Radiation hazards to interventional cardiologists: A report on increased brain tumors among physicians working in the cath lab. SOLACI 2014 conference presentation; April 23, 2014; Buenos Aires, Argentina.

³ Goldstein JA, Balter S, Cowley M et al. Occupational hazards of interventional cardiologists: prevalence of orthopedic health problems in contemporary practice. Catheter Cardiovasc Interv 2004; 63:407-211.

We believe that the future of interventional procedures will be greatly improved through the use of advanced robotic tools that provide (i) enhanced safety for the catheterization lab staff relative to radiation exposure, (ii) improved patient procedures through advanced precision, dexterity and visualization for the physician and (iii) and an economically compelling solution for the hospital. As a medical device company, we are pioneering the use of precision vascular robotics to improve the way that minimally vascular interventions are performed.

Our Precision Robotics System

We design, manufacture and sell CorPath precision vascular robotic-assisted systems for use in interventional vascular procedures. Our first and current product, the CorPath 200 System, brings the precision and accuracy of the only FDA-cleared vascular robotic system to facilitate stent placement for PCI procedures performed in an interventional cath lab in which the physician uses a control panel console located within an interventional cockpit to measure, manipulate, and advance devices with robotic precision. While we are initially approved for and are targeting PCI procedures, our technology platform has the capability to be developed to address many segments of the vascular market in the future, including peripheral vascular, carotid, neuro and other more complex cardiac interventions such as structural heart.

The CorPath System enables the precise, robotic-assisted control of coronary guidewires and balloon/stent devices from the safety of a radiation-protected, interventional cockpit. The CorPath System consists of two components: a bedside unit and an interventional cockpit. The radiation-shielded cockpit features a simple-to-use control console to precisely control the movement of guidewires and balloon/stent catheters. Using joysticks and touch-screen controls, the physician is able to measure lengths of portions of anatomy to help in selecting the appropriate stent. The bedside unit translates the physician's commands into precise movements and manipulations of the coronary stents and catheters. The bedside unit also utilizes a CorPath single-use sterile cassette. The cassette provides a sterile interface with standard PCI guidewires and devices. Because it is sterile and has a limited useful life, the cassette is only used once for each procedure and it replaced for each new patient procedure. With the CorPath System, physicians are empowered by precise sub-millimeter measurement and 1mm advancement accuracy. By optimizing stent selection and positioning, the CorPath System allows for the deliberate advancement of devices, gives physicians the ability to lock the guidewire and balloon/stent in place during device deployment and helps to ensure that there are no unintended wire/device movements during the procedure.

The CorPath 200 System allows the interventional cardiologist to perform the procedure while comfortably seated in a radiation protected cockpit just a few feet away from the patient. Our radiation shielded work station provides a reduction in radiation exposure for the primary operator as compared to levels found at the traditional table position for manual procedures. The PRECISE trial demonstrated a 95% reduction in radiation exposure to the primary operator. The cockpit allows the physician to control the procedure while seated in an ergonomic and comfortable position outside of the radiation field without the need for heavy protective wear. The cockpit also provides physicians with up close visualization of the procedure through the use of three monitors. These improvements can greatly reduce physician fatigue and could potentially extend a physician's medical career. A photo of the CorPath 200 System appears on the following page.

The CorPath 200 System



Overview of Industry and Market

Vascular Market

We developed vascular robotic technology to provide physicians with protection from the occupational hazards of the cath lab and to provide robotic precision while executing vascular procedures. Our initial indication is for PCI procedures; however, our technology can be applied to various vascular clinical applications and markets and we may decide to expand to include the peripheral, neuro and structural heart markets in the future.

Coronary Market (PCI)

Our current target market is all cardiac cath labs in the U.S. It is estimated that there are more than 3,250 cath lab rooms in the U.S. performing PCI procedures, which we estimate represents 40% of the global market of more than 8,000 PCI cath lab rooms.⁴ There are over 2 million PCI procedures performed worldwide each year and approximately 940,000 performed each year in the U.S.⁵

Peripheral Vascular Market

Approximately 1.7 million peripheral vascular procedures are performed worldwide (approximately 40% of those in the U.S.) and the annual procedure volumes are expected to grow to over 2.3 million procedures worldwide by 2018.⁶ While some peripheral procedures are conducted in cath labs that also conduct PCI procedures, it is estimated that there are over 3,500 non-PCI peripheral vascular labs worldwide⁷ which represents incremental CorPath System placement opportunities beyond PCI.

⁴ 2013 Cardiac Cath Lab Market Summary Report, IMV Medical information Division.

⁵ Market Model, Interventional Cardiology, J.P. Morgan 2/11/14.

⁶ 2013 US Markets for Peripheral Vascular Devices; Millennium Research Group.

⁷ 2012 Interventional Angiography Lab Market Summary Report, November 2012, IMV Medical information Division.

Neurointerventional Market

It is estimated that 395,000 neurointerventional procedures are performed each year; 160,000 in the U.S. and 235,000 internationally, growing to an estimated 720,000 procedures in 2018.^[8] The number of incremental, dedicated system sales opportunities based on number of labs is over 400 labs with 40% in the U.S. and 60% outside the U.S.

Structural Heart Market

The number of structural heart procedures has been growing and is expected to continue to grow significantly with an estimated 40,000 worldwide procedures annually (25% U.S., 75% outside the U.S.) growing to 120,000 annual structural heart procedures by the year 2018.^[9]

Our Business Model

Our business model involves the sale of a durable robotic system and a repeat consumable. We first sell a new CorPath System to a hospital and then provide customer support through training and sales of our CorPath single-use cassette which provides a sterile interface with standard PCI guidewires and devices. The CorPath cassette is consumed and replaced for each new patient procedure. We sell service contracts providing various levels of ongoing service from basic annual maintenance to a premium service package that includes marketing materials and product upgrades. Over time, we will have follow-on sales related to the CorPath System to offer and install robotic system upgrades that offer more features and/or offer new applications.

Our current product line is marketed and sold by our direct sales force team who call on interventional cardiologists, catheterization lab departments and executive administrators in hospitals across the United States. To drive sales of our CorPath System and our CorPath single-use sterile cassette, we employ two different types of sales representatives in the field. Our Regional Sales Managers ("RSMs") focus on selling CorPath Systems and our Clinical Account Managers ("CAMs") focus on clinical training and selling the CorPath cassettes and associated disposable accessories.

The RSMs are responsible for identifying potential customers for purchasing CorPath Systems in the more than 3,250 cath lab rooms performing PCI in the U.S. The RSMs may sell the CorPath System as a capital sale or through third party financed leasing or rental programs. We have also provided a limited number of strategic CorPath utilization agreements. The RSMs are also responsible for selling service contracts for the CorPath System. The RSMs report directly to our Vice President of Sales and Service and have experience in sales to interventional cath labs. The RSMs are supported by our marketing department who provide them with leads and sales opportunities garnered through direct marketing activities at interventional cardiology conferences, online webinars, regional seminars and trade journal advertising. Our marketing department also provides the RSMs with the sales tools and collaterals to help persuasively convey the value proposition of the CorPath System.

Our CAMs focus their efforts on selling our CorPath single-use sterile cassettes and other associated disposable accessories designed to maintain a sterile environment when using our products in a cath lab. They are responsible for increasing their account sales through new orders and repeat consumable sales within their specific account responsibility. The CAMs build deep relationships throughout the CorPath installed base accounts including the interventional cardiologists, the cath lab technologists, nurses, cath lab directors, schedulers, purchasing and administration. They are responsible for ongoing training and development of the account to build a successful CorPath robotic program and expand the usage across physicians in the department. The CAMs are also responsible for ensuring purchase orders are obtained and that appropriate inventory levels are maintained on site.

8 U.S. Markets for Neurosurgical and Neurointerventional Surgical Products, Medtech Insight 2011.

9 Mylotte D. et al, Transcatheter aortic valve replacement in Europe: Adoption trends and factors influencing device utilization. J Am Coll Cardiol 2013; 62(3):210-219.

Driving Utilization of the CorPath System

Following the initial sale of a CorPath System to a hospital, we endeavor to expand the number of physicians who use the system and the frequency with which they use it. Dedicated sales and marketing efforts are made to support the awareness and use of the CorPath System. Utilization support comes from both supporting and encouraging use of the system within customer accounts as well as support efforts to reach general cardiologists and patients to educate them on the availability of the CorPath System at the customer site and in their geographical area.

The CorPath System uses a proprietary single-use sterile cassette, which is the source of recurring revenue as use of the CorPath System continues and increases. After a CorPath System is installed and initial training is complete, we provide ongoing support in order to increase customers' familiarity with system features and benefits with the goal of increasing usage of the CorPath System.

Service Revenue

One year of customer support and warranty is included with the sale of each CorPath System. Thereafter, we sell our Basic Continuity Support and Comprehensive Continuity Support service contracts under which we continue to provide support. We anticipate that service beyond the basic warranty will become an increasingly important additional source of revenue.

A key value-add that is included in our Comprehensive Continuity Support plan is product non-obsolescence for the first two years after purchase of a CorPath System.

Our Growth Strategy

Our goal is to become the standard of care for interventional procedures by providing unsurpassed protection for the cath lab staff and being the leading precision robotic technology for patient procedures. We are working with selected customers around the country to establish CorPath System show site agreements. These show site agreements will allow us to bring prospective customers to visit a hospital and cath lab that has previously installed a CorPath System. This show site customer will then be able to showcase the CorPath System to the visitor. The site visit will allow the prospective customer the opportunity to see the system installed and in use. It will also provide the opportunity to discuss the benefits of the system with the hospital staff including interventional cardiologists, technologists and administrators and view the work flow of the system in real life clinical setting. We have conducted show site visits at several sites around the country and will continue to expand in the future. Customer show site agreements will enable our RSMs to host prospective customers to a nearby site for them to see a CorPath System in action and to ask questions regarding the operation and workflow of the CorPath System in their facility.

We intend to establish our Company and technology as the brand that cares about the physician and cath lab staff by leading the industry in providing solutions to address their occupational hazards. Through promoting safety and providing awareness of occupation hazards in the cath lab and supporting education about solutions, we will become the preferred source for customers seeking to improve the safety of their operations.

A second prong of our growth strategy is to expand into new clinical segments. In addition to the CorPath System being the premier standard for PCI procedures, we intend to pursue additional vascular interventional applications for our vascular robotic-assisted technology. Our closest adjacent opportunity is for use in peripheral vascular procedures performed by interventional cardiologists, vascular surgeons and interventional radiologists. These procedures treat vascular disease in non-coronary areas like the patient's legs; these procedures are often quite lengthy and they expose physicians to x-ray radiation for extended periods of time. The peripheral vascular procedure market has been growing rapidly and is projected to grow at a CAGR of 5.9%.¹⁰

Further expansion into neuro-interventional procedures to treat stroke, brain aneurysms and other diseases of the head and neck would allow us to leverage precision robotic-assisted tools into these highly accurate procedures which are very well reimbursed.

Another area of future growth is the emerging market of structural heart procedures. This market segment is experiencing rapid growth due to the advent of new catheter-delivered medical devices that are replacing open surgical procedures. One of the most prominent new devices in this market is the transcatheter aortic valve. The transcatheter aortic valve replacement ("TAVR") procedure requires very complex integration of a variety of imaging modalities and precise deployment of the device. Our interventional cockpit and robotic-assisted control could provide significant benefits to the execution of TAVR procedures.

Any of these potential applications will require additional clinical trials and various levels of research, engineering, software development, product development, system modifications and regulatory approvals.

The final point of our growth strategy is to expand commercialization beyond the U.S. marketplace. Opportunities outside of the U.S. ("OUS") represent over 60% of the global procedure volume which is growing at a rate faster than the U.S. market.⁵ We intend to expand into and penetrate these new geographical OUS markets over time by leveraging our product development, clinical research and regulatory approvals gained in the U.S. Our initial OUS target markets include the Middle East, Northern Europe and Japan. Our current CE Mark for the CorPath 200 System will permit an easier entry into European and Middle East markets. The Japanese market will require specific regulatory approval.

Research and Development

We have built a leading research and development ("R&D") team comprised of experienced medical device engineers and robotics engineers dedicated to the development of sophisticated robotic systems including hardware, software, algorithms, and radiation shielding and sterile devices to assist physicians in the performance of interventional procedures. Our R&D investment will continue to expand the capabilities of our technology to provide more robotic-assisted capabilities for interventional physicians. Additional programs include the expansion into new clinical areas such as peripheral vascular, neuro and structural heart procedures and the ability to manipulate a wider range of devices.

In addition to expanding the capabilities of the CorPath System, we will continue to invest in the design of system manufacturability improvements which will result in a smaller and lower cost system and cassette. The engineering function will use Design for Manufacturability and Assembly ("DFMA") processes to optimize costs. DFMA is the combination of two methodologies; Design for Manufacture, which means the design for ease of manufacture of the parts that will form a product, and Design for Assembly, which means the design of the product for ease of assembly. DFMA is used as the basis for concurrent engineering studies to provide guidance to the design team in simplifying the product structure to reduce manufacturing and assembly costs and to quantify improvements. DFMA is a component of lean manufacturing.

¹⁰ iData Research Report: "US Markets for Peripheral Vascular Devices and Accessories, Oct 2013."

Clinical Trials

We are dedicated to continually advancing robotic-assisted PCI through the publication of clinical data supporting the CorPath System's value and applicability. We are working with several leading institutions to conduct clinical research activities to further collect evidence regarding the applicability and benefits of robotics PCI. Corindus, in collaboration with prominent interventional cardiologists, is committed to building evidence for the benefits of robotic-assisted PCI, as demonstrated by the depth and breadth of our reports, publications and presentations. We will continue to pursue opportunities to develop further evidence for the benefits the CorPath System in practice. The CorPath System is the first and only robotic program specifically designed for interventional cardiologists. An important component to making sure that the CorPath System becomes the standard of care in the cath lab is to capture the clinical experience to demonstrate the clinical benefits and applicability of the CorPath System and the advancement of robotic-assisted procedures.

First in Man Trial

In April 2011, *First in Man Trial for the CorPath Robotic-assisted PCI System* was published in the Journal of the American College of Cardiologists. This clinical study enrolled eight patients with coronary artery disease who required a PCI procedure at the Corbic Research Institute in Envigado, Colombia. All patients were treated for a single de novo coronary lesion up to 25mm in length located in a vessel 2.5-4.0mm in diameter. The procedure was successfully completed in all 8 patients utilizing the CorPath System to advance coronary guidewires and perform the intervention; there were no reported device or procedure-related complications or major adverse cardiac events. Operator radiation exposure was 97% lower with the use of the CorPath System in comparison with levels found at the standard table position.

CorPath PRECISE Study

We sponsored the *CorPath Percutaneous Robotically-Enhanced Coronary Intervention Study* (the "PRECISE Study") aimed to evaluate the safety and effectiveness of the clinical and technical performance of the CorPath System in the delivery and manipulation of coronary guidewires and stent/balloon devices for use in PCI procedures. We sponsored the PRECISE Study under Investigational Device Exemption ("IDE") approval from the FDA to obtain 510(k) clearance. The PRECISE Study was a prospective, single-arm, multi-center, non-randomized study of the CorPath System. We enrolled 164 patients who were evaluated at 9 clinical sites (8 in the U.S.). The PRECISE Study was conducted under Principal Investigators, Dr. Giora Weisz, MD Associate Professor of Medicine at Columbia University Medical Center and Chairman of Cardiology, Shaare Zedek Medical Center, Jerusalem, Israel, and Dr. Joseph Carrozza, Chief of Cardiovascular Medicine at St. Elizabeth's Medical Center in Boston. Physicians participating in the study did not receive any direct financial compensation.

Results of the PRECISE Study were published in the April 2013 issue of the Journal of the American College of Cardiology and reported a successful PCI completion with use of the CorPath System in 162 of the 164 cases. In the two outstanding cases, the interventionalist left the CorPath cockpit to complete the procedure manually, resulting in an incomplete use of the CorPath System, but clinically successful procedures. The average radiation exposure to the cardiovascular interventionalist decreased by 95.2%, in contrast to levels reported during standard interventions. The overall rate of clinical procedural success was 97.6% with 100% of patients achieving post-procedure stenosis of less than 30% (as evaluated by a Core Laboratory) and 97.6% of patients had an absence of Major Adverse Cardiac Events ("MACE") (and only enzyme elevation). There were no device related complications.

CorPath PRECISION Registry

We recently launched the PRECISION registry, a multicenter post-market registry for the evaluation of the CorPath System's effectiveness in PCI procedures. PRECISION aims to collect data on the regular use of the CorPath System. We are interested in learning about the patterns of the CorPath System's use, safety, and effectiveness from an all-comers' perspective. The PRECISION registry is being conducted under the leadership of Dr. Weisz. There are currently nine sites participating in the PRECISION registry. Each site achieves approval to participate in the PRECISION registry from their hospital Internal Review Board as part of their regular clinical research approval process. We plan to continue to add new sites, which are capable of clinical research, to the PRECISION registry. Data for the registry is consented, collected and monitored through industry standard clinical research procedures.

Our Current Product Line

Our flagship and current product, the CorPath 200 System, brings the precision and accuracy of robotic technology to PCI procedures performed in an interventional cath lab. The CorPath 200 System is intended for use in the remote delivery and manipulation of coronary guidewires and rapid exchange balloon/stent catheters during PCI procedures. There is no contraindication for the use of the product in PCI procedures.

The CorPath System enables the precise, robotic-assisted control of coronary guidewires and balloon/stent devices from the safety of a radiation-protected, ergonomic interventional cockpit. The CorPath System consists of two components: a bedside unit and an interventional cockpit. The radiation-shielded cockpit features a simple-to-use control console to precisely control the movement of guidewires and balloon/stent catheters. The bedside unit translates the physician's commands into precise movements and manipulations of the coronary stents and catheters contained in a single-use cassette. The cassette provides a sterile interface with standard PCI guidewires and devices and is replaced for each new patient procedure.

In July 2012, we received 510(k) clearance for the CorPath system and initiated a limited commercial launch in the U.S. While we are initially targeting PCI procedures, our open platform technology is capable of addressing all segments of the vascular market, including peripheral, carotid, neuro and other more complex cardiac interventions such as structural heart (subject to securing appropriate regulatory approvals).

Products in Development

Our product pipeline is tailored to maximize penetration and adoption of our CorPath System technology while providing the best clinical outcomes to our customers and their patients. Our vision for the future is to provide physicians with a complete tool box to robotically perform any interventional procedure desired. We are seeking to expand our penetration within PCI to more complex cases while penetrating other markets and indications such as peripheral, neuro, and structural heart. As we see robotics as the center of the lab, we will continue to integrate other technologies into our robotic system to enable a complete solution for physicians. In order to accomplish this goal, we may investigate proprietary devices, imaging integration and Electronic Medical Record integration while continuing to optimize the workflow in the lab and the remote program we have launched.

Installed CorPath Systems and Backlog

There are currently 18 CorPath Systems installed at health care facilities across the U.S. and two installed at international locations. Physicians and their teams in these locations have received training and procedures are currently being performed. Currently these sites have between one to three primary physician CorPath users. CAMs visit installed sites regularly to support current users and also to expand usage to new targeted users.

We currently have a backlog of four system orders which we expect to fill by the end of 2015. Our backlog is supported by signed purchase orders to Corindus or our distributors.

Intellectual Property

Our success depends, in part, on our ability to obtain patents, maintain trade secret protection, and operate without infringing the proprietary rights of others. Our intellectual property ("IP") portfolio is one of the means by which we attempt to protect our competitive position. We rely primarily on a combination of know-how, trade secrets, patents, trademarks, and contractual restrictions to protect our products and to maintain our competitive position. We are diligently seeking ways to protect our intellectual property through various legal mechanisms in relevant jurisdictions.

Our researchers and engineers work closely to protect their inventions and intellectual property with patents issued around the world. We currently have 35 granted patents and 55 pending new patent applications. We have a very strong intellectual property portfolio and continue to invest in product development and new IP to further enhance the capabilities of the CorPath System for PCI and other vascular applications. Relative to our current and future portfolio, we believe it will be technically costly and difficult to reverse engineer our products.

We hold three U.S. trademark registrations and have two pending trademark applications. Issuance of a federally registered trademark creates a rebuttable presumption of ownership of the mark; however, it is subject to challenge by others claiming first use in the mark in some or all of the areas in which it is used. Federally registered trademarks have a perpetual life as long as they are maintained and renewed on a timely basis and used properly as trademarks, subject to the rights of third parties to seek cancellation of the trademarks if they claim priority or confusion of usage. We believe our patents and trademarks are valuable and provide us certain benefits in marketing our products.

We intend to actively protect our intellectual property with patents, trademarks, trade secrets, or other legal avenues for the protection of intellectual property. We intend to aggressively prosecute, enforce, and defend our patents, trademarks, and proprietary technology. The loss, by expiration or otherwise, of any one patent may have a material effect on our business. Defense and enforcement of our intellectual property rights can be expensive and time consuming, even if the outcome is favorable to us. It is possible that the patents issued or licensed to us will be successfully challenged, that a court may find that we are infringing on validly issued patents of third parties, or that we may have to alter or discontinue the development of our products or pay licensing fees to take into account patent rights of third parties.

Sales and Marketing

We market, sell and support our products in the U.S. through our direct sales force of RSMs with support from our CAMs who provide training and clinical support to our customers. Our direct sales force is the primary distribution channel for CorPath System sales.

We have a direct sales force, clinical sales and support team, and headquarters-based marketing team. Our sales and marketing program includes two important steps: selling CorPath Systems to the customer and then leveraging our installed base of systems to drive recurring sales of cassettes and service.

Sales targeting is based on segmentation to identify customers who are likely to purchase and utilize the CorPath System and customers who are likely to be influencers in their region which will help fuel further growth. We believe customers who are likely to purchase our product meet a critical criteria profile including: (i) an awareness of the dangers faced by interventional cardiologists due to radiation in the cath lab, (ii) a practice volume large enough to economically support the CorPath System, (iii) hospital financial health that allows for the capital or operational expenditure for a CorPath System and (iv) regional competitiveness that demands the implementation of new technology.

Our sales effort begins with the interest of an influential physician; therefore, our marketing efforts are primarily directed toward interventional cardiologists. Our primary marketing objective is to raise awareness about the CorPath System and its features and benefits among our target customers.

Marketing awareness activities target two strategies:

- 1) General awareness – build knowledge and understanding of the value that the CorPath System brings to the cardiology community, focused initially on awareness from interventional cardiologists; and
- 2) Targeted awareness – using data analysis to identify a target segment of customers (hospitals and physicians) for additional marketing and sales focus.

Physician Benefits

The cath lab is a hazardous work environment where interventional cardiologists are exposed to radiation on a daily basis. Physicians face two significant risks in the cath lab: radiation exposure and orthopedic strain due to wearing heavy lead aprons while working in ergonomically compromising positions. Our CorPath System can limit both of these risks as evidenced by the results from our PRECISE Study which demonstrated a 97% reduction in exposure to radiation obviating the need to wear lead during the procedure. Wearing more than 20 pounds of lead while leaning over a patient table leads to interventionalist disc disease as well as reported increases in knee, hip, and neck injuries to interventionalists.

Clinical Benefits for Patients

Although more than 940,000 PCI procedures are performed annually in the U.S.⁵ interventionalists continue to face challenges of poorly selected and/or misplaced stents. Currently, PCI procedures are performed by interventional cardiologists who use their experience to approximate lesion length using an eyeball measurement technique and tactile feel to position the stent. Published data from the Impact of Stent Deployment Procedural Factors on Long-Term Effectiveness and Safety of Sirolimus-Eluting Stents (STLLR) trial shows that nearly 50% of coronary stent placements are not accurately positioned within the lesion using this technique.¹¹ The clinical impact of longitudinal geographic miss includes complications such as re-occlusion requiring repeat intervention. The CorPath System presents a new option to interventional cardiologists enabling them to optimize clinical outcomes by providing technology that allows enhanced visualization, precise anatomical measurement and improved control for optimal stent positioning. Using the CorPath System, physicians can (i) consistently measure the anatomy with sub-millimeter accuracy, helping them to choose the correct stent for each patient, (ii) move the guidewire straight into the vessel at the proper angle leading to a shortened procedure for the patient, (iii) view an enhanced, close-up view of the patient's vessels and arteries for the entire procedure and (iv) lock the guidewire and balloon/stent in place during device deployment ensuring no unintended wire/device movements during the procedure which could adversely affect the patient.

¹¹ Costa M., et al. (2008). Impact of Stent Deployment Procedural Factors on Long-Term Effectiveness and Safety of Sirolimus- Eluting Stents (Final Results of the Multicenter Prospective STLLR Trial). Am J Cardiol, 2008;101(12):1704-11.

Hospital Benefits

Hospitals face increasing pressure to maintain or grow cath lab procedure volumes. By offering a differentiated service, such as robotic-assisted PCI, we can help a facility grow its business. As demonstrated with robotic surgery, hospitals that adopt and promote the technology can benefit in the form of additional patients and procedures.

Target Customers

The Interventional Cardiologist

The physician is a key decision maker in the evaluation and adoption of new technologies in the interventional cath lab. There are approximately 5,200 active interventional cardiologists in the United States¹² who perform more than 940,000 PCI procedures per year. Interventional cardiologists tend to incorporate technology into their practice and are very focused on products that improve patient care and/or clinical outcomes. Additionally, interventional cardiologists face unique risk from their work environment as they face the largest exposure to radiation of any medical professionals. To offset this risk, they wear heavy lead protection which exposes them to higher than average orthopedic injuries and pain. As such, physician messaging will focus on the ability of robotic-assisted PCI to improve procedures that can lead to better clinical outcomes and the protection from radiation and orthopedic issues.

The CorPath System allows physicians to measure anatomy with sub-millimeter accuracy and manipulate the interventional device in 1mm increments and with precise 30-degree rotational movements. The capability to accurately control and deliver treatment, using a wire and stent of their choice, allows physicians to optimize their PCI procedures and potentially provide better clinical outcomes for their patients. Specifically, the additional precision can potentially minimize longitudinal geographic miss which correlates to a 2.3x greater chance of needing to revascularize the target vessel in the first year post procedure.¹¹

In addition, because physician safety is a growing concern and studies have shown an increased presence of left-sided brain tumors due to occupational radiation exposure¹³ the ability of the CorPath System to reduce the level of occupational radiation will continue to be a key marketing message. The safety aspect of the device may be a key selling feature as more physicians become employed by healthcare groups which will need to address these concerns to avoid potential workers' compensation claims and reduce insurance costs.

The Hospital Administrator

In this era of economic pressure, purchasing decisions by hospitals must be carefully evaluated to ensure the decision is a cost benefit. In the case of our products, hospital administrators must be convinced of both the clinical benefit and the economic benefit of having procedures performed using the CorPath System.

Cath lab patient volume has decreased over the past several years as competition for patients has increased. Recent data on prostatectomy shows patient volume shifting to sites that adopt robotic-assisted surgical procedures.¹⁴ By using the CorPath System to promote technological leadership in the field of advanced robotics, hospitals can more easily attract and retain physicians while also increasing patient volume.

¹² Maroney et al "Current Operator Volumes of Invasive Coronary Procedures of Medicare Patients: implications for Future Manpower needs in the Catheterization Laboratory" Catheter Cardiovasc Interv. 2013 Jan 1;81(1):34-9.

¹³ Roguin, A. et al Occupational Radiation Exposure Linked to Left-Sided Brain Tumors, Am J Cardiol. 2013 May 1;111(9):1368-7.

¹⁴ J. Neuner, et al. The Association of Robotic Surgical Technology and Hospital Prostatectomy Volumes, Cancer 2012;118:371-7

Customers using our Comprehensive Continuity Support have access to a valuable CorPath Hospital Marketing program package. This broad based tool kit is designed to assist our customer hospitals in launching a CorPath Vascular Robotic Program using the development of a robotic-assisted angioplasty program as a tool to market the hospital's quality and commitment to patient care and innovation. The kit contains both the programmatic and content elements designed to (i) plan, initiate, and execute public relations and outreach campaigns, (ii) influence and change referral patterns to improve market share in the hospital's catchment area, (iii) promote the benefits of our innovative robotic technology to hospital personnel and patients, and (iv) develop substantial awareness of the technology and the physicians employing it.

Product Acquisition Models

Our typical hospital customer purchases the CorPath System through the hospital's capital equipment process and subsequently purchases consumable, single-use cassettes on an as-needed basis. We have also recently introduced a program for our customers to finance their purchase and are able to seamlessly facilitate a lease or rental for our customers with a third-party financing company. We have also provided a limited number of strategic CorPath utilization agreements, which allow customers to use the CorPath System in exchange for paying a premium price for the consumables. The CorPath 200 System package as installed has a list price in the U.S. of approximately \$500,000 depending on the specific customer configuration.

Competition

We currently do not face any direct competition for robotic-assisted PCI as the CorPath System is the only FDA-cleared device for this indication. We may have some indirect competition in regard to other interventional procedures, and if the indications for use of the CorPath System increase in the future, they may become a direct competitor. Our focus is on converting customers from the traditional manual procedure to the CorPath robotic-assisted procedure.

Seasonality

Our CorPath System sales and purchase order cycle may typically take from 6 to 15 months due to the capital budgeting cycle and approval process at each hospital. Because it is a capital item, such a purchase generally requires the approval of senior management of hospitals, and sometimes their parent organizations, purchasing groups, and/or government bodies, as applicable. In addition, hospitals may delay or accelerate purchases of the CorPath System in conjunction with timing of their capital budget timelines. As a result, it is difficult for us to precisely predict the exact timing of capital sales for each purchase. We believe that our sales may tend to be heaviest during the third month of each fiscal quarter, and lighter in the third and first fiscal quarters and heavier in the fourth fiscal quarter.

Timing of PCI procedures and changes in PCI procedure market could directly affect the timing of the purchase of our products by hospitals. It is likely that adoption of our product will be more challenging in the third quarter of each year when new Interventional Fellows join the staff at several of our hospital customer sites. As they are untrained with respect to cath lab skills and patients' cases, they may be devoted to their manual training techniques rather than use of the CorPath System. In the longer term, this risk should be mediated by the limited number of Fellows programs relative to hospitals performing PCI procedures.

Additionally it should be noted that PCI procedure volume is generally slower during the summer months due to seasonality effect of temperature on coronary heart disease.⁵

Customer Service

Our goal is 100% customer satisfaction by consistently delivering superior customer experiences before, during, and after the sale. To achieve this goal, we maintain a headquarters-based customer support service team supplemented by our field-based CAMs. Our customer support service team primarily handles all order processing for consumables to ensure that new orders arrive before inventories are depleted. We are committed to providing prompt service for repairs to equipment in order to keep customer uptime at maximum levels. Our CAMs are field-based and are at customer sites on a regular basis to support their needs including on-going training in and outside of the lab. All of our customer service representatives receive regular training so that they can effectively and efficiently field questions from current and prospective customers.

Our Return Policy; Guarantee

Neither our equipment, once installed, nor our single-use cassettes are returnable or refundable. We stand behind the quality of our products. We value frequent communication with and feedback from our customers in order to continue to improve our offerings and services.

By minimizing stent utilization, the use of the CorPath System has the potential to bring significant clinical, safety and financial benefits to a hospital. To demonstrate our commitment to the benefits of our robotic CorPath System, we offer our hospitals a unique, stent utilization efficiency program called the CorPath One Stent Program. For each eligible CorPath System procedure in which a second unplanned stent is used, we currently provide a credit to the hospital of \$1,000 to be used toward the purchase of additional cassettes.

Raw Materials for Our Products

We acquire all raw materials for our products from a group of third-party suppliers. These suppliers may be manufacturers of custom components or distributors of commodity, off-the-shelf, components. Whenever possible, secondary sources for the materials are identified and maintained on our Approved Supplier List. To be included on our Approved Supplier List, suppliers must pass the requirements of our documented Supplier Approval Process.

Availability of and Dependence upon Suppliers

We own all of the designs of all of the custom components used in our product. This allows us to source components which minimize risk of patent infringement or risk of sale to any other manufacturer. We are able to source components at any supplier that has the technical capability to manufacture them. Some of the items we use are off-the-shelf components which can be sourced on the open market and have very little risk in terms of supply and design change. We continually review our supply base for cost and delivery capacity and make adjustments as necessary. Currently, the cockpit for our CorPath Systems is manufactured by a single source; however, we believe that there are other companies who are able to manufacture the cockpit to our specifications. We are not under an exclusive contract with this single source provider and anticipate that in the future our cockpits may be manufactured by another source entirely or by multiple sources as demands for our products increase.

15 "Scientific Studies of Seasonal Variation in Coronary Artery Disease" QJM 1999 92 (12): 689-696.

Manufacturing of Our Products

The CorPath System and cassettes are manufactured in accordance with the FDA's current Good Manufacturing Practices ("cGMPs") for medical devices. Our product was approved by the FDA for commercial sale using the 510(k) process in 2012 and our facility at 309 Waverly Oaks Road, Waltham, Massachusetts 02452, is the registered place of manufacture.

With the exception of our cockpit, which is manufactured by an outside source, all of our manufacturing is categorized as light assembly and is performed by trained personnel in our facility. The single-use cassette is manufactured in an International Organization for Standardization ("ISO") Class 8 clean room. This room is monitored, controlled, and operated according to ISO Class 8 and associated FDA guidelines. Finished products are stored in our facility and shipped directly to the customer. No special environmental controls are required for the storage of our product.

Quality Control for Our Products

A quality assurance team establishes procedures for process control and tests products at various stages of the manufacturing process to ensure we meet product specifications and that our finished products are manufactured in compliance with FDA Quality System Regulations ("QSR"). We inspect incoming components and finished goods per established procedures. Prior to shipment of the product to customers, the quality assurance team reviews our manufacturing record, to ensure it meets established process control requirements and product specifications.

Our quality procedures are designed to meet or exceed current FDA regulations and International Standards (ISO 13485) for compliance with CE Mark requirements. Our production requirements are established to meet product specifications cleared by the FDA and ensure safety of the patients and performance expected by the end users. To ensure the highest quality, our quality system is routinely audited by an internal auditor team and annually assessed by BSI Group for Quality Management System (QMS) and CE certification. BSI Group is an independent Notified Body, which assesses the compliance of the Quality Management System to International Standard (ISO 13485) and CE Mark requirements and upon establishing compliance, provides CE certification.

Government Regulation

Medical Device Regulation

Our products and operations, currently limited to the U.S., are subject to extensive and rigorous regulation by the FDA. The FDA regulates the development, testing, manufacturing, labeling, storage, recordkeeping, promotion, marketing, distribution and service of medical devices in the U.S. to ensure that medical products distributed domestically are safe and effective for their intended uses. Under the Federal Food, Drug, and Cosmetic Act ("FFDCA"), medical devices are classified into one of three classes (Class I, Class II or Class III), depending on the degree of risk associated with each medical device and the extent of control needed to ensure safety and effectiveness. Our current products are Class II medical devices.

Class II devices are those which are subject to general controls and most require premarket demonstration of adherence to certain performance standards or other special controls, as specified by the FDA, and clearance by the FDA. Premarket review and clearance by the FDA for these devices is accomplished through the 510(k) premarket notification process. The process required by the FDA before a Class II device may be marketed in the U.S. may involve the following:

- Development of comprehensive product description and indications for use.
- Completion of extensive preclinical tests and preclinical animal studies, all performed in accordance with the FDA's Good Laboratory Practice ("GLP") regulations.

- Comprehensive review of predicate devices and development of substantial equivalence to the predicate devices.
- If appropriate and required, get appropriate approvals for clinical trials (IDE submission and approval may be required for conducting a clinical trial in the US).

Clinical trials involve use of the medical device on human subjects under the supervision of qualified investigators in accordance with current Good Clinical Practices ("GCPs") which include the requirement that all research subjects provide their informed consent for their participation in any clinical trial. A protocol with predefined end points, an appropriate sample size and pre-determined patient inclusion and exclusion criteria, is required for a clinical trial. The protocol is reviewed and approved by the participating hospital's Institutional Review Board ("IRB") before the clinical trial can be initiated at the site. Additionally, the IRB must monitor the study until complete. Any subsequent protocol amendments must be submitted and approved by the IRB.

- Assuming successful completion of all required testing, a detailed 510(k) application is submitted to the FDA requesting approval to market the product. The application includes all relevant data from pertinent preclinical and clinical trials, together with detailed information relating to the product's manufacturing controls and proposed labeling, and other relevant documentation.
- A clearance letter from the FDA authorizes commercial marketing of the device for specific indication for use.
- After regulatory clearance, we are required to comply with a number of post-clearance requirements, including, but not limited to, Medical Device Reporting ("MDR") and complaint handling, trending and relevant corrective actions. Also, quality control and manufacturing procedures must continue to conform to QSR. The FDA periodically inspects manufacturing facilities to assess compliance with QSRs, which imposes extensive procedural, substantive, and record keeping requirements. In addition, changes to the manufacturing process are strictly regulated, and, depending on the change, validation activities may need to be performed. Accordingly, manufacturers must continue to expend time, money and effort in the area of production and quality control to maintain compliance with QSRs and other aspects of regulatory compliance.

While not anticipated, future FDA inspections and Notified Body audits may identify compliance issues at our facilities that may potentially disrupt production or distribution, or require substantial resources to correct. In addition, discovery of previously unknown problems with a device or failure to comply with applicable requirements may result in restrictions on manufacturing and distribution of the device, including withdrawal/recall of the device from the market, or FDA-initiated or judicial action that could delay or prohibit further marketing. Newly identified safety or effectiveness data may require changes to a product's approved labeling, including the addition of new warnings and/or contraindications, and also may require the implementation of other risk management measures.

After a device receives FDA 510(k) clearance, any modification that could significantly affect its safety or effectiveness, or that would constitute a major change in its intended use, requires a new 510(k) clearance or could require a PMA application approval. The FDA requires each manufacturer to make the determination of whether a modification requires a new 501(k) notification or PMA application in the first instance, but the FDA can review any such decision. If the FDA disagrees with a manufacturer's decision not to seek a new 510(k) clearance or PMA approval for a particular change, the FDA may retroactively require the manufacturer to seek 510(k) clearance or PMA approval. The FDA can also require the manufacturer to cease U.S. marketing and/or recall the modified device until 510(k) clearance or PMA approval is obtained.

The FDA and the Federal Trade Commission ("FTC") also regulate the advertising claims of our products to ensure that the claims we make are consistent with our regulatory clearances, that there is scientific data to substantiate the claims and that our advertising is neither false nor misleading. In general, we may not promote or advertise our products for uses not within the scope of our intended use statement in our clearances or make unsupported safety and effectiveness claims. Many regulatory jurisdictions outside of the U.S. have similar regulations to which we would be subject. Our manufacturing processes are required to comply with the FDA's GMP requirements contained in its QSR and associated regulations and guidance. The QSR covers, among other things, the methods and documentation of the design, testing, production, processes, controls, quality assurance, labeling, packaging and shipping, installation and service of a company's products. The QSR also requires maintenance of extensive records which demonstrate compliance with FDA regulation, the manufacturer's own procedures, specifications and testing as well as distribution and post-market experience. Compliance with the QSR is necessary to receive FDA clearance or approval to market new products and is necessary for a manufacturer to be able to continue to market cleared or approved product offerings in the U.S. A company's facilities, records, and manufacturing processes are subject to periodic scheduled or unscheduled inspections by the FDA, which may issue reports known as Forms FDA 483 or Notices of Inspectional Observations which list instances where the FDA inspector believes the manufacturer has failed to comply with applicable regulations and/or procedures. If the observations are sufficiently serious or the manufacturer fails to respond appropriately, the FDA may issue Warning Letters, or Untitled Letters, which are notices of intended enforcement actions against the manufacturer. These enforcement actions could include legal actions, including fines and total shutdown of production facilities, seizure of product, prohibition on export or import and criminal prosecution. Such actions may have further indirect consequences for the manufacturer outside of the U.S., and may adversely affect the reputation of the manufacturer and the product. In the U.S., routine FDA inspections usually occur every two years, and may occur more often for cause.

We intend to submit 510(k) applications for our next generation devices and for any new indications for use of our existing products. The applications may rely upon published literature and/or the findings of safety and effectiveness based on certain pre-clinical or clinical studies conducted for an approved product. The FDA may also require companies to perform additional studies or measurements to support the change from the approved product or for new claims for the cleared product.

Third Party Coverage and Reimbursement

The U.S. government and health insurance companies together are responsible for hospital and physician reimbursement for virtually all covered interventional procedures. Governments and insurance companies generally reimburse hospitals and physicians for procedures considered medically necessary. The Centers for Medicare & Medicaid Services ("CMS"), administers the Medicare and Medicaid programs (the latter, along with applicable State governments). Many other third-party payors model their reimbursement methodologies after the Medicare program. As the single largest payor, this program has a significant impact on other payors' payment systems.

Generally, reimbursement for professional services performed at a facility by physicians is reported under billing codes issued by the American Medical Association ("AMA"), known as Current Procedural Terminology ("CPT") codes. Physician reimbursement under Medicare generally is based on a fee schedule and determined by the relative values of the professional service rendered. In addition, CMS and the National Center for Health Statistics ("NCHS") are jointly responsible for overseeing changes and modifications to billing codes known as ICD-9-CM procedural codes used by hospitals to report inpatient procedures. For Medicare, CMS generally reimburses hospitals for services provided during an inpatient stay based on a prospective payment system that is determined by a classification system known as Medicare-Severity Diagnostic Related Groupings ("MS-DRGs"). MS-DRGs are assigned using a number of factors including the principal diagnosis, major procedures, discharged status, patient age and complicating secondary diagnoses among other things. Hospital outpatient services, reported by CPT codes, are assigned to clinically relevant Ambulatory Payment Classifications ("APCs") used to determine the payment amount for services provided.

On October 1, 2008, CMS and NCHS issued a new family of ICD-9-CM procedure codes for "Robotically Assisted Procedures." The purpose of the ICD-9-CM family of procedure codes is to gather data on robotic assisted surgical procedures. At this time, it does not appear that these codes will be available until after October 1, 2014, when the ICD-10 code sets are implemented. A surgical procedure, completed with or without robotic assistance, continues to be assigned to the clinically relevant MS-DRG.

Governments and insurance companies carefully review and increasingly challenge the prices charged for medical products and surgical services. Reimbursement rates from private companies vary depending on the procedure performed, the third-party payor, contract terms, and other factors. Because both hospitals and physicians may receive the same reimbursement for their respective services, with or without robotics, regardless of actual costs incurred by the hospital or physician in furnishing the care, including for the specific products used in that procedure, hospitals and physicians may decide not to use our products if reimbursement amounts are insufficient to cover any additional costs incurred when purchasing our products.

Domestic institutions typically bill for the primary surgical procedure that includes our products to various third-party payors, such as Medicare, Medicaid and other government programs and private insurance plans. Because our CorPath System has been cleared for commercial distribution in the U.S. by the FDA, coverage and reimbursement by payors are generally determined by the medical necessity of the primary surgical procedure. If hospitals do not obtain sufficient reimbursement from third-party payors for procedures performed using our products, or if governmental and private payors' policies do not cover surgical procedures performed using our products, we may not be able to generate the revenues necessary to support our business.

In March 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act (collectively, "the PPACA"), was signed into law which makes changes that are expected to significantly impact healthcare providers, insurers, pharmaceutical and medical device manufacturers. One of the principal aims of the PPACA is to expand health insurance coverage to approximately 32 million Americans who are currently uninsured. The consequences of these significant coverage expansions on the sales of our products are currently unknown. The PPACA contains a number of provisions designed to generate the revenues necessary to fund this coverage expansion, including, but not limited to new fees or taxes on certain health-related industries, including medical device manufacturers. Beginning in 2013, medical device manufacturers are required to pay an excise tax (or sales tax) of 2.3% on certain U.S. medical device revenues. Under this provision, we have paid an excise tax of approximately \$29,000 which is reflected in our operating expenses.

The PPACA also has provisions to study the comparative effectiveness of health care treatments and strategies. It remains unclear how this research will influence future Medicare coverage and reimbursement decisions, as well as influence other third-party payor coverage and reimbursement policies. As Congress and state governments determine how to implement the PPACA, the full impact of the PPACA on the medical device industry and the sale of our products are currently unknown. The PPACA, as well as other federal or state health care reform measures that may be adopted in the future, could have a material adverse effect on our business. The taxes imposed by PPACA and the expansion in the U.S. government's role in the healthcare industry may result in decreased profits, lower reimbursement from payors for procedures that use our products and/or reduced procedural volumes, all of which may adversely affect our business, financial condition and results of operations.

In addition, other legislative changes have been proposed and adopted since the PPACA was enacted. On August 2, 2011, the Budget Control Act of 2011 was signed into law, which, among other things, creates the Joint Select Committee on Deficit Reduction to recommend proposals in spending reductions to Congress. The Joint Select Committee did not achieve a targeted deficit reduction of at least \$1.2 trillion for the years 2013 through 2021, triggering the legislation's automatic reduction to several government programs. This included aggregate reductions to Medicare payments to providers of up to 2% per fiscal year, which went into effect on April 1, 2013. On January 2, 2013, the American Taxpayer Relief Act of 2012 was signed into law, which, among other things, further reduced Medicare payments to several providers, including hospitals, imaging centers and cancer treatment centers.

Any regulatory or legislative developments in domestic markets that eliminate or reduce reimbursement rates for procedures performed using our products could harm our ability to sell our products or cause downward pressure on the prices of our products, either of which would affect our ability to generate the revenues necessary to support our business.

Environmental Laws

Our Company and our products are not affected by any federal, state, or local environmental laws; therefore, we have reserved no funds for compliance purposes. We do not directly handle, store or transport hazardous materials or waste products.

Employees

We currently employ 47 full-time employees. Additionally, from time to time, we hire temporary and/or contract employees. None of our employees are covered by a collective bargaining agreement and we are unaware of any union organizing efforts. We have never experienced a major work stoppage, strike or dispute. We consider our relationship with our employees to be good.

Properties

Our principal offices, and that of our subsidiaries, are located at 309 Waverly Oaks Road, Suite 105, Waltham, Massachusetts 02452. On October 24, 2012, Corindus entered into a lease with Beaver Group, LLC for a term of approximately five years for 26,402 square feet of office and manufacturing space (the "Lease"). Over the term of the Lease, we pay an average monthly cost of \$51,200 which includes base rent, common area fees, taxes and insurance. Terms of the Lease provide for an option to extend the Lease for an additional five-year period. Our management believes that the leased premises are suitable and adequate to meet current needs. A copy of the Lease is filed as an exhibit to this Report and is incorporated herein by reference.

Corporate Information

Our corporate headquarters are located at 309 Waverly Oaks Road, Suite 105, Waltham, Massachusetts 02452. Our telephone number is 508-653-3335 and our fax number is 508-653-3355. We maintain a website at www.corindus.com.

Available Information

Reports we file pursuant to the Exchange Act of 1934, as amended (the "Exchange Act"), including annual, quarterly and current reports and other information with the Commission and our filings are available to the public over the Internet at the Commission's website at <http://www.sec.gov>. The public may read and copy any materials filed by us with the Commission at the Public Reference Room at 100 F Street NE, Washington, D.C. 20549, on official business days during the hours of 10:00 am to 3:00 pm. The public may obtain information on the operation of the Public Reference Room by calling the Commission at 800-732-0330. You may obtain further information about our Company at our website: www.corindus.com.

RISK FACTORS

INVESTING IN OUR COMMON STOCK INVOLVES A HIGH DEGREE OF RISK. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER THE RISKS DESCRIBED BELOW, TOGETHER WITH ALL OF THE OTHER INFORMATION INCLUDED IN OR REFERRED TO IN THIS REPORT, BEFORE PURCHASING SHARES OF OUR COMMON STOCK. THERE ARE NUMEROUS AND VARIED RISKS, KNOWN AND UNKNOWN, THAT MAY PREVENT US FROM ACHIEVING OUR GOALS. THE RISKS DESCRIBED BELOW ARE NOT THE ONLY ONES WE WILL FACE. IF ANY OF THESE RISKS ACTUALLY OCCUR, OUR BUSINESS, FINANCIAL CONDITION OR RESULTS OF OPERATION MAY BE MATERIALLY ADVERSELY AFFECTED. IN SUCH CASE, THE PRICE OF OUR COMMON STOCK COULD DECLINE AND INVESTORS IN OUR COMMON STOCK COULD LOSE ALL OR PART OF THEIR INVESTMENT.

Risks Related to our Business and Industry

We have incurred significant operating losses since inception and anticipate that we will incur continued losses for the foreseeable future.

We have incurred recurring net losses, including net losses of approximately \$3.8 million for the three months ended March 31, 2014 and approximately \$14.7 million and \$9.7 million for the years ended December 31, 2013 and 2012, respectively. As of March 31, 2014 and December 31, 2013, we had an accumulated deficit of approximately \$64.3 million and \$60.3 million, respectively. We have generated limited revenue and have funded our operations to date primarily from private sales of equity and debt securities. We expect to incur substantial additional losses over the next several years primarily related to our research and development activities. As a result, we may never achieve or maintain profitability unless we successfully commercialize our CorPath System. If we are unable to make required payments under any of our obligations for any reason, our creditors may take actions to collect their debts, including foreclosing on our intellectual property that collateralizes our obligations. If we continue to incur substantial losses and are unable to secure additional financing, we could be forced to discontinue or curtail our business operations, sell assets at unfavorable prices, refinance existing debt obligations on terms unfavorable to us, or merge, consolidate, or combine with a company with greater financial resources in a transaction that might be unfavorable to us.

Our independent registered public accounting firm, in their audit reports related to our financial statements for the years ended December 31, 2013 and 2012, expressed substantial doubt about our ability to continue as a going concern.

As a result of our continued losses, our independent registered public accounting firm has included an explanatory paragraph in their report on our financial statements for the years ended December 31, 2013 and 2012, expressing substantial doubt as to our ability to continue as a going concern. The inclusion of a going concern explanatory paragraph in the report of our independent registered public accounting firm may make it more difficult for us to secure additional financing or enter into strategic relationships on terms acceptable to us, if at all, and may materially and adversely affect the terms of any financing that we might obtain.

We currently derive all of our revenue from sales of our CorPath 200 System and cassettes, and our failure to maintain or increase sales of these products would have a material adverse effect on our business, financial condition, results of operations, and growth prospects. In addition to other risks described herein, our ability to maintain or increase existing product sales is subject to a number of risks and uncertainties, including the following:

- the presence of new or existing competing products;
- any supply or distribution problems arising with our manufacturing;
- changed or increased regulatory restrictions or regulatory actions by the FDA;
- changes in healthcare laws and policy, including changes in requirements for rebates, reimbursement, and coverage by federal healthcare programs;
- the impact or efficacy of any price increases we may implement in the future; and
- acceptance of our product as safe and effective by physicians.

If revenue from sales of our CorPath Systems do not continue or increase, we may be required to reduce our operating expenses or to seek to raise additional funds, which could have a material adverse effect on our business, financial condition, results of operations, and growth prospects.

Customers may not accept the CorPath System which would result in reduced revenue and loss of market share.

The CorPath System is a new technology that competes with established treatment options for PCI procedures. These established treatment options include manual conventional PCI methods which are widely accepted in the medical community and have a long history of use. Studies can be published that show that our methods are more beneficial; however, we cannot be certain that physicians will use our products to replace or supplement established procedures or that our products will become accepted or competitive.

We will need substantial additional funding and may be unable to raise capital when needed, which would force us to delay, reduce or eliminate our product development programs, commercialization efforts and growth strategy.

We will need additional funding for establishing and expanding our sales and marketing infrastructure and for future product development and we may be unable to raise capital when needed or on attractive terms, which would force us to delay, reduce or eliminate our product development programs or commercialization efforts.

As of June 30, 2014, we had approximately \$7 million in cash. We believe that our existing cash, along with revenues from product sales, will not be sufficient to enable us to fund our operating expenses and capital expenditure requirements for the next 12 months. To the extent this capital is insufficient to meet our future capital requirements, we will need to finance our cash needs through public or private equity offerings, debt financings, corporate collaboration and licensing arrangements or other financing alternatives. We intend to seek equity financings, including a private investment in public equity ("PIPE"). To the extent we complete a PIPE transaction prior to December 31, 2014, which qualifies as a financing under our existing Loan and Security Agreement, we are eligible to borrow an additional \$5 million under the Loan and Security Agreement. There is no assurance that we will be able to complete a PIPE transaction or other equity or debt financing on terms favorable to us, or at all.

We intend to raise additional funds by issuing equity securities and our stockholders will experience dilution. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. Any debt financing or additional equity that we raise may contain terms, such as liquidation and other preferences, which are not favorable to us or our stockholders. If we raise additional funds through collaboration and licensing arrangements with third parties, it may be necessary to relinquish valuable rights to our technologies, future revenue streams or product candidates or to grant licenses on terms that may not be favorable to us. If additional financing is not available when required or is not available on acceptable terms, we may be unable to fund expansion, successfully promote our brand name, develop or enhance our services, take advantage of business opportunities, or respond to competitive pressures or unanticipated requirements, any of which could seriously harm our business and reduce the value of your investment.

The commercial success of our products will depend upon the degree of market acceptance by hospitals and physicians. Should we not achieve market acceptance, we will not be able to generate the revenue necessary to support our business.

The CorPath System represents a fundamentally new way of performing PCI procedures. Achieving physician, patient and third-party payor acceptance of the CorPath System as a preferred method of performing vascular procedures will be crucial to our success. If our products fail to achieve market acceptance, hospital customers will not purchase our products and we will not be able to generate the revenue necessary to support our business. We believe that acceptance by hospitals, physicians and third-party payors regarding the benefits of procedures performed using our products will be essential for acceptance of our products by patients. Physicians will not recommend the use of our products unless we can demonstrate that they produce results comparable or superior to existing PCI techniques. Even though we have proven the effectiveness of our products through clinical trials, physicians may elect not to use our products for any number of other reasons. For example, cardiologists may continue to recommend conventional PCI techniques simply because it is already widely accepted. In addition, physicians may be slow to adopt our products because of the perceived liability risks arising from the use of new products and the uncertainty of reimbursement from third-party payors, particularly in light of ongoing health care reform initiatives. We expect that there will be a learning process involved for physicians and their surgical teams to become proficient in the use of our products. Market acceptance could be delayed by the time required to complete this training. We may not be able to rapidly train physicians and their surgical teams in numbers sufficient to generate adequate demand for our products.

Development and awareness of our brand will depend largely upon our success in increasing our customer base. In order to attract and retain customers and to promote and maintain our brand in response to competitive pressures, management plans to significantly increase our sales and marketing budgets, particularly for our field sales force. If we are unable to economically promote or maintain our brand, our business, results of operations and financial condition could be severely harmed.

We may experience long and variable capital sales cycles and/or seasonality in our business which may cause fluctuations in our financial results.

Our CorPath System may have a lengthy sales and purchase order cycle because it is a major capital item and such a purchase generally requires the approval of senior management of hospitals, their parent organizations, purchasing groups, and/or government bodies, as applicable. In addition, hospitals may delay or accelerate system purchases in conjunction with timing of their capital budget timelines. As a result, it is difficult for us to predict the length of capital sales cycles and, therefore, the exact timing of capital sales. We believe that our sales may tend to be heaviest during the third month of each fiscal quarter, and lighter in the first and second fiscal quarters and heavier in the fourth fiscal quarter. Timing of PCI procedures and changes in PCI procedure market could directly affect the timing of the purchase of our products by hospitals.

The above factors may contribute to fluctuations in our quarterly operating results and it is possible that in some future quarters our operating results will fall below the expectations of securities analysts or investors. If that happens, the market price of our stock would likely decrease. These fluctuations, among other factors, also mean that you will not be able to rely upon our operating results in any particular period as an indication of future performance. In addition, the introduction of new products could adversely impact our sales cycle, as customers take additional time to assess the benefits and costs of such products.

If defects are discovered in our products, we may incur additional unforeseen costs, hospitals may not purchase our products and our reputation may suffer.

Our products incorporate mechanical parts, electrical components, optical components and computer software, any of which can contain errors or failures, especially when first introduced. In addition, new products or enhancements may contain undetected errors or performance problems that, despite testing, are discovered only after commercial shipment. Because our products are designed to be used to perform complex medical procedures, we expect that our customers will have an increased sensitivity to such defects. We cannot assure that our products will not experience component aging, errors or performance problems in the future. If we experience flaws or performance problems, any of the following could occur:

- delays in product shipments,
- loss of revenue,
- delay in market acceptance,
- diversion of our resources,
- damage to our reputation,
- product recalls,
- regulatory actions,
- increased service or warranty costs, or
- product liability claims.

In the future, we may be subject to product liability and negligence claims relating to the use of our products that could be expensive, divert management's attention and harm our business.

Our business exposes us to significant risks of product liability claims, which are inherent to the medical device industry. Product liability claims may be brought by individuals or by groups seeking to represent a class. We are not currently subject to any product liability claims; however, future product liability claims may result in negative publicity about us that could ultimately harm our reputation. Negative publicity, whether accurate or inaccurate, concerning us or our products, could reduce market acceptance of our products and could result in decreased product demand and a decline in revenues. Although we maintain product liability insurance, the coverage limits of these policies may not be adequate to cover any future claims.

We may be subject to product recalls that could negatively affect our business.

We may be subject to product recalls, withdrawals or seizures if any of our products are believed to cause injury or if we are alleged to have violated governmental regulations in the manufacture, labeling, promotion, sale or distribution of our products. A recall, withdrawal or seizure of any of our products could materially and adversely affect consumer confidence in our brand and lead to decreased demand for our products. In addition, a recall, withdrawal or seizure of our products would require significant management attention, would likely result in substantial and unexpected expenditures and could materially and adversely affect our business, financial condition or results of operations.

Our business may be affected by unfavorable publicity or lack of consumer acceptance .

We are highly dependent upon consumer acceptance of the safety, efficacy and quality of our products. Consumer acceptance of a product can be significantly influenced by scientific research or findings, national media attention and other publicity about product use. A product may be received favorably resulting in high sales associated with that product that may not be sustainable as consumer preferences change. Future scientific research or publicity could be unfavorable to our industry or to any of our products and may not be consistent with earlier favorable research or publicity. A future research report or publicity that is perceived by our consumers as less than favorable or that may question earlier favorable research or publicity could have a material adverse effect on our ability to generate revenue. Adverse publicity in the form of published scientific research, statements by regulatory authorities or otherwise, whether or not accurate, that associates use of our product with adverse effects, or that questions the benefits of our product or a similar product, or that claims that our products are ineffective, could have a material adverse effect on our business, reputation, financial condition or results of operations.

If institutions or physicians are unable to obtain coverage and reimbursement from third-party payors for procedures using our products, or if reimbursement is insufficient to cover the costs of purchasing our products, we may be unable to generate sufficient sales to support our business.

In the U.S., hospitals generally bill for the services performed with our products to various third-party payors, such as Medicare, Medicaid and other government programs and private insurance plans. If hospitals do not obtain sufficient reimbursement from third-party payors for procedures performed with our products, or if government and private payors' policies do not cover interventional procedures performed using our products, we may not be able to generate the revenues necessary to support our business.

We could be subject to significant, uninsured liabilities.

For certain risks, we do not maintain insurance coverage because of cost and/or availability. For example, we do not insure against potential losses resulting from indemnification of our directors and officers for third-party claims. In addition, in the future, we may not continue to maintain certain existing insurance coverage or adequate levels of coverage. Premiums for many types of insurance have increased significantly in recent years, and depending on market conditions and our circumstances, in the future, certain types of insurance such as directors' and officers' insurance or products liability insurance may not be available on acceptable terms or at all.

We may encounter manufacturing problems or delays that could result in lost revenue.

Manufacturing our products is a complex process. We may encounter difficulties in scaling up or maintaining production of our products, including:

- problems involving production yields,
- quality control and assurance,
- component supply shortages,
- import or export restrictions on components, materials or technology,
- shortages of qualified personnel, and
- compliance with state and federal regulations.

If demand for our products exceeds our manufacturing capacity, we could develop a substantial backlog of customer orders. If we are unable to maintain larger-scale manufacturing capabilities, our ability to generate revenues will be limited and our reputation in the marketplace could be damaged.

Changes to financial accounting standards may affect our reported results of operations.

A change in accounting standards or practices can have a significant effect on our reported results and may even affect our reporting of transactions completed before the change is effective. New accounting pronouncements and varying interpretations of accounting pronouncements have occurred and may occur in the future. Changes to existing standards or the questioning of current practices may adversely affect our reported financial results or the way we conduct our business.

We use estimates, make judgments and apply certain methods in measuring the progress of our business in determining our financial results and in applying our accounting policies. As these estimates, judgments and methods change, our assessment of the progress of our business and our results of operations could vary.

The methods, estimates and judgments we use in applying our accounting policies have a significant impact on our results of operations. Such methods, estimates and judgments are, by their nature, subject to substantial risks, uncertainties and assumptions, and factors may arise over time may lead us to change our methods, estimates and judgments. Changes in any of our assumptions may adversely affect our reported financial results.

In addition, we use methods for determining market sizes and procedures completed that involve estimates and judgments, which are, by their nature, subject to substantial risks, uncertainties, and assumptions. Our estimates of market sizes or procedures performed do not have an impact on our results of operations but are used to estimate the progress of our business. Estimates and judgments for determining market sizes and procedures may vary over time with changes in treatment modalities, hospital reporting behavior, increases in procedures and other factors. In addition, from time to time, we may change the method for determining market sizes and procedures, causing variation in our reporting.

We currently owe \$5 million under a loan agreement and we can give no assurance that we will be able to satisfy our obligations under the loan agreement.

On June 11, 2014, we entered into a Loan and Security Agreement pursuant to which the lender agreed to make an aggregate of \$10 million available to us under two \$5 million secured promissory notes. The initial note for \$5 million was made on June 11, 2014 (the "Initial Promissory Note") and is repayable over a term of 27 months beginning on July 1, 2015, subsequent to a 12-month interest-only period beginning on July 1, 2014. The Initial Promissory Note bears interest at a rate equal to the greater of (a) 11.25% or (b) 11.25% plus the Wall Street Journal Prime Rate, less 3.25%. There is no assurance that we will have the funds available to meet our principal and interest payment obligations under the Initial Promissory Note or that we will be able to satisfy covenants or other obligations under the Initial Promissory Note.

Changes in our effective tax rate may harm our results of operations.

A number of factors may harm our future effective tax rates including, but not limited to, the following:

- the jurisdictions in which profits are determined to be earned and taxed,
- the resolution of issues arising from tax audits with various taxing authorities,
- change in valuation of our deferred tax assets and liabilities,
- increases in expenses not deductible for tax purposes,
- changes in available tax credits and deductions,
- changes in share-based compensation, and
- changes in tax laws or the interpretation of such tax laws and changes in generally accepted accounting principles.

Any significant increase in our future effective tax rates could harm net income for future periods.

At December 31, 2013, the Company had U.S. federal and state net operating loss carryforwards of approximately \$31,346 and \$31,084, respectively, that can be carried forward and offset against future taxable income. These net operating loss carryforwards will begin to expire in 2029. Utilization of net operating losses may be subject to a substantial limitation due to the "change in ownership" provisions of the Internal Revenue Code of 1986, and similar state provisions. This limitation may result in the expiration of net operating losses before utilization. The Company has not yet determined whether any changes in ownership have triggered any such limitations. There can be no assurance that the Company will utilize the entire amount of its net operating loss carryforwards.

Disruption of critical information systems or material breaches in the security of our systems could harm our business customer relations and financial condition.

Information technology helps us operate efficiently, interface with customers, maintain financial accuracy and efficiency and accurately produce our financial statements. If we do not allocate and effectively manage the resources necessary to build and sustain the proper technology infrastructure we could be subject to transaction errors, processing inefficiencies, the loss of customers, business disruptions or the loss of or damage to intellectual property through security breach. If our data management systems do not effectively collect, store, process and report relevant data for the operation of our business, whether due to equipment malfunction or constraints, software deficiencies or human error, our ability to effectively plan, forecast and execute our business plan and comply with applicable laws and regulations will be impaired, perhaps materially. Any such impairment could materially and adversely affect our financial condition, results of operations, cash flows and the timeliness with which we report our internal and external operating results.

Our business requires us to use and store customer, employee and business partner personally identifiable information ("PII"). This may include names, addresses, phone numbers, email addresses, contact preferences, tax identification numbers and payment account information. We require user names and passwords in order to access our information technology systems. We also use encryption and authentication technologies to secure the transmission and storage of data. These security measures may be compromised as a result of third-party security breaches, employee error, malfeasance, faulty password management or other irregularity, and result in persons obtaining unauthorized access to our data or accounts. Third parties may attempt to fraudulently induce employees or customers into disclosing user names, passwords or other sensitive information, which may in turn be used to access our information technology systems.

We devote significant resources to network security, data encryption and other security measures to protect our systems and data, but these security measures cannot provide absolute security. We may experience a breach of our systems and may be unable to protect sensitive data. The costs to us to eliminate or alleviate network security problems, bugs, viruses, worms, malicious software programs and security vulnerabilities could be significant, and our efforts to address these problems may not be successful and could result in unexpected interruptions, delays, cessation of service and may harm our business operations. Moreover, if a computer security breach affects our systems or results in the unauthorized release of PII, our reputation and brand could be materially damaged and use of our products and services could decrease.

The content of our website could expose us to significant liability.

Because we post product information and other content on our website, we face potential liability for, among other things, copyright infringement, patent infringement, trademark infringement, defamation, unauthorized practice of medicine, false or misleading advertising and other claims based on the nature and content of the materials we post. Although we maintain general liability insurance, our insurance may not cover potential claims of this type or may not be adequate to indemnify us for all liability that may be imposed. Any imposition of liability that is not covered by insurance, or is in excess of our insurance coverage, could materially adversely affect our business, financial condition or results of operations.

Failure to manage growth effectively could prevent us from achieving our goals.

Our growth strategy may impose a significant burden on our administrative and operational resources. Our ability to effectively manage growth depends on our ability to substantially expand the capabilities of our administrative and operational resources and to attract, train, manage and retain qualified management and other personnel. Our failure to successfully manage growth could result in our sales not increasing commensurately with capital investments. Our inability to successfully manage growth could materially adversely affect our business.

Any failure to adequately expand a direct sales force will impede our growth.

We expect to be substantially dependent on a direct sales force to attract new business and to manage customer relationships. We plan to expand our direct sales force and believe that there is significant competition for qualified, productive direct sales personnel with advanced sales skills and technical knowledge. Our ability to achieve significant growth in revenue in the future will depend, in large part, on our success in recruiting, training and retaining sufficient direct sales personnel. Recent hires and planned hires may not become as productive as expected and we may be unable to hire sufficient numbers of qualified individuals in the future in the markets where we do business. If we are unable to hire and develop sufficient numbers of productive sales personnel our business prospects could suffer.

If we are unable to attract, hire and retain qualified sales and management personnel, the commercial opportunity for our products may be diminished.

Currently, our sales force consists of 14 full-time sales representatives. We may not be able to attract, hire, train and retain qualified sales and sales management personnel. If we are not successful in our efforts to maintain and grow a qualified sales force, our ability to independently market and promote our products may be impaired. Even if we are able to effectively maintain a qualified sales force, our sales force may not be successful in commercializing our products.

If we fail to attract and retain key personnel, or to retain our executive management team, we may be unable to successfully develop or commercialize our products.

Our success depends in part on our continued ability to attract, retain and motivate highly qualified managerial personnel. We are highly dependent upon our executive management team. The loss of the services of any one or more of the members of our executive management team could delay or prevent the successful completion of some of our development and commercialization objectives.

Recruiting and retaining qualified sales and marketing personnel is critical to our success. We may not be able to attract and retain these personnel on acceptable terms. In addition, we rely on consultants and advisors, including scientific and clinical advisors, to assist us in formulating our development and commercialization strategy. Our consultants and advisors may also be employed by companies and may have commitments under consulting or advisory contracts with other entities that may limit their availability to us.

If we are unable to obtain and maintain protection for intellectual property relating to our technology and products, the value of our technology and products will be adversely affected.

Our success will depend in part on our ability to obtain and maintain protection for the intellectual property covering or incorporated into our technology and products. The patent situation in the field of medical devices involves complex legal and scientific questions. We rely upon patents, trade secret laws and confidentiality agreements to protect our technology and products. We may not be able to obtain patent rights relating to our technology or products and pending patent applications to which we have rights may not issue as patents or if issued, may not issue in a form that will be advantageous to us. Even if issued, any patents issued to us may be challenged, narrowed, invalidated, held to be unenforceable or circumvented. Changes in either patent laws or in interpretations of patent laws in the United States may diminish the value of our intellectual property or narrow the scope of our patent protection.

Trademark protection of our products may not provide us with a meaningful competitive advantage.

We use trademarks on our products and believe that having distinctive marks is an important factor in marketing them. Distinctive marks may also be important for any additional products that we successfully develop and commercially market. If we initiate legal proceedings to seek to protect our trademarks, the costs of these proceedings could be substantial and it is possible that our efforts could be unsuccessful.

Risks Related to Our Regulatory Environment

Recently enacted healthcare legislation reforming the U.S. healthcare system, as well as future reforms, may have a material adverse effect on our financial condition and results of operations.

In March 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act (collectively, "the PPACA"), was signed into law which makes changes that are expected to significantly impact the pharmaceutical and medical device industries. One of the principal aims of the PPACA as currently enacted is to expand health insurance coverage to approximately 32 million Americans who are currently uninsured. The consequences of these significant coverage expansions on the sales of our products are unknown and speculative at this point.

The PPACA contains a number of provisions designed to generate the revenues necessary to fund the coverage expansions among other things. This includes new fees or taxes on certain health-related industries, including medical device manufacturers. Beginning in 2013, medical device manufacturers were required to pay an excise tax (or sales tax) of 2.3% of certain U.S. medical device revenues. Under this provision, we have paid an excise tax of approximately \$29,000, which tax is reflected in our operating expenses. Though there are some exceptions to the excise tax, this excise tax applies to all or most of our products sold within the United States. The PPACA also establishes a new Patient-Centered Outcomes Research Institute to oversee and identify priorities in comparative clinical effectiveness research in an effort to coordinate and develop such research; implements payment system reforms including a national pilot program on payment bundling to encourage hospitals, physicians, and other providers to improve the coordination, quality, and efficiency of certain healthcare services through bundled payment models; and creates an independent payment advisory board that will submit recommendations to reduce Medicare spending if projected Medicare spending exceeds a specified growth rate.

The PPACA provisions on comparative clinical effectiveness research also extend the initiatives of the American Recovery and Reinvestment Act of 2009, known as the stimulus package, which included \$1.1 billion in funding to study the comparative effectiveness of health care treatments and strategies. This stimulus funding was designated for, among other things, conducting, supporting or reviewing research that compares and evaluates the risks and benefits, clinical outcomes, effectiveness and appropriateness of products. The PPACA appropriates additional funding to comparative clinical effectiveness research. Although Congress has indicated that this funding is intended to improve the quality of health care, it remains unclear how the research will impact current Medicare coverage and reimbursement or how new information will influence other third-party payor policies. The taxes imposed by the PPACA and the expansion in the government's role in the U.S. healthcare industry may result in decreased profits to us, lower reimbursement by payors using our products, and/or reduced medical procedure volumes, all of which may adversely affect our business, financial condition and results of operations.

In addition, other legislative changes have been proposed and adopted since the PPACA was enacted. On August 2, 2011, the Budget Control Act of 2011 was signed into law, which, among other things, creates the Joint Select Committee on Deficit Reduction to recommend proposals in spending reductions to Congress. The Joint Select Committee did not achieve a targeted deficit reduction of at least \$1.2 trillion for the years 2013 through 2021, triggering the legislation's automatic reduction to several government programs. This included aggregate reductions to Medicare payments to providers of up to 2% per fiscal year, which went into effect on April 1, 2013. On January 2, 2013, the American Taxpayer Relief Act of 2012 was signed into law, which, among other things, further reduced Medicare payments to several providers, including hospitals, imaging centers and cancer treatment centers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years.

We expect that additional state and federal health care reform measures may be adopted in the future, any of which could have a material adverse effect on our industry generally and our ability to successfully commercialize our products or could limit or eliminate our spending on certain development projects.

The U. S. government has in the past considered, is currently considering and may in the future consider healthcare policies and proposals intended to curb rising healthcare costs, including those that could significantly affect both private and public reimbursement for healthcare services. State and local governments, as well as a number of foreign governments, are also considering or have adopted similar types of policies. Future significant changes in the healthcare systems in the United States or elsewhere, and current uncertainty about whether and how changes may be implemented, could have a negative impact on the demand for our products. We are unable to predict whether other healthcare policies, including policies stemming from legislation or regulations affecting our business may be proposed or enacted in the future; what effect such policies would have on our business; or the effect ongoing uncertainty about these matters will have on the purchasing decisions of our customers.

We are subject to federal and state laws governing our business practices which, if violated, could result in substantial penalties. Additionally, challenges to or investigations of our practices could cause adverse publicity and be costly to respond to and could otherwise harm our business.

The Dodd-Frank Wall Street Reform and Consumer Protection Act requires us to track and disclose the source of certain metals used in manufacturing which may stem from minerals (so called "conflict minerals") which originate in the Democratic Republic of the Congo or adjoining regions. These metals include tantalum, tin, gold and tungsten. In most cases no acceptable alternative material exists which has the necessary properties. It is not possible to determine the source of the metals by analysis but instead a good faith description of the source of the intermediate components and raw materials must be obtained. The components which incorporate those metals may originate from many sources and we may purchase fabricated products from manufacturers who may have a long and difficult-to-trace supply chain. As the spot price of these materials varies, producers of the metal intermediates can be expected to change the mix of sources used, and components and assemblies which we buy may have a mix of sources as their origin. These metals are central to the technology industry, although we do not believe they are present in the component parts that we use in our CorPath System.

The Medicare and Medicaid anti-kickback laws, and several similar state laws that may apply to items or services reimbursed by any third-party payor, including commercial insurers, prohibit payments or other remuneration that could be considered to induce hospitals, physicians or other potential purchasers of our products either to refer patients or to purchase, lease or order, or arrange for or recommend the purchase, lease or order of healthcare products or services for which payment may be made under federal and state healthcare programs, such as Medicare and Medicaid. Further, the recently enacted PPACA, among other things, amends the intent requirement of the federal anti-kickback and criminal health care fraud statutes. A person or entity no longer needs to have actual knowledge of this statute or specific intent to violate it. In addition, the PPACA provides that the government or a whistleblower may assert that a claim (including items or services resulting from a violation of the federal anti-kickback statute) constitutes a false or fraudulent claim for purposes of the false claims statutes. These laws may affect our sales, marketing and other promotional activities by limiting the kinds of financial arrangements we may have with hospitals, physicians or other potential purchasers of our products. They particularly impact how we structure our sales offerings, including discount practices, customer support, education and training programs, physician consulting and other service arrangements. These laws are broadly written, and it is often difficult to determine precisely how these laws will be applied to specific circumstances. Violating anti-kickback laws can result in civil and criminal penalties, which can be substantial and include exclusion from government healthcare programs for noncompliance. Even an unsuccessful challenge or investigation into our practices could cause adverse publicity, and be costly to defend, and thus could harm our business and results of operations.

The PPACA also imposes new reporting and disclosure requirements on device manufacturers for any "transfer of value" made or distributed to prescribers and other healthcare providers. Such information must be made publicly available in a searchable format. In addition, device manufacturers will also be required to report and disclose any investment interests held by physicians and their immediate family members during the preceding calendar year. Failure to submit required information may result in civil monetary penalties of up to an aggregate of \$150,000 per year (and up to an aggregate of \$1 million per year for "knowing failures"), for all payments, transfers of value or ownership or investment interests not reported in an annual submission. Device manufacturers were required to begin collecting data on August 1, 2013 and were required to submit reports to CMS by March 31, 2014 and the 90th day of each subsequent calendar year. We submitted a report in a timely manner and believe that we are in compliance with this reporting requirement.

In addition, there has been a recent trend of increased federal and state regulation of payments made to physicians, including the tracking and reporting of gifts, compensation and other remuneration to physicians. Certain states mandate implementation of commercial compliance programs to ensure compliance with these laws, impose restrictions on device manufacturer marketing practices and/or require the tracking and reporting of gifts, compensation and other remuneration to physicians. The shifting commercial compliance environment and the need to build and maintain robust and expandable systems to comply with multiple jurisdictions with different compliance and/or reporting requirements increases the possibility that a healthcare company may be found out of compliance of one or more of the requirements, subjecting us to significant civil monetary penalties.

Compliance with complex foreign and U.S. laws and regulations that apply to our potential international operations increases our cost of doing business in international jurisdictions and could expose us or our employees to fines and penalties in the U.S. and/or abroad. These numerous and sometimes conflicting laws and regulations include U.S. laws such as the Foreign Corrupt Practices Act, and similar laws in foreign countries, such as the U.K. Bribery Act of 2010, which became effective on July 1, 2011. Violations of these laws and regulations could result in fines, criminal sanctions against us, our officers or our employees, prohibitions on the conduct of our business and damage to our reputation. Although we intend to implement policies and procedures designed to ensure compliance with these laws, there can be no assurance that our employees, contractors or agents will not violate our policies.

Our products are subject to a lengthy and uncertain domestic regulatory review process. If we do not obtain and maintain the necessary domestic regulatory authorizations, we will not be able to provide our products in the U.S.

Our products and operations are subject to extensive regulation in the U.S. by the FDA. The FDA regulates the development, bench and clinical testing, manufacturing, labeling, storage, record keeping, promotion, sales, distribution and post-market support and reporting of medical devices in the U.S. to ensure that medical products distributed domestically are safe and effective for their intended uses. In order for us to market certain products for use in the U.S., we generally must first obtain clearance from the FDA pursuant to Section 510(k) of the Federal Food Drug and Cosmetic Act ("FFDCA"). Clearance under Section 510(k) requires demonstration that a new device is substantially equivalent to another device with 510(k) clearance or grandfathered ("pre-amendment") status. If we significantly modify our products after they receive FDA clearance, or seek to market them for additional indications for use, the FDA may require us to submit a separate 510(k) or premarket approval application ("PMA") for the modified product before we are permitted to market the products in the U.S. In addition, if we develop products in the future that are not considered to be substantially equivalent to a device with 510(k) clearance or grandfathered status, we will be required to obtain FDA approval by submitting a PMA. The FDA may not act favorably or quickly in its review of our 510(k) or PMA submissions, or we may encounter significant difficulties and costs in our efforts to obtain FDA clearance or approval, all of which could delay or preclude sale of new products in the U.S. Furthermore, the FDA may request additional data or require us to conduct further testing, or compile more data, including clinical data and clinical studies, in support of a 510(k) submission. Regulatory policy affecting our products can change at any time. The changes and their impact on our business cannot be accurately predicted. For example, in 2011, the FDA announced a Plan of Action to modernize and improve the FDA's premarket review of medical devices, and has implemented, and continues to implement, reforms intended to streamline the premarket review process. In addition, as part of the Food and Drug Administration Safety and Innovation Act of 2012, Congress enacted several reforms entitled the Medical Device Regulatory Improvements and additional miscellaneous provisions which will further affect medical device regulation both pre- and post-approval. Changes in the FDA 510(k) process could make approval more difficult to obtain, increase delay, add uncertainty and have other significant adverse effects on our ability to obtain and maintain approval for our products. The FDA may also, instead of accepting a 510(k) submission, require us to submit a PMA, which is typically a much more complex, lengthy and burdensome application than a 510(k). To support a PMA, the FDA would likely require that we conduct one or more clinical studies to demonstrate that the device is safe and effective. In some cases such studies may be requested for a 510(k) as well. We may not be able to meet the requirements to obtain 510(k) clearance or PMA approval, in which case the FDA may not grant any necessary clearances or approvals. In addition, the FDA may place significant limitations upon the intended use of our products as a condition to a 510(k) clearance or PMA approval. Product applications can also be denied or withdrawn due to failure to comply with regulatory requirements or the occurrence of unforeseen problems following clearance or approval. Any delays or failure to obtain FDA clearance or approvals of new products we develop, any limitations imposed by the FDA on new product use, or the costs of obtaining FDA clearance or approvals could have a material adverse effect on our business, financial condition and results of operations.

In order to conduct a clinical investigation involving human subjects for the purpose of demonstrating the safety and effectiveness of a medical device, a company must, among other things, apply for and obtain Institutional Review Board ("IRB") approval of the proposed investigation. In addition, if the clinical study involves a "significant risk" (as defined by the FDA) to human health, the sponsor of the investigation must also submit and obtain FDA approval of an Investigational Device Exemption ("IDE") application. Our products to date have been or would be considered significant risk devices requiring IDE approval prior to investigational use. We may not be able to obtain FDA and/or IRB approval to undertake clinical trials in the U.S. for any new devices we intend to market in the U.S. in the future. If we obtain such approvals, we may not be able to conduct studies which comply with the IDE and other regulations governing clinical investigations or the data from any such trials may not support clearance or approval of the investigational device. Failure to obtain such approvals or to comply with such regulations could have a material adverse effect on our business, financial condition and results of operations. Certainty that clinical trials will meet desired endpoints, produce meaningful or useful data and be free of unexpected adverse effects, or that the FDA will accept the validity of foreign clinical study data cannot be assured, and such uncertainty could preclude or delay market clearance or authorizations resulting in significant financial costs and reduced revenue.

We may incur substantial product liability or indemnification claims relating to the clinical testing of our CorPath System.

We face an inherent risk of product liability exposure related to the testing of our CorPath System in human clinical trials, and claims could be brought against us if use or misuse of our CorPath System causes, or merely appears to have caused, personal injury or death. Because our CorPath System is designed to be used in complex surgical procedures, defects could result in a number of complications, including serious personal injury or death. While we have and intend to maintain product liability insurance relating to our clinical trials, our coverage may not be sufficient to cover claims that may be made against us and we may be unable to maintain such insurance. Additionally, we have entered into various agreements where we indemnify third parties for certain claims relating to our product candidates. These indemnification obligations may require us to pay significant sums of money for claims that are covered by these indemnification obligations. Any claims against us, regardless of their merit, could have a material adverse effect on our business, financial condition, results of operations and reputation.

If we are found to have violated laws protecting the confidentiality of patient health information, we could be subject to civil or criminal penalties, which could increase our liabilities and harm our reputation or our business.

There are a number of federal and state laws in the United States protecting the confidentiality of certain patient health information, including patient records, and restricting the use and disclosure of that protected information. In particular, the U.S. Department of Health and Human Services promulgated patient privacy rules under the Health Insurance Portability and Accountability Act of 1996, or HIPAA. These privacy rules protect medical records and other personal health information by limiting their use and disclosure, giving individuals the right to access, amend and seek accounting of their own health information and limiting most use and disclosures of health information to the minimum amount reasonably necessary to accomplish the intended purpose of the use or disclosure. If we are found to be in violation of the privacy rules under HIPAA (or other applicable federal or state laws), we could be subject to civil or criminal penalties, which could increase our liabilities, harm our reputation and have a material adverse effect on our business, financial condition and results of operations.

Complying with FDA regulations is a complex process, and our failure to comply fully could subject us to significant enforcement actions.

Because our products are commercially distributed, numerous quality and post-market regulatory requirements apply, including the following:

- continued compliance to the QSR, which requires manufacturers to follow elaborate design, testing, control, documentation and other quality assurance procedures during the development and manufacturing process,
- labeling regulations,
- the FDA's general prohibition against false or misleading statements in the labeling or promotion of products for unapproved uses,
- stringent complaint reporting and Medical Device Reporting regulations, which requires that manufacturers keep detailed records of investigations or complaints against their devices and to 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,
- adequate use of the Corrective and Preventive Actions process to identify and correct or prevent significant systemic failures of products or processes or in trends which suggest same, and
- the reporting of Corrections and Removals, which requires that manufacturers report to the FDA recalls and field corrective actions taken to reduce a risk to health or to remedy a violation of the FFDCA that may pose a risk to health.

We are subject to inspection and marketing surveillance by the FDA to determine our compliance with regulatory requirements. If the FDA finds that we have failed to comply, it can institute a wide variety of regulatory or enforcement actions, ranging from inspectional observations (Form FDA 483) to a public Warning Letter to more severe civil and criminal sanctions including the seizure of our products and equipment or ban on the import or export of our products. Our failure to comply with applicable requirements could lead to an enforcement action that may have an adverse effect on our financial condition and results of operations.

Any modification or change of medical devices cleared for market requires the manufacturer to make a determination whether the change is significant enough to require new 510(k) clearance. We have created labeling, advertising and user training for our CorPath System to describe specific procedures that we believe are fully within the scope of our existing 510(k) indications for use stated in our 510(k) clearances. Although we have relied on expert in-house and external staff, consultants and advisors, we cannot assure that the FDA would agree that all such specific procedures are within the scope of the existing general clearance or that we have compiled adequate information to support the safety and efficacy of using the CorPath System for all such specific procedures.

If our manufacturing facilities do not continue to meet federal, state or other manufacturing standards, we may be required to temporarily cease all or part of our manufacturing operations, distribution of our products and/or recall our products which would result in significant product delivery delays and lost revenue.

Our manufacturing facilities are subject to periodic inspection by regulatory authorities and our operations will continue to be regulated and inspected by the FDA and other regulatory agencies for compliance with Good Manufacturing Practice requirements contained in the QSR and other regulatory requirements. For any CorPath Systems shipped internationally, we are also required to comply with International Organization for Standardization ("ISO") quality system standards as well as European Directives and norms in order to produce products for sale in the European Union. In addition, many countries such as Canada and Japan have very specific additional regulatory requirements for quality assurance and manufacturing. If we fail to continue to comply with Good Manufacturing Practice requirements, as well as ISO or other regulatory standards, we may be required to cease all or part of our operations until we comply with these regulations.

Risks Related to our Common Stock

There is not now, and there may never be, an active market for our Common Stock and we cannot assure you that the Common Stock will become liquid or that it will be listed on a securities exchange.

There currently is no liquid market for our Common Stock. An investor may find it difficult to obtain accurate quotations as to the market value of the Common Stock and trading of our Common Stock may be extremely sporadic. For example, several days may pass before any shares may be traded. A more active market for the Common Stock may never develop. In addition, if we failed to meet the criteria set forth in SEC regulations, various requirements would be imposed by law on broker-dealers who sell our securities to persons other than established customers and accredited investors. Consequently, such regulations may deter broker-dealers from recommending or selling the Common Stock, which may further affect its liquidity. This would also make it more difficult for us to raise additional capital.

FINRA sales practice requirements may limit a stockholder's ability to buy and sell our stock.

The Financial Industry Regulatory Authority ("FINRA") has adopted rules that relate to the application of the Commission's penny stock rules in trading our securities and require that a broker/dealer have reasonable grounds for believing that the investment is suitable for that customer, prior to recommending the investment. Prior to recommending speculative, low priced securities to their non-institutional customers, broker/dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative, low priced securities will not be suitable for at least some customers. FINRA requirements make it more difficult for broker/dealers to recommend that their customers buy our Common Stock which may have the effect of reducing the level of trading activity and liquidity of our Common Stock. Further, many brokers charge higher transactional fees for penny stock transactions. As a result, fewer broker/dealers may be willing to make a market in our Common Stock thereby reducing a shareholder's ability to resell shares of our Common Stock.

If we fail to comply with the rules under the Sarbanes-Oxley Act related to accounting controls and procedures or if material weaknesses or other deficiencies are discovered in our internal accounting procedures, our stock price could decline significantly.

Section 404 of the Sarbanes-Oxley Act requires annual management assessments of the effectiveness of our internal controls over financial reporting and a report by our independent auditors addressing these assessments. We are in the process of documenting and testing our internal control procedures, and we may identify material weaknesses in our internal control over financial reporting and other deficiencies. If material weaknesses and deficiencies are detected, it could cause investors to lose confidence in our Company and result in a decline in our stock price and consequently affect our financial condition. In addition, if we fail to achieve and maintain the adequacy of our internal controls, we may not be able to ensure that we can conclude on an ongoing basis that we have effective internal controls over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act. Moreover, effective internal controls, particularly those related to revenue recognition, are necessary for us to produce reliable financial reports and are important to helping prevent financial fraud. If we cannot provide reliable financial reports or prevent fraud, our business and operating results could be harmed, investors could lose confidence in our reported financial information, and the trading price of our Common Stock could drop significantly. In addition, we cannot be certain that additional material weaknesses or significant deficiencies in our internal controls will not be discovered in the future.

Any failure to develop or maintain effective internal control over financial reporting or difficulties encountered in implementing or improving our internal control over financial reporting could harm our operating results and prevent us from meeting our reporting obligations. Ineffective internal controls also could cause our stockholders and potential investors to lose confidence in our reported financial information, which would likely have a negative effect on the trading price of our Common Stock. In addition, investors relying upon this misinformation could make an uninformed investment decision, and we could be subject to sanctions or investigations by the Commission or other regulatory authorities or to stockholder class action securities litigation.

We intend to issue more shares to raise capital, which will result in substantial dilution.

Our Articles of Incorporation, as amended, authorize the issuance of a maximum of 250,000,000 shares of Common Stock and 10,000,000 shares of preferred stock. Any additional financings effected by us may result in the issuance of additional securities without shareholder approval and the substantial dilution in the percentage of Common Stock held by our then existing stockholders. Moreover, the Common Stock issued in any such transaction may be valued on an arbitrary or non-arm's-length basis by our management, resulting in an additional reduction in the percentage of Common Stock held by our current shareholders. Our board of directors has the power to issue any or all of such authorized but unissued shares without shareholder approval. To the extent that additional shares of Common Stock or preferred stock are issued in connection with a financing, dilution to the interests of our shareholders will occur and the rights of the holder of Common Stock might be materially and adversely affected.

Our Board of Directors may issue and fix the terms of shares of our Preferred Stock without stockholder approval, which could adversely affect the voting power of holders of our Common Stock or any change in control of our Company.

Our Articles of Incorporation, once amended pursuant to the terms of the Acquisition Agreement, will authorize the issuance of up to 10,000,000 shares of preferred stock, \$0.0001 par value per share (the "Preferred Stock"), with such designation rights and preferences as may be determined from time to time by the Board of Directors. Our Board of Directors is empowered, without shareholder approval, to issue shares of Preferred Stock with dividend, liquidation, conversion, voting or other rights which could adversely affect the voting power or other rights of the holders of our Common Stock. In the event of such issuances, the Preferred Stock could be used, under certain circumstances, as a method of discouraging, delaying or preventing a change in control of our Company.

Our shares are currently considered "penny stocks" which imposes additional sales practice requirements on broker/dealers; as such many broker/dealers may not want to make a market in our shares which could affect your ability to sell your shares in the future.

Our shares are considered "penny stocks" covered by section 15(g) of the Exchange Act, and Rules 15g-1 through 15g-6 promulgated thereunder, which imposes additional sales practice requirements on broker/dealers who sell our securities to persons other than established customers and accredited investors (generally institutions with assets in excess of \$5,000,000 or individuals with net worth in excess of \$1,000,000 or annual income exceeding \$200,000 or \$300,000 jointly with their spouses). Since our shares are covered by section 15(g) of the Securities Exchange Act of 1934, many broker/dealers may not want to make a market in our shares or conduct any transactions in our shares. As such, your ability to dispose of your shares may be adversely affected.

Future sales by our stockholders may negatively affect our stock price and our ability to raise funds in new stock offerings.

Sales of our Common Stock in the public market could lower the market price of our Common Stock. Sales may also make it more difficult for us to sell equity securities or equity-related securities in the future at a time and price that our management deems acceptable or at all. Of the 95,216,587 shares of Common Stock issued and outstanding after the Closing of the Acquisition, approximately 21,000,000 shares are freely tradable without restriction by stockholders who are not our affiliates. We issued an aggregate of 73,360,287 shares of Common Stock to the former Corindus Shareholders pursuant to an exemption from the registration requirements of the 1933 Act, and such shares are "restricted securities" as defined in Rule 144. In addition to being subject to restrictions on transfer imposed under federal securities laws, each holder of the newly issued shares entered into a lock-up agreement, which among other things, restricts the sale or transfer of these shares for specified periods. Our affiliates hold 74,594,961 shares, all of which shares may be resold in the public market only when released from the provisions of a lock-up agreement, when and if registered pursuant to an exemption from registration, or pursuant to the applicable requirements of Rule 144 of the Securities Act of 1933. Although we have no current plans to do so, we may waive the restrictions on transfer under these lock-up agreements in the future. When the shares covered under the lock-up agreements become available for resale, sales of a substantial number of shares of our Common Stock in the public market, or the perception that these sales could occur, could materially adversely affect the market price of our Common Stock.

Insiders have substantial control over the outstanding shares of the Company's Common Stock and could delay or prevent a change in corporate control, including a transaction in which the combined Company's stockholders could sell or exchange their shares for a premium.

Our directors and executive officers beneficially own an aggregate of approximately 57% of our outstanding shares of Common Stock. As a result, our directors and executive officers, if acting together, have the ability to affect the outcome of matters submitted to stockholders for approval, including the election and removal of directors and any merger, consolidation or sale of all or substantially all of our assets. In addition, these persons acting together will have the ability to control our management and affairs. Accordingly, this concentration of ownership may harm the value of our Common Stock by:

- delaying, deferring or preventing a change in control,
- impeding a merger, consolidation, takeover or other business combination, or
- discouraging a potential acquirer from making an acquisition proposal or otherwise attempting to obtain control.

We do not expect to pay dividends and investors should not buy our Common Stock expecting to receive dividends.

We do not anticipate that we will declare or pay any dividends in the foreseeable future. Consequently, you will only realize an economic gain on your investment in our Common Stock if the price appreciates. You should not purchase our Common Stock expecting to receive cash dividends. Since we do not pay dividends, and if we are not successful in establishing an orderly trading market for our shares, then you may not have any manner to liquidate or receive any payment on your investment. Therefore our failure to pay dividends may cause you to not see any return on your investment even if we are successful in our business operations. In addition, because we do not pay dividends we may have trouble raising additional funds which could affect our ability to expand our business operations.

Securities analysts may not cover our Common Stock and this may have a negative impact on our Common Stock's market price.

The future trading market for our Common Stock may depend on the research and reports that securities analysts publish about us or our business. We do not have any control over these analysts. We may face additional risks since we became a public company through an acquisition which, for accounting purposes, was treated as a reverse merger. There is no guarantee that securities analysts will cover our Common Stock and there may be little incentive to brokerage firms to recommend the purchase of our Common Stock. If securities analysts do not cover our Common Stock, the lack of research coverage may adversely affect our Common Stock's market price, if any. If we are covered by securities analysts who downgrade our stock, our stock price would likely decline. If one or more of these analysts ceases to cover us or fails to publish regularly reports on us, we could lose visibility in the financial markets, which could cause our stock price or trading volume to decline.

We are likely to raise additional funds, finance acquisitions or develop strategic relationships by issuing capital stock.

We have financed our operations, and we expect to continue to finance our operations, make acquisitions and develop strategic relationships by issuing equity or convertible debt securities which could significantly reduce the percentage ownership of our existing stockholders. Furthermore, any newly issued securities could have rights, preferences and privileges senior to those of our existing Common Stock. Moreover, any issuances by us of equity securities may be at or below the prevailing market price of our Common Stock and in any event may have a dilutive impact on your ownership interest, which could cause the market price of our Common Stock to decline. We may also raise additional funds through the incurrence of debt, and the holders of any debt we may issue would have rights superior to your rights in the event we are not successful and are forced to seek the protection of the bankruptcy laws.

A significant business or product announcement by us or our competitors may cause fluctuations in our stock price.

The market price of our Common Stock may be subject to substantial volatility as a result of announcements by us or other companies in our industry. Announcements that may subject the price of our Common Stock to substantial volatility include announcements regarding:

- our operating results, including the amount and timing of sales of our products,
- the availability and timely delivery of our products,
- the acquisition of technologies or products by us or our competitors,
- the development of new technologies or products by us or our competitors,
- regulatory actions with respect to our products or those of our competitors, and
- significant acquisitions, strategic partnerships, joint ventures or capital commitments by us or our competitors.

The lack of substantial public company experience of our management team could adversely impact our ability to comply with the reporting requirements of U.S. securities laws.

Our management team has limited experience in working with public companies which could impair our ability to comply with legal and regulatory requirements such as those imposed by Sarbanes-Oxley Act of 2002. Such responsibilities include complying with federal securities laws and making required disclosures on a timely basis. Our senior management may not be able to implement programs and policies in an effective and timely manner that adequately respond to such increased legal, regulatory compliance and reporting requirements, including the establishing and maintaining internal controls over financial reporting. Any such deficiencies, weaknesses or lack of compliance could have a materially adverse effect on our ability to comply with the reporting requirements of the Securities Exchange Act of 1934 which is necessary to maintain our public company status. If we were to fail to fulfill those obligations, our ability to continue as a public company would be in jeopardy in which event you could lose your entire investment in our Company.

Our operating results are likely to fluctuate from period to period.

We anticipate that there may be fluctuations in our future operating results. Potential causes of future fluctuations in our operating results may include:

- period-to-period fluctuations in financial results,
- issues in manufacturing products,
- unanticipated potential product liability claims,
- the introduction of technological innovations by competitors,
- the entry into, or termination of, key agreements, including key strategic alliance agreements,
- the initiation of litigation to enforce or defend any of our intellectual property rights,
- the loss of key employees,
- regulatory changes,
- failure of our products to achieve commercial success,
- general and industry-specific economic conditions that may affect research and development expenditures,
- future sales of our Common Stock, and
- changes in the structure of healthcare payment systems resulting from proposed healthcare legislation or otherwise.

Moreover, stock markets in general have experienced substantial volatility that has often been unrelated to the operating performance of individual companies. These broad market fluctuations may also adversely affect the trading price of our Common Stock.

Our stock price may be subject to fluctuation which may cause an investment in our Common Stock to suffer a decline in value.

The market price of our Common Stock is currently undeveloped. Once a market is developed, our stock prices may fluctuate significantly in response to factors that are beyond our control. The stock market in general has recently experienced extreme price and volume fluctuations. The market prices of securities of medical device companies have been extremely volatile and have experienced fluctuations that often have been unrelated or disproportionate to the operating performance of these companies. These broad market fluctuations could result in extreme fluctuations in the price of our Common Stock which could cause a decline in the value of our Common Stock.

In the past, following periods of volatility in the market price of a company's securities, stockholders have often instituted class action securities litigation against those companies. Such litigation, if instituted, could result in substantial costs and diversion of management attention and resources, which could significantly harm our financial condition, results of operations and reputation.

Our management will be devoting substantial time to comply with public company regulations.

As a public company, we will be subject to certain rules and regulations. In particular, the Sarbanes-Oxley Act and rules subsequently implemented by the Commission impose various requirements on public companies with respect to corporate governance practices. The Sarbanes-Oxley Act requires, among other things, that our management maintain adequate disclosure controls and procedures and internal control over financial reporting. In particular, we must perform system and process evaluation and testing of our internal control over financial reporting to allow management and, as applicable, our independent registered public accounting firm to report on the effectiveness of our internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act. Our compliance with the foregoing will require us to expend significant management efforts.

We may incur significant costs to be a public company to ensure compliance with corporate governance and accounting requirements and insure our officers and directors and we may not be able to absorb such costs.

We may incur significant costs associated with our public company reporting requirements, costs associated with applicable corporate governance and accounting requirements, including requirements under the Sarbanes-Oxley Act and other rules implemented by the Commission. We expect all of these applicable rules and regulations to significantly increase our legal and financial compliance costs and to make some activities more time consuming and costly. We also expect that these applicable rules and regulations may make it more difficult and more expensive for us to obtain director and officer liability insurance and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified individuals to serve on our board of directors or as executive officers. We are currently evaluating and monitoring developments with respect to these newly applicable rules, and we cannot predict or estimate the amount of additional costs we may incur or the timing of such costs.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following table presents selected historical consolidated financial data of our subsidiary, Corindus. The selected financial data of Corindus for the years ended December 31, 2012 and 2013, and as of December 31, 2012 and 2013, are derived from Corindus' audited financial statements and related notes contained in this Report, audited by Ernst & Young, LLP, independent registered public accountings firm. The selected financial data of Corindus for the three months ended March 31, 2013 and 2014, and as of March 31, 2014, are derived from Corindus' unaudited financial statements and related notes contained in this Report.

The following selected unaudited pro forma condensed combined financial data as of and for the year ended December 31, 2013, as well as three months ended March 31, 2014, gives effect to the proposed acquisition of Corindus by Your Internet Defender Inc. (the "Company") which will be accounted for as a "reverse merger" under the acquisition method of accounting for business combinations with Corindus treated as the accounting acquirer.

For financial reporting purposes, the Acquisition is being accounted for as a reverse-merger under the acquisition method of accounting for business combinations with Corindus as the acquirer and the Company (Your Internet Defender) as the acquired company. Consequently, the assets and liabilities and the operations that will be reflected in the historical financial statements prior to the Acquisition will be those of Corindus and will be recorded at the historical cost basis of Corindus, and the consolidated financial statements after completion of the Acquisition will include the assets and liabilities of the Company and Corindus, and the historical operations of Corindus and operations of the combined company from the closing date of the Acquisition.

Corindus was determined to be the accounting acquirer based upon the terms of the Acquisition and other factors, such as relative voting rights and the composition of the combined company's board and senior management. The selected unaudited pro forma condensed combined financial data presented below is based on, and should be read in conjunction with, the historical financial statements of the Company which can be found on its website, the unaudited pro forma condensed combined financial statements that appear elsewhere in this Report, including the footnotes thereto, and the historical financial statements of the Company, that appear elsewhere in this Report. See the sections entitled, "Where You Can Find More Information" and "Unaudited Pro Forma Condensed Combined Financial Statements," for additional information.

The selected unaudited pro forma condensed combined financial data is presented for illustrative purposes only and is not necessarily indicative of the actual or future financial position or results of operations that would have been realized if the Acquisition had been completed as of the dates indicated in the unaudited pro forma condensed combined financial statements or that will be realized following the Acquisition.

	Year Ended December 31,			Three Months Ended March 31,		
	Historical Consolidated		Pro forma Consolidated	Historical Consolidated		Pro forma Consolidated
	2012	2013	2013	2013	2014	2014

Statement of Operations

Data (In thousands, except share and per share amounts)

Revenue	\$ 202	\$ 896	\$ 896	\$ 430	\$ 730	\$ 730
Gross loss	(631)	(1,534)	(1,534)	(655)	(653)	(653)
Operating loss	(9,305)	(14,548)	(14,898)	(3,023)	(5,602)	(5,702)
Net loss and comprehensive loss	(9,691)	(14,691)	(14,870)	(3,086)	(3,834)	(5,699)
Net loss attributable to common stockholders	\$ (10,232)	\$ (15,284)	\$ (14,870)	\$ (3,229)	\$ (3,990)	\$ (5,699)
Net loss per share attributable to common stockholders—basic and diluted	\$ (83.41)	\$ (124.60)	\$ (0.16)	\$ (26.32)	\$ (32.53)	\$ (0.06)

	As of December 31,		As of March 31,	
	Historical Consolidated		Pro forma Consolidated	
	2012	2013	2014	2014

Balance Sheet Data (In thousands)

Cash and cash equivalents	\$ 25,536	\$ 9,845	\$ 5,715	\$ 7,712
Working capital	25,858	11,387	5,881	7,878
Total assets	28,705	14,768	10,591	12,588
Redeemable convertible preferred stock	69,799	70,382	70,538	—
Accumulated deficit	(45,645)	(60,343)	(64,249)	(64,249)
Corindus stockholders' equity (deficit)	\$ (45,387)	\$ (60,342)	\$ (64,248)	\$ 9,674

	Year Ended December 31,		Three Months Ended March 31,	
	2012	2013	2013	2014
	2012	2013	2013	2014

Cash Flow Data (In thousands)

Net cash used in operating activities	\$ (9,767)	\$ (15,303)	\$ (2,480)	\$ (4,109)
Net cash used in investing activities	(613)	(378)	(256)	(21)
Net cash provided by (used in) financing activities	\$ 33,415	\$ (10)	\$ (10)	\$ —

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

You should read the following discussion of our financial condition and results of operations in conjunction with "Selected Consolidated Financial information" and the historical financial statements and related notes, all included elsewhere in this Report. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. You should read "Risk factors" for a discussion of important factors that could cause or contribute to these differences. Historical financial information presented for the years ended December 31, 2012 and December 31, 2013, and the three months ended March 31, 2014, is that of Corindus.

OVERVIEW

On August 12, 2014, the Closing Date of the Acquisition Agreement, the Company acquired 100% of Corindus in exchange for the issuance of shares of the Company's Common Stock. Upon consummation of the Acquisition Agreement, Corindus and Corindus Security Corporation are wholly-owned subsidiaries of the Company. The sole business of the Company is the business of Corindus.

The separate financial statements of the Company and the Management's Discussion and Analysis and Plan of Operation with respect to the Company financial statements are contained in the Quarterly Report on Form 10-Q filed with the Commission on July 18, 2014, which filing, financial statements and exhibits are incorporated herein by reference.

Our management's discussion and analysis below is based on the financial results of Corindus. The following discussion and analysis provides information which Corindus believes to be relevant to an assessment and understanding of its results of operations and financial condition.

Our Company's primary business is that of our subsidiary, Corindus. Corindus is a global technology leader in robotic-assisted vascular interventions. Its CorPath System brings the precision and accuracy of robotic technology to PCI procedures performed in an interventional cath lab and is the first robotic system that offers interventional cardiologists precise procedure and stent control during vascular interventions. The CorPath System is intended for use in the remote delivery and manipulation of coronary guidewires and rapid exchange balloon/stent catheters during PCI procedures.

In July 2012, Corindus received 510(k) clearance for the CorPath System and initiated a limited commercial launch in the United States. While Corindus is initially targeting PCI procedures, its open technology platform has the capability of being developed for addressing all segments of the vascular market, including peripheral, carotid, neuro and other more complex cardiac interventions such as structural heart. Corindus is committed to improving patient care by empowering interventionalists with precise, cost-effective, robotic-assisted control of vascular devices in a less hazardous work environment.

This section refers to Corindus. The following discussion and analysis provides information which Corindus believes to be relevant to an assessment and understanding of its results of operations and financial condition. This discussion should be read together with Corindus' financial statements and the notes to the financial statements for the years ended December 31, 2012 and 2013, and three months ended March 31, 2014 and 2013, which are included as exhibits hereto and are incorporated herein by reference. The reported results will not necessarily reflect future results of operations or financial condition.

Critical Accounting Policies

Our discussion and analysis of our financial condition and results of operations are based on our financial statements, which have been prepared in accordance with United States generally accepted accounting principles, or GAAP. The preparation of these financial statements requires us to make estimates and judgments 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 periods. On an ongoing basis, we evaluate our estimates and judgments, including those related to revenue recognition, income taxes, stock-based compensation, inventories and warrant revaluation. We base our estimates on historical experience, known trends and events and various other factors that are believed to be reasonable under the circumstances, the results of which form 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 several accounting policies are important to understanding our historical and future performance. We refer to these policies as "critical" because these specific areas generally require us to make judgments and estimates about matters that are uncertain at the time we make the estimate, and different estimates—which also would have been reasonable—could have been used, which would have resulted in different financial results. We believe the following critical accounting policies affect our more significant judgments and estimates used in the preparation of our financial statements. It is important that the discussion of our operating results that follows be read in conjunction with the critical accounting policies discussed below.

Revenue Recognition

Revenue related to the sale of our products is recognized when persuasive evidence of an arrangement exists, the price to the buyer is fixed or determinable, collectability is reasonably assured, and risk of loss transfers, usually when products are shipped and/or installed and accepted. Our products are sold to our customers with no rights of return.

Corindus sells its CorPath 200 System directly and through distributors and is responsible for installation and training. Corindus considers all the elements of the sale of the system, including installation and training, to be a single unit of accounting in accordance with ASC 605, *Revenue Recognition*. Revenue is recognized for the entire arrangement (system, installation and training) upon acceptance by the end-user customer. Advanced training modules may potentially be purchased by customers and revenue may be recognized separately from the CorPath System.

In certain instances, the Company may sell products together with service contracts. The Company recognizes revenue on such multiple-element arrangements in accordance with Accounting Standards Update (ASU) 2009-13, *Revenue Recognition (Topic 605): Multiple Deliverable Revenue Arrangements*, based on the estimated selling price of each element. In accordance with ASU 2009-13, the Company uses vendor-specific objective evidence (VSOE), if available, to determine the selling price of each element. If VSOE is not available, the Company uses third-party evidence (TPE) to determine the selling price. If TPE is not available, the Company uses its best estimate to develop the estimated selling price.

Corindus sells components and accessories directly to end use customers. The revenue from the sale of these products is recorded when the items are shipped.

Income Taxes

Corindus accounts for income taxes using the liability method, whereby deferred tax asset and liability account balances are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates that will be in effect when the differences are expected to reverse. Corindus has provided a valuation allowance to reduce deferred tax assets to amounts that are realizable based on its uncertainty of future taxable income.

Corindus accounts for uncertain tax positions using a "more-likely-than-not" threshold for recognizing and resolving uncertain tax positions. The evaluation of uncertain tax positions is based on factors including, but not limited to, changes in tax law, the measurement of tax positions taken or expected to be taken in tax returns, the effective settlement of matters subject to audit, new audit activity and changes in facts or circumstances related to a tax position. Corindus has not had an uncertain tax position to date.

Stock-Based Compensation

Corindus recognizes compensation costs resulting from the issuance of stock-based awards to employees as an expense in the consolidated statement of operations over the requisite service period based on a measurement of fair value for each stock award. Compensation costs associated with stock-based awards to non-employees are measured at fair value on the date of grant and re-measured at the fair value on the date the awards vest and for those awards that have not vested at the end of each reporting period. Corindus uses the Black-Scholes-Merton Option Pricing Model ("Black-Scholes Model") to determine the fair value of the awards.

The fair value of the Common Stock has been determined by the Board of Directors after considering a broad range of factors, including the results obtained from an independent third-party valuation, the illiquid nature of an investment in Corindus' Common Stock, Corindus' historical financial performance and financial position, Corindus' future prospects and opportunity for liquidity events, and recent sale and offer prices of common and preferred stock in private transactions negotiated at arm's length. Corindus uses the Black-Scholes Model to determine the fair value of the awards.

Inventories

Inventories are valued at the lower of cost or market using the first-in, first-out (FIFO) method. Given the early stage of commercialization of Corindus' CorPath 200 System, Corindus routinely monitors the recoverability of its inventory and records lower of cost or market reserves, or reserves for excess and obsolete inventory, as required.

Warrant Revaluation

Warrants to purchase shares of Corindus' redeemable convertible preferred stock meet the criteria for treatment as a liability and are required to be re-measured for their fair value at each reporting period. Corindus classifies warrants within stockholders' equity on the consolidated balance sheets if the warrants are considered to be indexed to Corindus' own stock, and otherwise would be recorded in stockholders' equity.

The following is a description of what comprises each of our significant statement of operations captions:

Revenues

We generate our revenues primarily from the sale of the CorPath 200 System, cassettes, accessories, and service contracts.

Cost of Revenue

Cost of revenue represents the cost of materials for the CorPath 200 System, cassettes and accessories, service labor and labor and overhead of production facilities.

Research and Development

Research and development expenses consist primarily of salaries for our research and development employees, an allocation of certain operating costs related to research and development as well as third party contractor costs.

General and Administrative

Our general and administrative expenses consist primarily of salaries for our executives and our finance, legal, human resources and other administrative employees. In addition, general and administrative expenses include outside consulting, legal and accounting services, and facilities and other supporting overhead costs.

Sales and Marketing

Our sales and marketing costs consist primarily of salaries of our marketing personnel, salaries and commissions of our internal sales force, expenses paid to sales and marketing contractors or marketing program costs.

Restructuring Charges

Restructuring charges consist of a reduction in general workforce as a result of a cost control initiative while we pursued new financing alternatives.

Other Income (Expense)

Other income (expense) primarily represents changes in the warrant revaluation driven by changes in fair value of the underlying redeemable convertible preferred stock into which the warrants are exercisable.

Discussion of Three Months Ended March 31, 2013 compared to Three Months Ended March 31, 2014

(In thousands)	Three Months Ended March 31,	
	2013	2014
	(unaudited)	
Revenue	\$ 430	\$ 730
Cost of revenue	1,085	1,383
Gross loss	(655)	(653)
Operating expenses:		
Research and development	773	2,046
General and administrative	582	870
Sales and marketing	1,013	1,940
Restructuring charges	—	93
Total operating expenses	2,368	4,949
Operating loss	(3,023)	(5,602)
Other income (expenses):		
Warrant revaluation	(71)	1,765
Interest and other income	8	3
Total other expenses, net	(63)	1,768
Net loss and comprehensive loss	\$ (3,086)	\$ (3,834)
Net loss attributable to common stockholders	\$ (3,229)	\$ (3,990)

Revenue : Revenue increased from approximately \$0.4 million for the three months ended March 31, 2013 to approximately \$0.7 million for the three months ended March 31, 2014 due to an increase in average sales price and increased sales of cassettes and accessories to end users.

Cost of Revenue: Cost of revenue increased from approximately \$1.1 million for the three months ended March 31, 2013 to approximately \$1.4 million for the three months ended March 31, 2014. Cost of revenue represents the cost of materials for the CorPath 200 System, cassettes, and accessories as well as labor and overhead of its production facility.

Gross Loss: Gross loss remained relatively consistent at approximately \$0.7 million for the three months ended March 31, 2013 and March 31, 2014. Corindus has not generated enough sales volume of the CorPath 200 System and related consumables to meet its costs of labor and overhead of its production facility and therefore has generated a gross loss on the sale of its products. We expect our gross loss to continue to fluctuate due to the timing and volume of product shipments and the related levels of utilized or underutilized production capacity.

Research and Development : Research and development expense increased from approximately \$0.8 million for the three months ended March 31, 2013 to approximately \$2.0 million for the three months ended March 31, 2014 as Corindus invested in the development for the next generation CorPath 200 Systems through a combination of hiring additional employees and outsourcing contractor services. Additionally, Corindus increased spending related to ongoing clinical trial activities.

General and Administrative : General and administrative expense increased from approximately \$0.6 million for the three months ended March 31, 2013 to approximately \$0.9 million for the three months ended March 31, 2014. The \$0.3 million increase is due primarily to legal expense associated with a borrowing arrangement that was not completed. Corindus expects to incur incremental costs of approximately \$1.0 million annually for the cost of operating as a public registrant.

Sales and Marketing: Sales and marketing expense increased from approximately \$1.0 million for the three months ended March 31, 2013 to approximately \$1.9 million for the three months ended March 31, 2014 due to the expansion of its internal direct sales force by the addition of new sales and marketing personnel and increased marketing and advertising costs.

Restructuring Charge: Corindus recorded a restructuring charge for the three months ended March 31, 2014 of approximately \$0.1 million due to a reduction in its general workforce as a result of a cost control initiative while we pursued new financing alternatives.

Other Income (Expense): Other income increased from a net expense of \$0.1 million for the three months ended March 31, 2013 to approximately \$1.8 million of other income due to a warrant revaluation of approximately \$1.8 million which was driven by the decrease in fair value of the underlying redeemable convertible preferred stock into which the warrants are exercisable.

Income Taxes : Corindus has not recorded any benefit related to its operating losses due to uncertainty about its future taxable income.

Net Loss and Comprehensive Loss: The net loss and comprehensive loss of Corindus increased from approximately \$3.1 million for the three months ended March 31, 2013 to approximately \$3.8 million for the three months ended March 31, 2014 due to the factors noted above.

Net Loss Attributable to Common Stockholders: Net loss attributable to Common Stockholders increased from approximately \$3.2 million for the three months ended March 31, 2013 to approximately \$4.0 million for the three months ended March 31, 2014 due to the factors noted above. The difference between net loss and net loss attributable to Common Stockholders is the accretion of periodic amounts to preferred stock redemption value, which is not available to Common Stockholders. Corindus recorded this accretion as an increase of its net loss to arrive at net loss attributable to Common Stockholders.

Discussion of Year Ended December 31, 2012 compared to Year Ended December 31, 2013

(In thousands)	Year Ended December 31,	
	2012	2013
Revenue	\$ 202	\$ 896
Cost of revenue	833	2,430
Gross loss	(631)	(1,534)
 Operating expenses:		
Research and development	4,171	4,793
General and administrative	2,433	2,545
Sales and marketing	2,070	5,676
Restructuring charges	—	—
Total operating expenses	8,674	13,014
 Operating loss	(9,305)	(14,548)
 Other income (expenses):		
Warrant revaluation	(392)	(171)
Interest and other income	6	28
Total other expenses, net	(386)	(143)
 Net loss and comprehensive loss	\$ (9,691)	\$ (14,691)
Net loss attributable to common stockholders	\$ (10,232)	\$ (15,284)

Years ended December 31, 2012 and 2013

Revenue: Revenue increased from approximately \$0.2 million in 2012 to approximately \$0.9 million in 2013 due to an increase in the sale of CorPath 200 Systems as well as increased sales of cassettes and accessories to end users.

Cost of Revenue: Cost of revenue increased from approximately \$0.8 million in 2012 to approximately \$2.4 million in 2013. Cost of revenue represents the cost of materials for the CorPath 200 System and cassettes, as well as labor and overhead of our production facility. The increase in cost of revenues in 2013 is due primarily to increased sales as well as additional labor and overhead costs, including increased production space obtained in 2013 in anticipation of expected revenue growth.

Gross Loss: Gross loss increased from approximately \$0.6 million in 2012 to approximately \$1.5 million in 2013. Corindus has not generated enough sales volume of CorPath 200 Systems to meet the costs of our production facility and therefore, has generated a gross loss on the sale of its products.

Research and Development : Research and development expense increased from approximately \$4.2 million in 2012 to approximately \$4.8 million in 2013 due to investments in the development for the next generation CorPath 200 Systems through a combination of additional employees and outsourced contractor services.

General and Administrative : General and administrative expense increased from approximately \$2.4 million in 2012 to approximately \$2.6 million in 2013 due to the upgrade to a new ERP software platform. We expect to incur incremental costs of approximately \$1.0 million annually for the cost of operating as a public registrant.

Sales and Marketing: Sales and marketing expense increased from approximately \$2.1 million in 2012 to approximately \$5.7 million in 2013 due to the expansion of our direct sales force as well as marketing investments.

Other Income (Expense): Other expense decreased from approximately \$0.4 million in 2012 to approximately \$0.1 million in 2013 due to a change in the fair value of the warrant which was driven by the decrease in fair value of the underlying redeemable convertible preferred stock into which the warrants are exercisable.

Income Taxes : Corindus has not recorded any benefit related to its operating losses due to uncertainty about its future taxable income.

Net Loss and Comprehensive Loss: The net loss and comprehensive loss of Corindus increased from approximately \$9.7 million in 2012 to approximately \$14.7 million in 2013 due to the factors noted above.

Net Loss Attributable to Common Stockholders: Net loss attributable to Common Stockholders increased from approximately \$10.2 million in 2012 to approximately \$15.3 million in 2013 due to the factors noted above. The difference between net loss and net loss attributable to Common Stockholders is the accretion of periodic amounts to the preferred stock redemption value, which is not available to Common Stockholders. Corindus recorded this accretion as an increase of net loss to arrive at net loss attributable to Common Stockholders.

Liquidity and Capital Resources

Corindus began its medical device business in 2002 and began selling FDA-approved robotic medical devices in 2012. Corindus' management does not contemplate attaining profitable operations until 2017, nor is there any assurance that such an operating level can ever be achieved. Since inception, we have financed our operations primarily through private sales of preferred stock and borrowing arrangements totaling approximately \$74.5 million as well as limited revenues from the sale of our products.

In June 2014, Corindus entered into a Loan and Security Agreement for a total commitment of \$10 million, of which \$5 million was received at its closing. The additional \$5 million will be made available to Corindus only in the event it completes a financing, as defined under the terms of the Loan and Security Agreement, prior to December 31, 2014.

As of March 31, 2014 and December 31, 2013, Corindus had an accumulated deficit of approximately \$64.2 million and approximately \$60.3 million, respectively. As Corindus continues to incur losses, transition to profitability is dependent upon achieving a level of revenues adequate to support Corindus' cost structure. Corindus may never achieve profitability, and unless and until doing so, it will be necessary for Corindus to attempt to raise additional capital, which may not be available or available on terms acceptable to Corindus. These conditions raise substantial doubt about its ability to continue as a going concern. The accompanying consolidated financial statements have been prepared assuming that Corindus will continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

At March 31, 2014, we had approximately \$5.7 million of cash and cash equivalents, compared to approximately \$9.8 million and approximately \$25.5 million at December 31, 2013 and 2012, respectively. Cash equivalents are comprised of highly liquid money market accounts.

Corindus believes that its working capital of \$5.9 million, including cash resources of \$5.7 at March 31, 2014, along with the \$5 million of borrowings received in June 2014 and the \$2 million of proceeds received from a private investor in connection with the Acquisition will provide the Company liquidity to meet its operating needs for the remainder of 2014. In order to meet Corindus' liquidity needs over the next 12 months, Corindus intends to seek equity financings, including a private investment of public equity (PIPE). To the extent the Company completes a PIPE transaction prior to December 31, 2014, which qualifies as a financing under its Loan and Security Agreement, the Company is eligible to borrow an additional \$5 million. There is no assurance that Corindus will obtain these financings either at all or on terms acceptable to Corindus.

In summary, our cash flows were:

(In thousands)	Year Ended December 31,		Three Months Ended March 31,	
	2012	2013	2013	2014
Net cash used in operating activities	\$ (9,767)	\$ (15,303)	\$ (2,480)	\$ (4,109)
Net cash used in investing activities	(613)	(378)	(256)	(21)
Net cash provided by (used in) financing activities	\$ 33,415	\$ (10)	\$ (10)	\$ —

Operating Activities: Corindus' operating activities used cash of approximately \$9.8 million in 2012 and approximately \$15.3 million in 2013. The approximately \$5.5 million increase in the use of cash was primarily due to the increased net loss of approximately \$5 million from 2012 to 2013 due primarily to the investment of approximately \$3.6 million in sales and marketing efforts as well as increased research and development costs. The net changes in working capital resulted in the additional use of cash in 2013 due primarily to increased levels of inventories in anticipation of expected demand offset by reductions in prepaid expenses, deposits, and an increase in accrued expenses,

Corindus' operating activities used cash of approximately \$2.5 million for the three months ended March 31, 2013 and approximately \$4.1 million for the three months ended March 31, 2014. The \$1.6 million increase in the use of cash was due to the approximately \$2.6 million increase in loss from operations offset partially by an increase in changes in working capital of approximately \$1.0 million primarily resulting from an increase in accounts payable in the first quarter of 2014.

Investing Activities: Corindus' investing activities included the purchase of property and equipment in the aggregate amount of approximately \$0.6 million in 2012 and approximately \$0.4 million in 2013. The investments were primarily in software for ERP infrastructure and field and demonstration equipment.

Corindus' investing activities represented the purchase of property and equipment in the amount of approximately \$0.3 million for the three months ended March 31, 2013 and approximately \$21 thousand for the three months ended March 31, 2014. The decrease was due to fewer required capital investments during the first quarter of 2014. Corindus expects its capital expenditures for the remainder of 2014 to be approximately \$0.2 million.

Financing Activities: Corindus' financing activities generated cash proceeds of approximately \$33.4 million in 2012 compared to approximately \$10 thousand of cash used in financing activities in 2013. During 2012, Corindus issued 160,778 shares of Series D-2 convertible redeemable preferred stock and 897,185 shares of Series E convertible redeemable preferred stock for \$5.0 million and approximately \$28.5 million of net proceeds, respectively. During 2013, Corindus incurred approximately \$10 thousand of offering costs related to the issuance of the Series E convertible preferred stock issuance.

Corindus' financing activities used cash of approximately \$10 thousand for the three months ended March 31, 2013 related to issuance costs of the Series E convertible redeemable preferred stock financing and had no cash provided for or used in financing activities for the three months ended March 31, 2014 as there were no financing transactions.

Outlook

Over the next 12 months, we intend to expand our sales force by hiring 15 additional team members including RSMs, CAMs and management. Our sales force currently focuses on hospitals which have cath labs to sell our robotic medical device. We believe that a combination of factors, including (i) our increasing the installed base of CorPath Systems, customer access and awareness across the U.S. market, (ii) the increasing clinical data being published and presented about the effectiveness of the CorPath System in clinical use, (iii) the increasing concerns and publications regarding occupational hazards of working in the cath lab and (iv) our larger sales force footprint to create a broader customer reach, smaller sales territories and a more efficient sales force, will enable Corindus to continue to drive substantial growth of both new CorPath System sales and CorPath cassette sales.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements.

Effects of Inflation

During the periods for which financial information is presented for Corindus, Corindus does not believe that its business and operations were materially affected by inflation.

Recently Issued Accounting Standards

Management does not believe that any recently issued accounting standards have a material effect on the accompanying consolidated financial statements.

Section 107 of the JOBS Act provides that an "emerging growth company" can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. However, we are choosing to "opt out" of such extended transition period and, as a result, we will comply with such new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies.

Contractual Obligations and Commitments

The following table summarizes Corindus' contractual obligations at December 31, 2013 and the effects such obligations are expected to have on our liquidity and cash flows in future periods.

Contractual Obligations (In thousands)	Total	2014	2015 through 2016	2017 through 2018	2019 and After
Operating lease obligations	\$ 2,315	\$ 547	\$ 1,133	\$ 635	\$ —
Total contractual obligations	\$ 2,315	\$ 547	\$ 1,133	\$ 635	\$ —

Recent Events

Loan and Security Agreement and Warrant with Steward Capital Holdings

On June 11, 2014, the Company entered into a Loan and Security Agreement pursuant to which the lender agreed to make available to the Company \$10 million in the aggregate under two \$5 million secured promissory notes. The initial note was made on June 11, 2014 in an aggregate principal amount of \$5 million (the "Initial Promissory Note") and is repayable over a term of 39 months beginning on July 1, 2015, including a twelve month interest-only period beginning on July 1, 2014. The Initial Promissory Note bears interest at a rate equal to the greater of (a) 11.25% or (b) 11.25% plus the Wall Street Journal Prime Rate, less 3.25%. Pursuant to the Loan and Security Agreement, an additional \$5 million is available until December 31, 2014, provided that (i) there is no event of default and (ii) the Company closes on a reverse merger or other private equity or convertible preferred subordinated debt financing that raises at least \$10 million (the "New Financing"). An event of default under the Loan and Security Agreement includes, but is not limited to, breach of covenants, insolvency, and occurrence of any default under any agreement or obligation of the Company involving indebtedness in excess of \$750,000. The Loan and Security Agreement contains certain financial covenants and restrictions that, among other things, restrict us from incurring additional indebtedness and from transferring, leasing or selling assets, incurring certain liens and making restricted payments, subject to certain exceptions. With the exception of the New Financing, the Company shall not merge or consolidate, or permit any of its subsidiaries to merge or consolidate, with or into any other business organization. Under the Loan and Security Agreement the Company has granted the lender first priority lien and security interest in all fixtures and personal property.

The Loan and Security Agreement also contains covenants which include certain restrictions with respect to subsequent indebtedness, liens, loans and investments, financial reporting obligations, asset sales, share repurchase and other restricted payments, subject to certain exceptions. Further, with the exception of the New Financing, the Company shall not merge or consolidate, or permit any of its subsidiaries to merge or consolidate, with or into any other business organization. Any failure to comply with the covenants of the Loan and Security Agreement would constitute a default, which would prevent the Company from being able to borrow additional funds and could result in, among other things, the amounts outstanding (including all accrued interest and unpaid fees) becoming immediately due and payable.

In conjunction with the Loan and Security Agreement, the Company issued to the lender a warrant to purchase 7,100 shares of the Company's Series E Preferred Stock. The warrant is exercisable for a period ending upon the earlier to occur of (i) ten years from the issuance date or (ii) five years after an Initial Public Offering. Pursuant to the Exchange Ratio in the Acquisition Agreement, the warrant was replaced with a Company Warrant for the purchase of 177,514 shares of the Company's Common Stock at an exercise price of \$1.4083 per share.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

As of the date of this filing, the following table sets forth certain information with respect to the beneficial ownership of our Common Stock by (i) each shareholder known by us to be the beneficial owner of more than five percent (5%) of our Common Stock, (ii) by each of our directors and executive officers as identified herein, and (iii) all of our directors and executive officers as a group. Each person has sole voting and investment power with respect to the shares of our Common Stock, except as otherwise indicated. Beneficial ownership is determined in accordance with the rules of the Commission and generally includes voting or investment power with respect to securities. Shares of our Common Stock and Company Options and Company Warrants that are currently exercisable into shares of our Common Stock within sixty (60) days of the date of this Report, are deemed to be outstanding and to be beneficially owned by the person holding the Company Options and Company Warrants for the purpose of computing the percentage ownership of that person, but are not treated as outstanding for the purpose of computing the percentage ownership of any other person. Unless specified otherwise, the address for each beneficial owner listed herein is 309 Waverly Oaks Road Suite 105, Waltham, Massachusetts 02452.

Name, Title and Address of Officers and Directors	Title of Class	Number of Shares Beneficially Owned ⁽¹⁾	Percent of Ownership
David M. Handler ⁽²⁾ Chief Executive Officer, President, Director	Common Stock	2,746,976	2.80%
David W. Long ⁽³⁾ Chief Financial Officer, Sr. Vice President, Treasurer, Secretary	Common Stock	454,841	0.48%
Hillel Bacharach ⁽⁴⁾ Director	Common Stock	6,931,673	7.27%
Jeffrey Gold ⁽⁵⁾ Director	Common Stock	182,514	0.19%
Jeffrey Lightcap ⁽⁶⁾ Director	Common Stock	44,924,697	47.18%
David White ⁽⁷⁾ Director	Common Stock	259,801	0.27%
Gerard Winkels Director	Common Stock	-	0.00%
Michael Mashaal Director	Common Stock	-	0.00%
All directors and executive officers as a group (8 persons): ⁽⁸⁾	Common Stock	55,500,502	56.10%

Names and Addresses of Shareholders	Title of Class	Number of Shares Beneficially Owned⁽¹⁾	Percent of Owner-ship
Koninklijke Philips NV ⁽⁹⁾ Veenpluis 4-6 Building QY-2119D; 5684 PC Best The Netherlands	Common Stock	22,136,008	22.15%
HealthCor Hybrid Offshore, Ltd. ⁽¹⁰⁾ 152 West 57th Street, 43rd Floor New York, NY 10019	Common Stock	19,981,655	20.99%
HealthCor Partners Fund, LP ⁽¹¹⁾ 152 West 57th Street, 43rd Floor New York, NY 10019	Common Stock	17,090,941	17.95%
HealthCor Partners Fund II, LP ⁽¹²⁾ 152 West 57th Street, 43rd Floor New York, NY 10019	Common Stock	7,852,101	8.25%
20/20 Capital III LLC ⁽¹³⁾ 2000 Commonwealth Ave. (#200) Auburndale, MA	Common Stock	6,856,667	7.19%
Energy Capital, LLC ⁽¹⁴⁾ 13650 Fiddlesticks Blvd., Suite 202-324, Ft. Myers, FL 33912	Common Stock	5,065,000	5.32%

- (1) Unless otherwise noted, we believe that all shares are beneficially owned and that all persons named in the table have sole voting and investment power with respect to all shares of Common Stock owned by them. Applicable percentage of ownership is based on 95,216,587 shares of Common Stock currently outstanding, as adjusted for each shareholder.
- (2) This amount includes 2,746,976 shares due to Mr. Handler upon exercise of vested options, including 56,848 that vest within 60 days of the filing of this Report. The percentage of ownership for Mr. Handler is based on 97,963,563 shares which would be outstanding if all of Mr. Handler's vested options were exercised.
- (3) This amount includes 454,841 shares due to Mr. Long upon exercise of vested options, including 24,586 that vest within 60 days of the filing of this Report. The percentage of ownership for Mr. Long is based on 95,671,428 shares which would be outstanding if all of Mr. Long's vested options were exercised.
- (4) This amount includes (i) 6,774,336 shares directly owned by 20/20 Capital III LLC ("20/20 Capital"), of which Mr. Bacharach is the controlling member, (ii) 82,331 shares due to 20/20 Capital upon exercise of vested options and (iii) 75,006 shares due to Mr. Bacharach upon exercise of vested options. The percentage of ownership for 20/20 Capital is based on 95,373,924 shares which would be outstanding if the 20/20 Capital's options were exercised.
- (5) This amount includes 182,514 shares due to Mr. Gold upon exercise of vested options. The percentage of ownership for Mr. Gold is based on 95,399,101 shares which would be outstanding if all of Mr. Gold's vested options were exercised.
- (6) This amount includes (i) 19,981,655 shares directly owned by HealthCor Hybrid Offshore, Ltd., of which Mr. Lightcap is the controlling member, (ii) 17,090,941 shares directly owned by HealthCor Partners Fund, LP, of which Mr. Lightcap is the controlling member and (iii) 7,852,101 shares directly owned by HealthCor Partners Fund II, LP, of which Mr. Lightcap is the controlling member. The percentage of ownership for Mr. Lightcap is based on 95,216,587 shares.

- (7) This amount includes (i) 80,407 shares directly owned by Mr. White and (ii) 179,394 shares due to Mr. White upon exercise of vested options, including 2,084 that vest within 60 days of the filing of this Report. The percentage of ownership for Mr. White is based on 95,395,981 shares which would be outstanding if all of Mr. White's vested options were exercised.
- (8) This amount includes all shares directly and indirectly owned by all our directors and executive officers and all shares to be issued directly and indirectly upon exercise of Company Options. The percentage of ownership for all our directors and executive officers is based on 98,937,649 shares that would be outstanding if all of our directors' and executive officers' Company Options were exercised.
- (9) This amount includes (i) 17,407,817 shares directly owned by Koninklijke Philips NV ("Philips") and (ii) 4,728,191 shares due to Philips upon exercise of vested warrant. The percentage of ownership for Philips is based on 99,944,778 shares which would be outstanding if the Philips' warrant was exercised.
- (10) This amount includes 19,981,655 shares directly owned by HealthCor Hybrid Offshore, Ltd. The percentage of ownership for Philips is based on 95,216,587 shares.
- (11) This amount includes 17,090,941 shares directly owned by HealthCor Partners Fund, LP. The percentage of ownership for Philips is based on 95,216,587 shares.
- (12) This amount includes 7,852,101 shares directly owned by HealthCor Partners Fund II, LP. The percentage of ownership for Philips is based on 95,216,587 shares.
- (13) This amount includes (i) 6,774,336 shares directly owned by 20/20 Capital and (ii) 82,331 shares due to 20/20 Capital upon exercise of vested options. The percentage of ownership for 20/20 Capital is based on 95,298,918 shares which would be outstanding if the 20/20 Capital's options were exercised.
- (14) This amount includes 5,065,000 shares directly owned by Energy Capital, LLC ("Energy Capita"). The percentage of ownership for Energy Capital is based on 95,216,587 shares.

DIRECTORS AND EXECUTIVE OFFICERS

The following individuals serve as directors and executive officers of our Company. Our directors hold office until the next annual meeting of shareholders or until their successors have been elected and qualified. Our executive officers are appointed by and serve at the pleasure of our Board of Directors. All directors and executive officers of our subsidiaries are appointed by our Board of Directors. All of our directors and officers were elected and appointed on August 12, 2014.

NAME	AGE	POSITION
David M. Handler	54	Chief Executive Officer, President, Director
David W. Long	44	Chief Financial Officer, Senior Vice President, Treasurer
Hillel Bachrach	68	Director
Jeffrey Gold	68	Director
Jeff Lightcap	55	Director
David White	65	Director
Gerard Winkels	57	Director
Michael Mashaal	41	Director

Pursuant to various funding agreements, (i) Mr. Lightcap and Mr. Mashaal serve as the director designees of HealthCor Partners Fund, LP, HealthCor Hybrid Offshore, Ltd. and HealthCor Partners Fund II, LP, (ii) Mr. Bachrach serves as the director designee of 20/20 Capital III, LLC and (iii) Mr. Winkels serves as the director designee of Philips. There are no other arrangements or understandings between any of our directors pursuant to which they were selected to serve.

Business Experience

The following is a brief account of the education and business experience during at least the past five years for each of our directors and executive officers, indicating the person's principal occupation during that period, and the name of the organization in which such occupation and employment were carried out.

David M. Handler

Chief Executive Officer, President and Director

David M. Handler was elected as a director and was appointed as our Chief Executive Officer and President on August 12, 2014. From October 2008 to August 12, 2014, Mr. Handler served as Chief Executive Officer, President and director of Corindus, Inc. Prior to joining Corindus, Mr. Handler served in General Manager positions at General Electric from October 1998 until September 2008. Mr. Handler has over 30 years of successful service in sales, marketing and leadership roles in the medical device, healthcare and plastics industries. Mr. Handler earned a B.A. in Economics from Union College in Schenectady, New York and completed an Executive Leadership and Management Program at the GE Management Development Institute, including his Six Sigma certification.

David W. Long

Chief Financial Officer, Senior Vice President and Treasurer

David W. Long was appointed as our Chief Financial Officer, Senior Vice President and Treasurer on August 12, 2014. From September 2011 to August 12, 2014, Mr. Long served as Chief Financial Officer and Vice President of Administration of Corindus, Inc. Prior to joining Corindus, Mr. Long served in positions as Vice President of Finance and Division Controller at Thermo Fisher Scientific Corporation from September 2004 to September 2011. Mr. Long brings 20 years of successful financial experience with private and public companies, including International Rectifier Corporation, Polaroid Corporation and PPG Industries. Mr. Long earned his B.S. in Business Administration from the University of Massachusetts Lowell and his Masters in Government Administration from the University of Pennsylvania.

Jeffrey C. Lightcap

Chairman

Jeffrey C. Lightcap was elected as a director and as Chairman on August 12, 2014. From March 2008 to August 12, 2014, Mr. Lightcap served as a director of Corindus, Inc. and he served as Chairman from April 12, 2012 to August 12, 2012. Since October 2006, Mr. Lightcap has served as a Senior Managing Director at HealthCor Partners. From 1997 to mid-2006, Mr. Lightcap was a Senior Managing Director at JLL Partners, a leading middle-market private equity firm. Prior to JLL Partners, Mr. Lightcap was a Managing Director at Merrill Lynch & Co., Inc. in charge of leverage buyout coverage for Merrill Lynch's mergers and acquisitions group. Prior to joining Merrill Lynch, Mr. Lightcap was a Senior Vice President in the mergers and acquisitions group at Kidder, Peabody & Co. and briefly at Salomon Brothers. Mr. Lightcap currently serves as a director of the following companies: CareView Communications, Inc. (OTCQB: CRVW), a healthcare technology company; IASIS Healthcare Corporation, a privately-held company that owns and operates community-focused hospitals in high growth urban and suburban markets; Practice Partners in HealthCare, a privately-

held company specializing in management and operation of ambulatory surgical centers; Paradigm Spine, LLC, a leader in the field of non-fusion, spinal implant technology; and Heartflow, a company focused on the non-invasive diagnosis of coronary artery disease. Mr. Lightcap received a B.E. in Mechanical Engineering from the State University of New York at Stony Brook in 1981 and in 1985 received an M.B.A. from the University of Chicago. Although Mr. Lightcap's election as a Corindus director was a stipulated requirement of HealthCor's equity participation, his experience with fundraising in the private equity market and his leadership skills exhibited throughout his career make him well-qualified to serve as one of the Company's directors.

Hillel Bachrach*Director*

Hillel Bachrach was elected as a director on August 12, 2014 and serves as the board designee of 20/20 Capital III, LLC. From February 2008 to August 12, 2014, Mr. Bachrach served as a director of Corindus, Inc. Mr. Bachrach is an executive with 30 years of hands-on management and directorship experience with all aspects of successful commercial global introductions of new, innovative and revolutionary medical technologies. His work has led to significant sustained and profitable growth providing direct and positive impact on the valuation of the corresponding enterprises. Mr. Bachrach co-founded ESC Medical Systems (now Lumenis) in 1993, one of the first medical laser/flash lamp companies addressing cosmetic applications. From a total venture capital investment of \$2 million, ESC went public on NASDAQ in January 1996, with a secondary offering in June 1996. Through multiple strategic acquisitions, ESC reached an approximate valuation of \$1 billion in 1998. In 1999, Mr. Bachrach co-founded MSq, Ltd. (now Alma Laser), another innovator in the medical laser field. A portion of Alma Laser was sold in 2006 to TA Associates and the entire company was sold in 2013 to Fuson (a Chinese pharmaceutical company). Mr. Bachrach served as the Chief Executive Officer of Orex Computerized Radiography, a manufacturer of Computerized Radiography systems and software. He led the sale of Orex to Eastman Kodak in 2005. Since 2006, Mr. Bachrach has served as the Active-Chairman of Viztek, a leading HCIT provider. Mr. Bachrach also served as the President of Odin Medical Technologies, Inc. (acquired by Medtronic). Mr. Bachrach is currently a director of UltraSPECT, Ltd., a provider of unique cardiac and general purposes reconstruction software solutions for nuclear medicine diagnostic imaging hardware. He received his MBA from the Kellogg Graduate School of Management in 1976 and a B.S. in Electrical Engineering from Technion Israeli Institute of Technology in 1971.

Jeffrey Gold*Director*

Jeffrey Gold was elected as a director on August 12, 2014. From February 2011 to August 12, 2014, Mr. Gold served as a director of Corindus, Inc. Mr. Gold currently serves as President and Chief Operating Officer for Myoscience, Inc., an innovation-driven medical technology company based in Silicon Valley, California, dedicated to establishing their proprietary platform technology, Focused Cold Therapy,™ as the preeminent treatment for conditions involving nerves. He previously served as President and Chief Executive Officer of Velomedix Inc., a venture-backed company that developed a unique technology for rapidly inducing therapeutic hypothermia in patients undergoing severe acute cardiovascular events, such as heart attack and cardiac arrest. Prior to Velomedix, Mr. Gold was a Venture Partner for Longitude Capital where he focused on investments in medical devices. From 2001 to 2005, he was the Chief Executive Officer of CryoVascular Systems, a medical device company developing treatments for peripheral vascular disease. CryoVascular was acquired by Boston Scientific Corporation in 2005. From 1997 to 2000, Mr. Gold was the Chief Operating Officer and Executive Vice President of CardioThoracic Systems (NASDAQ: CTSI), a medical device company focused on developing products to enable off-pump open-heart surgery. CTSI was acquired by Guidant Corporation. Prior to CTSI, Mr. Gold spent 18 years with Cordis Corporation, now the primary cardiovascular device subsidiary of Johnson & Johnson, in a series of roles of increasing responsibility and scope. He was co-founder and President of Cordis Endovascular Systems, the subsidiary company that initially focused on the interventional neuroradiology and peripheral markets. Mr. Gold holds an MBA from the University of Florida and a B.S. in Engineering from Northeastern University and is a graduate of GE's Manufacturing Management Program.

David R. White
Director

David R. White was elected as a director on August 12, 2014. From June 9, 2010 to August 12, 2014, Mr. White served as a director of Corindus, Inc. From December 1, 2000 to November 1, 2010, Mr. White served as the Chief Executive Officer of IASIS Healthcare Corporation and he served as the Chief Executive Officer of IASIS Healthcare LLC from December 1, 2000 to October 2010. Mr. White served as the President of IASIS Healthcare Corporation from May 22, 2001 to May 2004 and also served as the President of IASIS Healthcare LLC from May 22, 2001 to May 2004. He served as the President and Chief Executive Officer of LifeTrust, from November 1998 to November 2000. From June 1994 to September 1998, Mr. White served as President of the Atlantic Group at Columbia/HCA, where he was responsible for 45 hospitals located in nine states. He has also served as Regional Vice President of Republic Health Corporation. Previously, Mr. White served as an Executive Vice President and Chief Operating Officer at Community Health Systems, Inc. He has been Executive Chairman of Anthelio Healthcare Solutions Inc. since June 2012 and has been its Independent Director since July 28, 2011. He has been Chairman of the Board at IASIS Healthcare Corporation since December 1, 2000 and served the same position from October 1999 to November 30, 2000. He has been Member of Strategic Advisory Board of Satori World Medical, Inc. since 2011. He has been a Director of REACH Health, Inc. since August 30, 2011. He also serves as a director to CareView Communications, Inc. (OTCQB: CRVW), a healthcare technology company. He served as Non-Executive Director at Parkway Holdings Limited from July 15, 2005 to March 8, 2007. Mr. White earned a B.S. in Business Administration from the University of Tennessee in Knoxville, TN in 1970, and an MS in Healthcare Administration from Trinity University in San Antonio, TX in 1973. Mr. White's lifetime career and knowledge in the healthcare industry field makes him well-qualified to serve as a director of the Company.

Gerard Winkels*Director*

Gerard Winkels was elected as a director on August 12, 2014 and serves as the board designee of Philips. From January 2011 to August 12, 2014, Mr. Winkels served as a director of Corindus, Inc. Mr. Winkels is currently the VP GM of Interventional Cardiology Solutions at Philips Healthcare and serves as Philips' board designee. Mr. Winkels has been with Philips Healthcare for over 30 years in various marketing, product management and leadership roles. Mr. Winkels has proven experience in both upstream (leading innovation, establishing vision, finalizing projects, building strategies) and downstream (communicating solutions, driving sales and building customer loyalty) operations, all of which makes him well-qualified to serve as a director of the Company. Mr. Winkels received his M.S. in Physics from the University of Utrecht in 1983.

Michael Mashaal, MD*Director*

Dr. Mashaal was elected as a director on August 12, 2014 and serves as a board designee of HealthCor. From October 2012 to August 12, 2014 and from March 2008 until February 2011, Dr. Mashaal served as a director of Corindus, Inc. Since September 2008, Dr. Mashaal has served as Managing Director of HealthCor Partners Management, L.P. Previously, from 2000 to 2008, Dr. Mashaal served as a Research Analyst focused on healthcare and biotechnology for several institutional investment firms. Dr. Mashaal graduated from Emory University in 1994 with a B.A. in Biology. After receiving an M.D. at State University of New York at Stony Brook School of Medicine in 1998, Dr. Mashaal trained in general surgery at the University Hospital at Stony Brook from 1998 to 1999. Dr. Mashaal's background in the healthcare and biotechnology industries makes him well-qualified to serve as a director of the Company.

Family Relationships

There are no family relationships between any of our directors or executive officers.

Other Directorships

Other than as indicated within this section at *Business Experience*, none of our directors hold or have been nominated to hold a directorship in any company with a class of securities registered pursuant to Section 12 of the Exchange Act (the "Act") or subject to the requirements of Section 15(d) of the Securities Act of 1933 or company registered as an investment company under the Investment Company Act of 1940.

Involvement in Certain Legal Proceedings

Currently, and for the past five years, none of our directors or executive officers have been involved in any legal proceeding concerning (i) any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time; (ii) any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offenses); (iii) being subject to any order, judgment or decree, not subsequently reversed, suspended, or vacated, of any court of competent jurisdiction permanently or temporarily enjoining, barring, suspending or otherwise limiting involvement in any type of business, securities or banking activity; or (iv) being found by a court, the Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law (and the judgment has not been reversed, suspended or vacated).

Board Committees

We have not yet established any committees of the Board of Directors. Our Board of Directors may designate from among its members an executive committee and one or more other committees in the future. We do not have a nominating committee or a nominating committee charter. Further, we do not have a policy with regard to the consideration of any director candidates recommended by security holders. To date, other than as described above, no security holders have made any such recommendations. Until such time as committee charters are approved and committee appointments are made, the entire Board of Directors performs all functions that would otherwise be performed by committees.

Audit Committee Financial Expert

We have no separate audit committee at this time. The entire Board of Directors oversees our audits and auditing procedures. The Board of Directors has at this time not determined whether any director is an "audit committee financial expert" within the meaning of Item 407(d)(5) for SEC regulation S-K.

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EXECUTIVE COMPENSATION

The following table sets forth information concerning the total compensation paid to executive officers of Corindus and to Corindus' two highest paid employees earning in excess of \$100,000 annually for each of the fiscal years ended December 31, 2013 and 2012.

The following chart includes the dollar value of base salaries, bonus awards, the number of Company Options granted and exchanged for Corindus Options, and certain other compensation, if any, whether paid or deferred.

Name and Principal Position	Fiscal Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$) ⁽¹⁾	Non-Equity Incentive Plan Compensation (\$)	Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
David M. Handler ⁽²⁾ Chief Executive Officer and President									
	2013	300,000	67,500	—	—	—	—	29,669	397,348
	2012	294,514	88,200	—	264,119	—	—	29,720	676,552
David W. Long ⁽³⁾ Chief Financial Officer and Sr. Vice President									
	2013	219,418	64,000	—	—	—	—	28,466	311,884
	2012	209,100	41,513	—	134,048	—	—	24,935	409,626
Tal Wenderow ⁽⁴⁾ Vice President Product and Business Development									
	2013	219,224	64,000	—	—	—	—	30,376	304,316
	2012	209,613	55,350	—	30,970	—	—	29,095	325,028
Matthew Chiminski ⁽⁵⁾ Vice President Sales and Service									
	2013	225,000	73,521	—	170,366	84,769	—	29,990	583,645
	2012	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) The valuation methodology used to determine the fair value of the options granted during the year was the Black-Scholes-Merton option-pricing model. The Black-Scholes-Merton model requires the use of a number of assumptions including volatility of the stock price, the weighted average risk-free interest rate, and the weighted average expected life of the options.

(2) For 2013: All Other Compensation includes \$8,400 for 401k contribution and \$21,269 for health insurance premiums paid on Mr. Handler's behalf. For 2012: All Other Compensation includes \$10,000 for 401k contribution and \$19,720 for health insurance premiums paid on Mr. Handler's behalf.

(3) For 2013: All Other Compensation includes \$7,197 for 401k contribution and \$21,269 for health insurance premiums paid on Mr. Long's behalf. For 2012: All Other Compensation includes \$6,943 for 401k contribution and \$17,992 for health insurance premiums paid on Mr. Long's behalf.

(4) For 2013: All Other Compensation includes \$8,327 for 401k contribution and \$22,049 for health insurance premiums paid on Mr. Wenderow's behalf. For 2012: All Other Compensation includes \$8,715 for 401k contribution and \$20,380 for health insurance premiums paid on Mr. Wenderow's behalf.

(5) For 2013: All Other Compensation includes \$8,517 for 401k contribution and \$21,473 for health insurance premiums paid on Mr. Chiminski's behalf.

Employment Agreement with David Handler

Mr. Handler is our Chief Executive Officer and President. On September 3, 2008, Corindus and Mr. Handler entered into the Employment Agreement under which Mr. Handler began employment on October 1, 2008 on an at will basis until his employment is terminated pursuant to the terms thereof. Mr. Handler's employment is voluntary and he is free to terminate his employment at any time subject to the provisions provided therein. Corindus is free to terminate Mr. Handler's employment at any time, with or without cause and without further obligation or liability subject to the provisions provided therein. Mr. Handler agreed to devote his entire business time, attention and energies to the business and interest of Corindus during the term of his employment. Mr. Handler was eligible for and was paid a signing bonus of \$50,000 payable prior to February 28, 2009.

Terms provide for Mr. Handler to receive an annual base salary of \$275,000 for the first one-year period commencing on October 1, 2008, which salary is subject to adjustment thereafter as determined by the Board. Beginning with the year ended December 31, 2009, Mr. Handler became eligible for a bonus payment of up to 30% of his annual salary for the year immediately preceding payment of such bonus based on achievement of performance objectives contained in an annual board-approved plan. Any bonus award is to be paid on or before March 15 of the fiscal year following the fiscal year in which the bonus was earned, with the first potential bonus to be paid on March 15, 2010, and conditioned upon Mr. Handler's employment at the end of the immediately preceding fiscal year.

Subject to the approval of the Board, on or about October 1, 2008, Mr. Handler was to be granted a Corindus Option to purchase an aggregate of 37,873 shares of Corindus Common Stock issued pursuant to the Corindus 2008 Stock Incentive Plan, which shares represented approximately 5% of the fully diluted shares as measured at that date, at an exercise price per share equal to \$22.88. The shares underlying the Corindus Option vests as follows: 25% vested after one year of continuous service with the balance to vest in equal monthly installments over the next 36 months.

The Employment Agreement may be terminated at the election of either party with no less than a 30-day written notice of termination. Mr. Handler may be immediately terminated by Corindus for cause. Cause shall mean (a) a good faith finding by Corindus that (i) Mr. Handler failed to perform his assigned duties or (ii) he engaged in dishonesty, gross negligence or misconduct, or (b) the conviction of Mr. Handler, or the entry of a pleading of guilty or nolo contendere by Mr. Handler to any crime involving moral turpitude or any felony. In the event that Mr. Handler's employment is involuntarily terminated by Corindus without cause, he will continue to receive his base salary and benefits for a period of six months conditioned on his execution of a standard form of release of Corindus and associated persons from any claims within 30 days from the date of the termination.

In addition to containing typical provisions for fringe benefits, the Employment Agreement contains non-competition and non-solicitation clauses.

Employment Arrangements with David Long

Mr. Long is our Chief Financial Officer, Senior Vice President and Treasurer. Effective September 5, 2011, the terms of his employment included an annual base salary of \$205,000 and an incentive bonus of up to 30% of his base salary based on the performance of Corindus and his individual achievement. He was eligible to participate in employee benefit plans and received paid vacation. The Company pays 80% of his medical and dental insurance premiums. He also received stock options for the purchase of 23,600 shares of Corindus Common Stock with an exercise price of \$13.75 per share.. (Pursuant to the Exchange Ratio in the Acquisition Agreement, the stock option was exchanged for a Company Option for the purchase of 590,048 shares of the Company's Common Stock at an exercise price of \$0.55 per share. In June 2014, Mr. Long received the promotion to Senior Vice President with a base salary increase to \$250,000 retroactive to January 1, 2014, an increase in his incentive bonus up to 40%, an increase in his level of participation in future stock option awards and the issuance of a stock option for the purchase of 11,430 shares of Corindus Common Stock with an exercise price of \$18.77 per share. (Pursuant to the Exchange Ratio in the Acquisition Agreement, the stock option was exchanged for a Company Option for 275,773 shares of the Company's Common Stock at an exercise price of \$0.75 per share.) In addition, he became eligible to receive severance benefits equal to his base salary and health benefits for a period of twelve months from the date of his termination, without cause, subject to his execution of a release and mitigation obligations.

Non-Disclosure, Confidentiality, Assignment and Non-Competition Agreements

Every officer, director and employee of the Company is required to sign a Non-Disclosure, Confidentiality, Assignment and Non-Competition Agreement (the "Agreement") upon hiring. The Agreement contains standard clauses regarding the confidentiality and non-disclosure of Company information and requires the return of all confidential Company information upon termination. The employees also agree that any inventions are to be assigned to the Company as its sole property. For a period of twelve months after termination, employees commit (i) to not compete with the Company, (ii) to not convert or attempt to convert the Company's customers and prospective customers, (iii) to not directly or indirectly hire or recruit the Company's employees or consultants and (iv) to notify the Company of any change of address and subsequent employment.

Director Compensation

Except as mentioned in this section below, we do not pay cash fees to directors who attend regularly scheduled and special board meetings; however, we may reimburse out-of-state directors for costs associated with travel and lodging to attend such meetings. Our directors may have been granted Corindus Options for the purchase of Corindus Shares. If so, the Corindus Options were exchanged for Company Options.

We agreed to compensate Mr. Gold at the rate of \$2,000 for his attendance at each quarterly board meeting. In addition, we granted and issued him a series of options to purchase 7,300 shares of Corindus Common Stock at an exercise price of \$13.75 with vesting over two years. Pursuant to the Exchange Ratio in the Acquisition Agreement, these options were exchanged for a Company Option for the purchase of 182,514 shares of the Company's Common Stock at exercise prices of \$0.55 per share.

The following table shows compensation paid to Corindus' directors for services rendered during the years ended December 31, 2013 and 2012. The valuation methodology used to determine the fair value of the Corindus Options issued during the year (which Corindus Options were subsequently exchanged for Company Options) was the Black-Scholes-Merton Option Pricing Model, an acceptable model in accordance with ASC 718.

Name (a)	Year	Fees earned or paid in cash (\$) (b)	Stock awards (\$) (c)	Option awards (\$) (d)	Non-equity incentive plan compensation (\$) (e)	Nonqualified deferred compensation earnings (\$) (f)	All other compensation (\$) (g)	Total (\$) (h)
David M. Handler	2013	—	—	—	—	—	—	-
	2012	—	—	264,119	—	—	—	264,119
Hillel Bachrach	2013	—	—	—	—	—	—	—
	2012	—	—	—	—	—	—	—
Jeffrey Gold	2013	8,000	—	—	—	—	—	8,000
	2012	8,000	—	22,578	—	—	—	30,578
Jeffrey Lightcap	2013	—	—	—	—	—	—	—
	2012	—	—	—	—	—	—	—
David White	2013	—	—	—	—	—	—	—
	2012	—	—	26,582	—	—	—	26,582
Gerard Winkels	2013	—	—	—	—	—	—	—
	2012	—	—	—	—	—	—	—
Michael Mashaal	2013	—	—	—	—	—	—	—
	2012	—	—	—	—	—	—	—

Outstanding Equity Awards at Fiscal Year End

The table below shows equity awards outstanding to our executive officers at Corindus' fiscal year ended December 31, 2013, which equity awards consists solely of Corindus Options previously issued under the Corindus 2006 or 2008 Stock Plans. The amounts presented as exercisable and unexercisable are as of on or about the date of the Acquisition Agreement. The Corindus Options were exchanged for Company Options as of the Closing of the Acquisition pursuant to the Exchange Ratio and are reflected as such below.

Name and Office	Option Awards					Stock Awards			
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price (\$)	Option Expiry Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)
David M. Handler, (CEO)	946,928 ⁽¹⁾	—	—	\$0.92	9/10/18	—	—	—	—
	947,328 ⁽²⁾	—	—	\$0.34	3/24/20	—	—	—	—
	795,872 ⁽³⁾	568,490 ⁽³⁾	—	\$0.75	4/11/22	—	—	—	—
David W. Long (CFO)	430,255 ⁽⁴⁾	159,793 ⁽⁴⁾	—	\$0.55	9/4/21	—	—	—	—

(1) All 946,928 underlying shares fully vested on September 11, 2012.

(2) All 947,328 underlying shares fully vested on March 25, 2014.

(3) An aggregate of 341,088 underlying shares vested on April 12, 2013 and an aggregate of 28,424 underlying shares vested monthly from May 12, 2013 through August 12, 2014. An aggregate of 28,424 underlying shares vest monthly from September 12, 2014 through March 12, 2016 and 28,434 underlying shares vest on April 12, 2016.

(4) An aggregate of 147,516 underlying shares vested on September 5, 2012 and an aggregate of 12,293 underlying shares vested monthly from October 5, 2012 through August 5, 2014. An aggregate of 12,293 underlying shares vest monthly from September 5, 2014 through August 5, 2015 and 12,277 underlying shares vest on September 5, 2015.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

Notes with Corindus Stockholders

On June 14, 2010, the Company entered into non-interest bearing notes receivable with certain stockholders of the Company for tax payments to be made to the Israel Tax Authority in connection with a tax ruling related to the Reorganization that took place in 2008. Total amount of notes receivable issued is \$145 thousand. One of these stockholders is Tal Wenderow, the Company's co-founder and Executive Vice President. As part of the Reorganization, the Company agreed to make any tax payments on behalf of the stockholders. The notes receivable are repayable upon the disposition of the Company's Common Stock. Based on the tax ruling, the stockholders and the Company have entered into a trust agreement and the stockholders have transferred the shares to a trustee to serve as collateral on the notes. The portion of the note receivable attributable to Mr. Wenderow was in the principal amount of \$8,691, which amount was repaid by Mr. Wenderow on August 5, 2014.

Agreement with Philips

On January 21, 2011, Corindus sold to Koninklijke Philips N.V. ("Philips") 378,224 shares of Series D Convertible Redeemable Preferred Stock for \$21.15 per share. In October 2011, Corindus sold Philips 34,629 shares of Series D-1 Preferred Stock for \$28.88 per share. In February 2012, Corindus sold Philips 32,156 shares of Series D-2 Preferred Stock for \$31.10 per share. In October and December 2012, Corindus sold Philips 125,623 and 125,623 shares, respectively, of Series E Preferred Stock for \$31.84 per share. Pursuant to the Exchange Ratio in the Acquisition Agreement, the aggregate of 698,255 shares of preferred stock were exchanged for 17,407,817 shares of the Company's Common Stock. In connection with the purchase of the Series D Preferred Stock, Corindus issued a Warrant to Philips to purchase 189,112 shares of Corindus Series D Preferred Stock at an exercise price of \$26.50 per share with an expiration date of October 11 2017. The Warrant became exercisable upon the issuance of the Series E Preferred shares on October 12, 2012. Pursuant to the Exchange Ratio in the Acquisition Agreement, the Warrant was exchanged for a Company Warrant to purchase 4,728,191 shares of the Company's Common Stock at an exercise price of \$1.06 per share. The expiration date and all other material terms of the Warrant remain unchanged in the Company Warrant. As a condition of the purchase of shares of Corindus Preferred Stock mentioned above, Gerard Winkels was appointed to our Board of Directors as a designee of Philips. Philips' beneficial ownership represents approximately 22% of the Company.

Demand Registration Rights Agreements

On August 12, 2014, the Company entered into a demand registration rights agreement with each of Koninklijke Philips N.V., HealthCor Partners Fund LP, HealthCor Hybrid Offshore Master Fund, L.P., HealthCor Partners Fund II, LP and 20/20 Capital III LLC, which together will own an aggregate of approximately 72.58% of the outstanding shares of the Company's Common Stock after the Closing, in order to grant such shareholders registration rights with respect to their ownership of Company Shares (the "Demand Registration Rights Agreement"). Under the Demand Registration Rights Agreement, the shareholders were granted demand, piggyback and Form S-3 registration rights pursuant to terms therein, exercisable following the required one-year anniversary of Closing and subject to the terms of the Lock-Up Agreements. Pursuant to the Demand Registration Rights Agreement, the Company is required to use its reasonable best efforts to register Company Shares that are subject to a demand notice within sixty days of such demand. The Registration Rights Agreement is filed as an exhibit to this Report and is incorporated herein by reference.

Indemnification Agreement with Gerard Winkels

On January 21, 2011, the Company entered into an Indemnification Agreement with Gerard Winkels, one of our directors who serves as the board designee of Philips. Due to the inability of the Company to secure directors' and officers' insurance coverage, the terms of the Indemnification Agreement provides supplemental indemnification by the Company of Mr. Winkels sufficiently to retain his services as a director.

Director Independence

We are not currently listed on a national securities exchange or in an inter-dealer quotation system that has requirements that a majority of the board of directors be independent. However, our Board of Directors has determined that Jeff Gold and David White would qualify as "independent" as that term is defined by Nasdaq Listing Rule 5605(a)(2).

LEGAL PROCEEDINGS

From time to time, we may become involved in various lawsuits or legal proceedings, which arise in the ordinary course of business. Litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm our business.

In June 2014, we were in negotiations with a potential lender regarding terms of a proposed loan and security agreement. Negotiations were not successful and no transaction was consummated. We are currently disputing a break-up fee related to the termination of negotiations for which Corindus could be liable in an amount up to \$111,000.

We are currently not aware of any pending legal proceedings to which we are a party or of which any of our property is subject, nor are we aware of any such proceedings that are contemplated by any governmental authority or other party.

MARKET PRICE OF AND DIVIDENDS ON COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

Our Common Stock is currently listed on the OTCQB Market under the symbol "YIDI." To date, no viable trading market has been established.

Holders

As of the date of the Report, after giving effect to the Closing of the Acquisition and the issuance of shares required thereunder, there are approximately 92 holders of record of our Common Stock.

Dividends

We have never declared or paid any cash dividend. We do not anticipate that we will declare or pay any dividends in the foreseeable future. Our current policy is to retain earnings, if any, to fund operations, and the development and growth of our business. Any future determination to pay cash dividends will be at the discretion of our Board of Directors and will be dependent upon our financial condition, operation results, capital requirements, applicable contractual restrictions, restrictions in our organizational documents, and any other factors that our Board of Directors deems relevant.

Securities Authorized for Issuance under Equity Compensation Plans

At the Closing of the Acquisition, our Board of Directors adopted the 2014 Stock Award Plan as a replacement for the 2006 Option Plan and 2008 Option Plan and under which the Company Options will be issued. The 2014 Stock Award Plan is limited to award issuances which in the aggregate equal 9,035,016 shares, all of which shares will be used for the issuance of the Company Options.

In conjunction with the Closing of the Acquisition, the Company issued Company Options for the purchase of an aggregate of 9,035,016 shares of the Company's Common Stock. The following table shows the number of securities to be issued upon exercise of outstanding Company Options.

Plan Category	Number of Securities to be issued upon exercise of outstanding options (a)	Weighted-average exercise price of outstanding options (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans not approved by security holders	9,035,016	\$0.63	0
Equity compensation plan approved by security holders	0	0	0
Total	9,035,016	0	0

Under Rule 144 promulgated under the Securities Act, our officers, directors, and beneficial stockholders may sell up to 1% of the total outstanding shares (or an amount of shares equal to the average weekly reported volume of trading during the four calendar weeks preceding the sale) every three months provided that (i) current public information is available about our Company, (ii) the shares have been fully paid for at least one year, (iii) the shares are sold in a broker's transaction or through a market-maker, and (iv) the seller files a Form 144 with the SEC. None of our officers, directors or 10% stockholders are permitted to sell shares at this time as they are restricted by the terms of lock-up agreements.

As of the filing of this Report, we have the following equity securities issued and outstanding: (i) 95,216,587 shares of our Common Stock, (ii) options to purchase 9,035,016 shares of our Common Stock and (iii) warrants to purchase 5,029,865 shares of our Common Stock.

Common Stock Purchase Warrants

In conjunction with the Closing of the Acquisition, we exchanged Company Warrants for Corindus Warrants, and pursuant to the Exchange Ratio, issued Company Warrants for the purchase of an aggregate of 5,029,865 shares of the Company's Common Stock. The Company Warrants are filed hereto as exhibits and are incorporated herein by reference.

Demand Registration Rights Agreement

As mentioned hereinabove, the Company entered into a Demand Registration Rights Agreement with certain shareholders. For more information, see the disclosure at Certain Relationships and Related Transactions and Director Independence.

Private Investor Registration Rights Agreement

As mentioned hereinabove, the Company entered into a Private Investor Registration Rights Agreement with the private investor in the Equity Funding. For more information, see the disclosure at *Item 2.01 – Completion of Acquisition or Disposition of Assets, Equity Infusion of \$2 Million*.

DESCRIPTION OF SECURITIES

Authorized Capital Stock

We have authorized capital stock consisting of 250,000,000 shares of Common Stock, \$0.0001 par value per share, and 10,000,000 shares of undesignated, "blank check" Preferred Stock, \$0.0001 par value per share.

Common Stock

As of the date of this Report, we had 95,216,587 shares of Common Stock issued and outstanding. Each outstanding share of Common Stock is duly and validly issued, fully paid and non-assessable.

Holders of our Common Stock are entitled to one vote for each share on all matters submitted to a stockholder vote. Holders of Common Stock do not have cumulative voting rights. Therefore, holders of a majority of the shares of Common Stock voting for the election of directors can elect all of the directors. Holders of our Common Stock representing a majority of the voting power of our capital stock issued, outstanding and entitled to vote, represented in person or by proxy, are necessary to constitute a quorum at any meeting of our stockholders. A vote by the holders of a majority of our outstanding shares is required to effectuate certain fundamental corporate changes such as liquidation, merger or an amendment to our Articles of Incorporation.

Holders of Common Stock are entitled to share in all dividends that the Board of Directors, in its discretion, declares from legally available funds. In the event of liquidation, dissolution or winding up, each outstanding share entitles its holder to participate pro rata in all assets that remain after payment of liabilities and after providing for each class of stock, if any, having preference over the Common Stock. Holders of our Common Stock have no preemptive rights, no conversion rights and there are no redemption provisions applicable to our Common Stock.

Preferred Stock

As of the date of this Report, there were no shares of our Preferred Stock issued and outstanding.

Our authorized Preferred Stock is "blank check" preferred. Accordingly, subject to limitations prescribed by law, our Board of Directors is expressly authorized, at its discretion, to adopt resolutions to issue shares of Preferred Stock of any class or series, to fix the number of shares of any class or series of Preferred Stock and to change the number of shares constituting any series and to provide for or change the voting powers, designations, preferences and relative, participating, optional or other special rights, qualifications, limitations or restrictions thereof, including dividend rights (including whether the dividends are cumulative), dividend rates, terms of redemption (including sinking fund provisions), redemption prices, conversion rights and liquidation preferences of the shares constituting any series of the Preferred Stock, in each case without any further action or vote by our shareholders.

Options

In connection with the Acquisition, we exchanged Corindus Options for Company Options. The Corindus Options had been issued pursuant to either the Corindus, Inc. 2006 Umbrella Option Plan (the "2006 Option Plan") or the Corindus, Inc. 2008 Stock Incentive Plan (the "2008 Option Plan"). At Closing, the Company's Board of Directors approved the 2014 Stock Award Plan (the "2014 Stock Plan") as a replacement for the 2006 Option Plan and 2008 Option Plan and under which the Company Options will be issued. The Company's Board of Directors also approved the forms of replacement (i) Employee Stock Option for 2006 Option Holders, (ii) Director Stock Option for 2006 Option Holders, (iii) Employee Stock Option for 2008 Option Holders, (iv) Officer Stock Option for 2008 Option Holders and (v) Director Stock Option for 2008 Option Holders. The 2014 Stock Plan and the above-listed forms of replacement options were filed as exhibits to our Current Report on Form 8-K filed with the Commission on August 6, 2014 and are incorporated herein by reference.

The 2014 Stock Plan is an equity incentive plan pursuant to which the Company can grant options or other equity incentive awards to employees or other persons on terms and conditions determined by our Board of Directors or a compensation committee thereof. The options or other equity awards that may be granted under this plan may qualify as incentive stock options under the Internal Revenue Code of 1986, as amended. The 2014 Stock Plan is limited to award issuances which in the aggregate equal 9,035,016 shares, all of which shares will be used for the issuance of the Company Options. The Company Options continue to vest and become exercisable on the same time-vesting schedule as applied prior to Closing based on the Option Holder's continued service to the Company.

We have outstanding Company Options issued under the 2014 Stock Plan to purchase an aggregate of 9,035,016 shares of our Common Stock at an approximate exercise price ranging between \$0.22 to \$0.92 per share that are either currently exercisable or are exercisable on various dates on or before June 2018.

Description of Investor Warrants

In connection with the Acquisition, we exchanged Corindus Warrants for Company Warrants to purchase an aggregate of 5,029,865 shares of Company Common Stock. The 124,160 Company Warrants issued to Narkis Gryp Ltd. entitles the holder to purchase one full share of Company Common Stock at a purchase price of \$0.7648 per share, exercisable through May 31, 2017. The 4,728,191 Company Warrants issued to Koninklijke Philips NV entitles the holder to purchase one full share of Company Common Stock at a purchase price of \$1.06 per share, exercisable through October 12, 2017. The 177,514 Company Warrants issued to Steward Capital Holdings entitles the holder to purchase one full share of Company Common Stock at a purchase price of \$35.21 per share, exercisable through the earlier of June 11, 2024 and five years after an underwritten public offering by the Company. The Company Warrants are filed as exhibits to this Report and are incorporated herein by reference.

The Company Warrants, at the option of the holder, may be exercised by cash payment of the exercise price to the Company. The Company Warrants may be exercised on a cashless basis, which means that in lieu of paying the aggregate purchase price for the shares being purchased upon exercise of the warrants in cash, the holder will forfeit a number of shares underlying the warrants with a "fair market value" equal to such aggregate exercise price. We will not receive additional proceeds to the extent that warrants are exercised by cashless exercise.

The exercise price and number of shares of Company Common Stock issuable on exercise of the Company Warrants may be adjusted in certain circumstances, including stock splits, stock dividends or reclassifications or sale of all or substantially all assets of the Company or any merger or consolidation involving the Company and, in the case of the Company Warrant held by Narkis Gryp Ltd., upon distribution of a cash dividend.

No fractional shares will be issued upon exercise of the Company Warrants. If, upon exercise of the Company Warrants, a holder would be entitled to receive a fractional interest in a share, we will, upon exercise, make a cash payment therefor on the basis of the then fair market value.

Convertible Securities

As of the date hereof, other than the Company Options and the Company Warrants described above, the Company does not have any outstanding convertible securities.

Registration Rights Agreements

For a discussion of the terms of the Demand Registration Rights Agreement and the Private Investor Registration Rights Agreement see the disclosures set forth in this Report under the heading *Securities Exchange and Acquisition Agreement between Your Internet Defender Inc. and Corindus, Inc., Demand Registration Rights and Acquisition Agreement between Your Internet Defender Inc. and Corindus, Inc.– Equity Infusion of \$2 Million.*

Anti-takeover Effects of Our Articles of Incorporation and Bylaws

Our Articles of Incorporation and Bylaws contain certain provisions that may have anti-takeover effects, making it more difficult for or preventing a third party from acquiring control of the Company or changing its board of directors and management. According to our Articles of Incorporation and Bylaws, neither the holders of the Company's Common Stock nor the holders of the Company's Preferred Stock have cumulative voting rights in the election of our directors. The combination of the present ownership by a few stockholders of a significant portion of the Company's issued and outstanding Common Stock Common Stock and lack of cumulative voting makes it more difficult for other stockholders to replace the Company's Board of Directors or for a third party to obtain control of the Company by replacing its Board of Directors. Additionally, we are authorized to issue up to 10,000,000 shares of Preferred Stock in one or more series without stockholder approval, and each such series of Preferred Stock may have such preferences, rights and limitations as our Board of Directors may determine.

Anti-takeover Effects of Nevada Law

Business Combinations

The "business combination" provisions of Sections 78.411 to 78.444, inclusive, of the Nevada Revised Statutes, or NRS, prohibit a Nevada corporation with at least 200 stockholders from engaging in various "combination" transactions with any interested stockholder: for a period of three years after the date of the transaction in which the person became an interested stockholder, unless the transaction is approved by the board of directors prior to the date the interested stockholder obtained such status; or after the expiration of the three-year period, unless:

- the transaction is approved by the board of directors or a majority of the voting power held by disinterested stockholders, or
- if the consideration to be paid by the interested stockholder is at least equal to the highest of: (a) the highest price per share paid by the interested stockholder within the three years immediately preceding the date of the announcement of the combination or in the transaction in which it became an interested stockholder, whichever is higher, (b) the market value per share of Common Stock on the date of announcement of the combination and the date the interested stockholder acquired the shares, whichever is higher, or (c) for holders of preferred stock, the highest liquidation value of the preferred stock, if it is higher.

A "combination" is defined to include mergers or consolidations or any sale, lease exchange, mortgage, pledge, transfer or other disposition, in one transaction or a series of transactions, with an "interested stockholder" having: (a) an aggregate market value equal to 5% or more of the aggregate market value of the assets of the corporation, (b) an aggregate market value equal to 5% or more of the aggregate market value of all outstanding shares of the corporation, or (c) 10% or more of the earning power or net income of the corporation. In general, an "interested stockholder" is a person who, together with affiliates and associates, owns (or within three years, did own) 10% or more of a corporation's voting stock. The statute could prohibit or delay mergers or other takeover or change in control attempts and, accordingly, may discourage attempts to acquire our company even though such a transaction may offer our stockholders the opportunity to sell their stock at a price above the prevailing market price.

Control Share Acquisitions

The "control share" provisions of Sections 78.378 to 78.3793, inclusive, of the NRS, which apply only to Nevada corporations with at least 200 stockholders, including at least 100 stockholders of record who are Nevada residents, and which conduct business directly or indirectly in Nevada, prohibit an acquirer, under certain circumstances, from voting its shares of a target corporation's stock after crossing certain ownership threshold percentages, unless the acquirer obtains approval of the target corporation's disinterested stockholders. The statute specifies three thresholds: one-fifth or more but less than one-third, one-third but less than a majority, and a majority or more, of the outstanding voting power. Once an acquirer crosses one of the above thresholds, those shares in an offer or acquisition and acquired within 90 days thereof become "control shares" and such control shares are deprived of the right to vote until disinterested stockholders restore the right. These provisions also provide that if control shares are accorded full voting rights and the acquiring person has acquired a majority or more of all voting power, all other stockholders who do not vote in favor of authorizing voting rights to the control shares are entitled to demand payment for the fair value of their shares in accordance with statutory procedures established for dissenters' rights.

INDEMNIFICATION OF DIRECTORS AND OFFICERS

We are a Nevada corporation and generally governed by the Nevada Private Corporations Code, Title 78 of the Nevada Revised Statutes, or NRS.

Section 78.138 of the NRS provides that, unless the corporation's articles of incorporation provide otherwise, a director or officer will not be individually liable unless it is proven that (i) the director's or officer's acts or omissions constituted a breach of his or her fiduciary duties, and (ii) such breach involved intentional misconduct, fraud, or a knowing violation of the law.

Section 78.7502 of the NRS permits a company to indemnify its directors and officers against expenses, judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with a threatened, pending, or completed action, suit, or proceeding, if the officer or director (i) is not liable pursuant to NRS 78.138, or (ii) acted in good faith and in a manner the officer or director reasonably believed to be in or not opposed to the best interests of the corporation and, if a criminal action or proceeding, had no reasonable cause to believe the conduct of the officer or director was unlawful. Section 78.7502 of the NRS also precludes indemnification by the corporation if the officer or director has been adjudged by a court of competent jurisdiction, after exhaustion of all appeals, to be liable to the corporation or for amounts paid in settlement to the corporation, unless and only to the extent that the court determines that in view of all the circumstances, the person is fairly and reasonably entitled to indemnity for such expenses and requires a corporation to indemnify its officers and directors if they have been successful on the merits or otherwise in defense of any claim, issue, or matter resulting from their service as a director or officer.

Section 78.751 of the NRS permits a Nevada company to indemnify its officers and directors against expenses incurred by them in defending a civil or criminal action, suit, or proceeding as they are incurred and in advance of final disposition thereof, upon determination by the stockholders, the disinterested board members, or by independent legal counsel. Section 78.751 of NRS requires a corporation to advance expenses as incurred upon receipt of an undertaking by or on behalf of the officer or director to repay the amount if it is ultimately determined by a court of competent jurisdiction that such officer or director is not entitled to be indemnified by the company if so provided in the corporations articles of incorporation, bylaws, or other agreement. Section 78.751 of the NRS further permits the company to grant its directors and officers additional rights of indemnification under its articles of incorporation, bylaws, or other agreement.

Section 78.752 of the NRS provides that a Nevada company may purchase and maintain insurance or make other financial arrangements on behalf of any person who is or was a director, officer, employee, or agent of the company, or is or was serving at the request of the company as a director, officer, employee, or agent of another company, partnership, joint venture, trust, or other enterprise, for any liability asserted against him and liability and expenses incurred by him in his capacity as a director, officer, employee, or agent, or arising out of his status as such, whether or not the company has the authority to indemnify him against such liability and expenses.

The foregoing discussion of indemnification merely summarizes certain aspects of indemnification provisions and is limited by reference to the above discussed sections of the Nevada Corporation Law.

Our Articles of Incorporation and Bylaws provide that we may indemnify to the full extent of its power to do so, all directors, officers, employees, and/or agents. Insofar as indemnification by our company for liabilities arising under the Securities Act may be permitted to officers and directors of the Company pursuant to the foregoing provisions or otherwise, we are aware that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

On January 21, 2011, the Company entered into an Indemnification Agreement with Gerard Winkels, one of our directors who is the board designee for Philips. For further information, see Certain Relationships and Related Transactions and Director Independence hereinabove.

FINANCIAL STATEMENTS

See information contained in Item 9.01 below.

ITEM 3.02 UNREGISTERED SALES OF EQUITY SECURITIES.

Issuance and Exchange of Corindus Series D Convertible Redeemable Preferred Stock

On January 21, 2011, Corindus entered into a Series D Preferred Stock Purchase Agreement with Koninklijke Philips N.V. and sold 378,224 shares of Series D Convertible Redeemable Preferred Stock (the "Series D Stock") for \$21.15 per share, or an aggregate of \$8.0 million (or 9,456,382 post-exchange shares of the Company's Common Stock).

Issuance and Exchange of Corindus Series D-1 Convertible Redeemable Preferred Stock

On October 7, 2011, Corindus entered into a Series D-1 Preferred Stock Purchase Agreement and sold 173,146 shares of Series D-1 Convertible Redeemable Preferred Stock (the "Series D-1 Stock") for \$28.88 per share, or an aggregate of \$5.0 million (or 4,329,008 post-exchange shares of the Company's Common Stock).

Issuance and Exchange of Corindus Series D-2 Convertible Redeemable Preferred Stock

On February 28, 2012, Corindus entered into a Series D-2 Preferred Stock Purchase Agreement and sold 160,778 shares of Series D-2 Convertible Redeemable Preferred Stock (the "Series D-2 Stock") for \$31.10 per share, or an aggregate of \$5.0 million (or 4,019,782 post-exchange shares of the Company's Common Stock).

Issuance and Exchange of Corindus Series E Convertible Preferred Stock

On October 12, 2012, Corindus entered into a Series E Preferred Stock Purchase Agreement and sold 897,185 shares of Series E Convertible Preferred Stock (the "Series E Stock") for \$31.84 per share, or an aggregate of \$28.6 million (or 22,431,482 post-exchange shares of the Company's Common Stock).

Issuance and Exchange of Common Stock Purchase Warrants ("Warrants")

Pursuant to a May 31, 2007 loan agreement, Corindus issued a ten-year Warrant to Narkis Gryp Ltd. to purchase 4,966 shares of Corindus Series A Preferred Stock with an exercise price of \$19.12 per share. The shares under the Warrant are fully vested. Pursuant to the Exchange Ratio in the Acquisition Agreement, the Warrant was exchanged for a Company Warrant to purchase 124,160 shares of the Company's Common Stock at an exercise price of \$0.7648 per share.

Pursuant to the January 21, 2011 Series D Agreement, Corindus issued a Warrant to Koninklijke Philips Electronics NV ("Philips") to purchase 189,112 shares of Corindus Series D Preferred Stock at an exercise price of \$26.50 per share with an expiration date of October 11 2017, The Warrant became exercisable upon the issuance of the Series E Preferred shares on October 12, 2012. Pursuant to the Exchange Ratio in the Acquisition Agreement, the Warrant was exchanged for a Company Warrant to purchase 4,728,191 shares of the Company's Common Stock at an exercise price of \$1.06 per share. A designee of Philips serves as a member of our Board of Directors.

Pursuant to a June 11, 2014 loan agreement, Corindus issued a ten-year Warrant to Steward Capital Holdings for the purchase of 7,100 shares of Corindus Series E Preferred Stock at an exercise price of \$35.21 per share. Pursuant to the Exchange Ratio in the Acquisition Agreement, the Warrant was exchanged for a Company Warrant for the purchase of 177,514 shares of the Company's Common Stock at an exercise price of \$1.4083 per share.

Securities Issued Pursuant to Acquisition

As previously mentioned herein, on August 12, 2014, pursuant to and in connection with the Closing of the Acquisition, we issued:

- 73,360,287 shares of our Common Stock to the former Corindus Shareholders;
- Company Options for the purchase of an aggregate of 9,035,016 underlying shares of our Common Stock; and
- Company Warrants for the purchase of an aggregate of 5,029,865 underlying shares of our Common Stock.

The 73,360,287 shares issued to the former Corindus Shareholders were issued with a restrictive legend that the shares had not been registered under the Securities Act of 1933. For more information, see Item 2.01 – Completion of Acquisition or Disposition of Assets; Securities Exchange and Acquisition Agreement between Your Internet Defender Inc. and Corindus, Inc.

Securities Issued Pursuant to Equity Infusion

On August 12, 2014, we sold one million shares of our Common Stock to a Private Investor pursuant to a Stock Purchase Agreement for \$2.00 per share, or an aggregate of \$2,000,000. We also granted the Private Investor registration rights on the shares.

Exemptions from Registration

In connection with above-mentioned sales of unregistered securities for cash purchased by individuals and entities, each investor represented that they were accredited investors (as defined by Rule 501 Regulation D under the Securities Act of 1933) and were acquiring the shares for investment and not distribution, that they could bear the risks of the investment and could hold the securities for an indefinite period of time. The investors received written disclosures that the securities had not been registered under the Securities Act and that any resale must be either registered under the Securities Act or in reliance upon an available exemption from registration. No general solicitation was undertaken by the Company in connection with the offer or sale of these securities. All of the individuals and entities listed above that purchased the unregistered securities for cash were all known to the Company and its management through pre-existing business relationships, as long standing business associates and friends. All purchasers were provided access to all material information that they requested and all information necessary to verify such information, and were afforded access to management of the Company in connection with their purchases. All certificates or agreements representing such securities were issued with restrictive legends that prohibited further transfer of the securities or agreements representing such securities, without such securities either being first registered or otherwise exempt from registration in any further resale or disposition. In connection with the above-mentioned issuances of unregistered securities for cash, the Company made such issuances in reliance upon Rule 506 of Regulation D under the Securities Act.

The issuance of the Company Common Stock, Company Options and Company Warrants in conjunction with the Acquisition was exempt from registration under Section 4(2) of the Securities Act as not involving any public offering.

None of the stock options or warrants, nor the underlying shares of Common Stock issuable upon exercise, have been registered under the Securities Act; and all documents have been issued with a restrictive legend prohibiting further transfer of the shares without such securities either being first registered or otherwise exempt from registration in any further resale or disposition.

ITEM 4.01 CHANGES IN ACCOUNTANTS.

The Company intends to change its independent accountants to the independent accounting firm used by Corindus and will disclose same under a separate Form 8-K to be filed.

ITEM 5.01 CHANGES IN CONTROL OF REGISTRANT.

The information regarding the Company's change of control in connection with the Acquisition set forth in Item 2.01, "Completion of Acquisition or Disposition of Assets -- Securities Exchange and Acquisition Agreement between Your Internet Defender Inc. and Corindus, Inc." is incorporated herein by reference.

At Closing of the Acquisition, the Company issued 73,360,287 shares of its Common Stock to the former Corindus Shareholders in exchange for 100% of their ownership of Corindus. Prior to the subject Acquisition, the Corindus shareholders owned no shares of the Company.

After giving effect to the issuance of the Company Shares and Equity Infusion Shares, and the cancellation of the Repurchase Shares, the number of shares of Company Common Stock issued and outstanding is 95,216,587, of which the Corindus shareholders own approximately 77%. After giving effect to the issuance of the Company Shares, Equity Infusion Shares and Reserved Shares, and the cancellation of the Repurchase Shares, the number of shares of Company Common Stock issued and outstanding will be 109,281,468 on a fully diluted basis (assuming exercise of all outstanding options and warrants), of which the Corindus shareholders own approximately 80%. Shareholders beneficially owning 100% of the shares of the Company's Common Stock immediately prior to the consummation of the Acquisition were diluted to an aggregate beneficial ownership of 21,856,300 shares or approximately 20% of the Company's issued and outstanding shares.

ITEM 5.02 DEPARTURE OF DIRECTORS OR PRINCIPAL OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF CERTAIN OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS.

Change in the Directors Serving on our Board

After the Closing of the Acquisition, the Company accepted the resignation of Leah Hein, its former sole director, and the below-listed individuals were elected to serve on the Company's Board of Directors. The resignation of the former sole director was not in connection with any known disagreement with us on any matter. The Company's new Board of Directors then elected Jeffrey Lightcap as its Chairman.

Jeffrey Lightcap, Chairman
David M. Handler
Hillel Bachrach
Jeffrey Gold
David White
Gerald Winkels
Michael Mashaal

Information on each of the new directors is set forth herein at *Directors and Executive Officers*.

Pursuant to various funding agreements, (i) Mr. Lightcap and Mr. Mashaal serve as the director designees of HealthCor Partners Fund, LP, HealthCor Hybrid Offshore, Ltd. and HealthCor Partners Fund II, LP, (ii) Mr. Bachrach serves as the director designee of 20/20 Capital III, LLC and (iii) Mr. Winkels serves as the director designee of Philips.

Change in Officers

After the Closing of the Acquisition, the former sole officer resigned and the following individuals were named as executive officers of the Company:

David M. Handler	Chief Executive Officer and President
David W. Long	Chief Financial Officer and Senior Vice President, Treasurer and Secretary

Officers serve at the pleasure of the Company's Board of Directors. Information on each of the new officers, and their applicable terms of employment, is set forth herein at *Directors and Executive Officers*.

ITEM 5.03 AMENDMENTS TO ARTICLES OF INCORPORATION OR BYLAWS; CHANGE IN FISCAL YEAR

Pursuant to the terms of the Acquisition Agreement, the Company intends to immediately file a Certificate to Accompany Restated Articles or Amended and Restated Articles (the "Certificate") with the Nevada Secretary of State to change the name of the Company to "Corindus Vascular Robotics, Inc." and to increase the Company's authorized shares to 260,000,000 shares (250,000,000 shares of Common Stock at \$0.0001 par value per share, and 10,000,000 shares of Preferred Stock at \$0.0001 par value per share). No other material amendments were made. The effective date will be the date that the Certificate is accepted and filed by the Nevada Secretary of State. The form of Certificate was filed as an exhibit to our Current Report on Form 8-K filed with the Commission on August 6, 2014 and is incorporated herein by reference.

The Company intends to change its fiscal year of March 31 to conform to the December 31 fiscal year of Corindus.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(a) Financial Statements of Business Acquired:

See Audited Financial Statements for Corindus, Inc. and Subsidiary for years ended December 31, 2013 and 2012 and Three Months Ended March 31, 2014, which are filed as Exhibit 99.1 to this Report and are incorporated herein by reference.

(b) Pro Forma Financial Information:

See Unaudited Pro Forma Condensed Combined Statement of Operations for Three Months Ended March 31, 2014 of Corindus, Inc. and Subsidiary, which are filed as Exhibit 99.2 to this Report and are incorporated herein by reference.

(c) Shell Company Transactions:

None.

(d) Exhibits:

Exh. No.	Date	Document
2.1	August 5, 2014	Securities Exchange and Acquisition Agreement between Your Internet Defender Inc., and Corindus, Inc. ⁽³⁾
3.1	May 4, 2011	Articles of Incorporation ⁽¹⁾
3.2	June 3, 2011	Certificate of Correction to Articles of Incorporation ⁽¹⁾
3.3	August 12, 2011	Form of Certificate to Accompany Restated Articles or Amended and Restated Articles ⁽³⁾
3.4	n/a	Bylaws ⁽¹⁾
10.01	September 3, 2008	Employment Agreement between Corindus, Inc. and David M. Handler *
10.02	January 21, 2011	Indemnification Agreement between Corindus and Gerard Winkels *
10.03	October 24, 2012	Lease Agreement *
10.04	June 11, 2014	Loan and Security Agreement with Steward Capital Holdings *
10.05	June 11, 2014	Warrant to Steward Capital Holdings *
10.06	June 11, 2014	Intellectual Property Loan Agreement with Steward Capital Holdings *
10.07	June 30, 2014	Resignation of Lisa Grossman ⁽²⁾
10.08	June 30, 2014	Resignation of Gabriel Solomon ⁽²⁾
10.09	June 30, 2014	Loan Agreement between the Company and Lisa Grossman ⁽²⁾
10.10	June 30, 2014	Promissory Note for \$248,831.59 issued to Lisa Grossman ⁽²⁾
10.11	July 2, 2014	Debt Settlement Agreement between the Company and Yitz Grossman ⁽²⁾
10.12	August 5, 2014	Form of Employee Stock Option for 2006 Option Holders ⁽³⁾
10.13	August 5, 2014	Form of Director Stock Option for 2006 Option Holders ⁽³⁾
10.14	August 5, 2014	Form of Employee Stock Option for 2008 Option Holders ⁽³⁾
10.15	August 5, 2014	Form of Officer Stock Option for 2008 Option Holders ⁽³⁾
10.16	August 5, 2014	Form of Director Stock Option for 2008 Option Holders ⁽³⁾
10.17	August 5, 2014	Form of Lock-up Agreement ⁽³⁾
10.18	August 5, 2014	Form of Stock Purchase Agreement for Equity Infusion ⁽³⁾
10.19	August 5, 2014	Form of Private Investor Registration Rights Agreement for Equity Infusion ⁽³⁾
10.20	August 5, 2014	Demand Registration Rights Agreement ⁽³⁾
10.21	August 12, 2014	2014 Stock Award Plan ⁽³⁾
10.22	August 12, 2014	Interest Transfer Agreement *
10.23	August 12, 2014	Replacement Warrant to Steward Capital Holdings *
10.24	August 12, 2014	Replacement Warrant to Narkis Gryp Ltd. *
10.25	August 12, 2014	Replacement Warrant to Koninklijke Philips Electronics, N.V. *
10.26	August 12, 2014	Spin-Out Agreement (with Lisa Grossman) *
10.27	August 12, 2014	Repurchase Agreement *
21.1		Subsidiaries of the Registrant
99.1	n/a	Audited Financial Statements for Corindus, Inc. and Subsidiary for years ended December 31, 2013 and 2012 and Three Months Ended March 31, 2014 *
99.2	n/a	Unaudited Pro Forma Condensed Combined Statement of Operations Three Months Ended March 31, 2014 of Corindus, Inc. and Subsidiary *

Filed herewith.

*

(1) Incorporated by reference to the corresponding exhibit filed with our Registration Statement on Form S-1 on August 31, 2011.

(2) Incorporated by reference to the corresponding exhibit filed with our Current Report on Form 8-K on July 7, 2014.

(3) Incorporated by reference to the corresponding exhibit filed with our Current Report on Form 8-K on August 6, 2014.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: August 15, 2014

YOUR INTERNET DEFENDER INC.

By: /s/David M. Handler

David M. Handler, Chief Executive Officer

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement"), made as of this 3rd day of September, 2008, is entered into by Corindus, Inc., a Delaware corporation with its principal place of business at 11 Erie Drive, Natick, MA 01760 (the "Company"), and David M. Handler, residing at N36 W22580 Long Valley Road, Pewaukee, WI 53072 (the "Executive").

The Company desires to employ the Executive, and the Executive desires to be employed by the Company. In consideration of the mutual covenants and promises contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties to this Agreement, the parties agree as follows:

1. Period of Employment. The Company hereby agrees to employ the Executive, and the Executive hereby accepts employment with the Company upon the terms set forth in this Agreement, on an at will basis for the period commencing on October 1, 2008 (the "Commencement Date") and ending on the date the Executive's employment is terminated pursuant to the terms of this Agreement (with such period being referred to herein as the "Employment Period"). The Executive's employment with the Company is voluntary and he is free to resign at any time, subject to the provisions of this Agreement. Further, the Company will be free to terminate the Executive's employment at any time, with or without cause and without further obligation or liability, subject to the provisions of this Agreement.

2. Title; Capacity. The Executive shall serve as President and Chief Executive Officer or in such other position as the Company or its Board of Directors (the "Board") may determine from time to time. In addition, the Executive shall serve on the Board during the Employment Period. The Executive shall be based at the Company's headquarters in Natick, Massachusetts, or such place or places in the continental United States as the Board shall determine. The Executive shall be subject to the supervision of, and shall have such authority as is delegated to the Executive by, the Board or such officer of the Company as may be designated by the Board.

The Executive hereby accepts such employment and agrees to undertake the duties and responsibilities inherent in such position and such other duties and responsibilities as the Board or its designee shall from time to time reasonably assign to the Executive. The Executive agrees to devote his entire business time, attention and energies to the business and interests of the Company during the Employment Period. The Executive agrees to abide by the rules, regulations, instructions, personnel practices and policies of the Company and any changes therein which may be adopted from time to time by the Company.

3. Compensation and Benefits.

3.1 Salary and Annual Bonus. The Company shall pay the Executive, in periodic installments in accordance with the Company's customary payroll practices, an annual base salary of \$275,000 for the one-year period commencing on the Commencement Date. Such salary shall be subject to adjustment thereafter as determined by the Board. Commencing with the year-ended December 31, 2009, the Executive will be eligible for a bonus payment of up to 30% of his annual salary for the year immediately preceding payment of such bonus based on achievement of performance objectives (as reasonably determined by the Board) contained in an annual Board-approved plan. Any bonus award will be paid on or before March 15 of the fiscal year following the fiscal year in which the bonus was earned, with the first potential bonus to be paid on March 15, 2010, and conditioned upon the Executive's employment with the Company at the end of the immediately preceding fiscal year.

3.2 Stock Options. Subject to the approval of the Board, on or about the Commencement Date, the Executive will be granted an option to purchase an aggregate of 37,873 shares of Common Stock of the Company (the "Option Shares"), under the Company's 2008 Stock Incentive Plan, representing approximately 5.0% of the fully diluted shares of the Company as measured as of the date of this Agreement, at an exercise price per share equal to \$22.88, as evidenced by and subject to the terms of a Company form option agreement. The Option Shares will vest as follows: 25% of the Option Shares will vest after the Executive has provided the Company with twelve (12) months of continuous service, and the balance of the Option Shares will vest in equal monthly installments over the next thirty-six (36) months, provided, in each case, that the Executive has provided continuous services to the Company as of each such vesting date.

3.3 Signing Bonus. The Executive will be eligible for a \$50,000 signing bonus payable on or before February 28, 2009, conditioned upon his continued employment with the Company on that date.

3.4 Fringe Benefits; Vacation. The Executive shall be entitled to participate in all bonus and benefit programs that the Company establishes and makes available to its employees, if any, to the extent that Executive's position, tenure, salary, age, health and other qualifications make him eligible to participate. The Executive shall be entitled to four (4) weeks paid vacation per year, to be taken at such times as may be approved by the Board or its designee. Vacation days must be taken during each 12-month period starting with the anniversary of the Commencement Date with no carryover of vacation days to the following 12-month period.

3.5 Reimbursement of Expenses. The Company shall reimburse the Executive for all reasonable travel, entertainment and other expenses incurred or paid by the Executive in connection with, or related to, the performance of his duties, responsibilities or services under this Agreement, in accordance with policies and procedures, and subject to limitations, adopted by the Company from time to time.

3.6 Relocation Allowances. The Executive must relocate his primary residence to within 50 miles of Natick, Massachusetts within three (3) months of the Commencement Date (the "Relocation Date"). Provided the Executive completes such relocation during such time, the Company shall reimburse the Executive up to \$80,000 of his out-of-pocket expenses against receipts he provides to the Company (the "Relocation Allowances"). It being understood that the Relocation Allowances may be incurred either prior to or after the Relocation Date, provided that the Executive (i) complies with the first sentence of this Section 3.6 and (ii) incurs the Relocation Allowances during the first twelve (12) months of the Employment Period.

(a) Included in this amount, the Company will reimburse the Executive for travel and lodging expenses for the Executive and his family for three (3) round trips between Wisconsin and Boston, Massachusetts for the purpose of attending to his housing needs. It is expected that these trips will be no longer than a total of four (4) nights/ five (5) days in duration and will include hotel, car rental, airfare and reasonable meal and parking expenses. The Executive hereby agrees that travel expenses to be reimbursed hereunder by the Company will be reasonable and that he will use his reasonable best efforts to minimize the travel expenses by obtaining, in each instance, terms which are as favorable as those which he would negotiate if he were to pay for such travel expenses himself.

(b) Except in connection with a Change of Control (defined below), in the event the Executive terminates his employment with the Company during the first twenty-four (24) months immediately following the Commencement Date, the Executive will be obligated to repay to the Company the amount of Relocation Allowances paid to him by the Company.

(c) In addition to the Relocation Allowances, the Company will reimburse the Executive against receipts he provides to the Company up to \$3,000 per month, if needed, for up to three (3) months of temporary living expenses in the Natick, Massachusetts area.

3.7 Withholding: Section 409A. All salary, bonus and other compensation payable to the Executive shall be subject to applicable withholding taxes. All reimbursements and in-kind benefits provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A of the Internal Revenue Code and the guidance issued thereunder ("Section 409A") to the extent that such reimbursements or in-kind benefits are subject to Section 409A, including, where applicable, the requirements that (i) any reimbursement be 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 set off or liquidation or exchange for any other benefit.

4. Termination of Employment Period. The employment of the Executive by the Company pursuant to this Agreement shall terminate upon the occurrence of any of the following:

4.1 At the election of the Company, for Cause (as defined below), immediately upon written notice by the Company to the Executive, which notice shall identify the Cause upon which the termination is based. For the purposes of this Section 4.2, "Cause" shall mean (a) a good faith finding by the Company that (i) the Executive has failed to perform his assigned duties for the Company, or (ii) the Executive has engaged in dishonesty, gross negligence or misconduct, or (b) the conviction of the Executive of, or the entry of a pleading of guilty or nolo contendere by the Executive to, any crime involving moral turpitude or any felony.

4.2 Upon the death or disability of the Executive. As used in this Agreement, the term "disability" shall mean the inability of the Executive, due to a physical or mental disability, for a period of ninety (90) days, whether or not consecutive, during any 360-day period to perform the services contemplated under this Agreement, with or without reasonable accommodation as that term is defined under state or federal law. A determination of disability shall be made by a physician satisfactory to both the Executive and the Company, provided that if the Executive and the Company do not agree on a physician, the Executive and the Company shall each select a physician and these two together shall select a third physician, whose determination as to disability shall be binding on all parties.

4.3 At the election of either party, upon not less than thirty (30) days' prior written notice of termination.

5. Effect of Termination.

5.1 Payments Upon Termination. In the event that the Executive's employment is involuntarily terminated by the Company without Cause, whether before or after a Change of Control, the Company will continue to pay to the Executive his base salary and benefits for a period of six (6) months. Receipt of the salary and benefits provided to the Executive under this paragraph will be: (i) conditioned on the Executive executing and not revoking a standard form of release of the Company and associated persons from any claims against them within 30 days of the date of his termination and (ii) subject to mitigation obligations. The payments to be made hereunder (A) shall commence 30 days following the Executive's termination of employment, provided that the release referenced in the prior sentence has been signed and not revoked as of such date, (B) shall continue to be made in accordance with the Company's regular payroll schedule practices and (C) shall be subject to the terms and conditions set forth in Exhibit A.

5.2 Change of Control. On the effective date of a Change of Control, defined as (i) a merger or consolidation involving the Company, or a sale of the capital stock of the Company, in each such case, where the holders of the outstanding capital stock of the Company immediately prior to such transaction no longer hold at least a majority of the outstanding capital stock of the resulting, combined company or acquiring company after such transaction, or (ii) the sale of all or substantially all of the assets of the Company, 50% of the Executive's unvested Option Shares will automatically vest with the remaining unvested portion vesting ratably over the remaining vesting period. After the effective date of a Change of Control, and if the Executive elects to terminate his employment with the Company for "good reason" or if he is

terminated involuntarily without Cause, his remaining unvested Option Shares will become fully vested. Good reason includes a reduction in salary, a material negative change in authority, status, obligations or responsibilities, or a requirement to relocate outside the Boston area. Notwithstanding the above unvested Option Shares will become fully vested twelve (12) months after the effective date of a Change of Control.

5.3 Survival. The provisions of Sections 6 and 7 shall survive the termination of this Agreement.

6. Non-Competition and Non-Solicitation.

6.1 Restricted Activities. While the Executive is employed by the Company and for a period of eighteen (18) months after the termination or cessation of such employment for any reason, the Executive will not directly or indirectly:

(a) Engage in any business or enterprise (whether as owner, partner, officer, director, employee, consultant, investor, lender or otherwise, except as the holder of not more than 1% of the outstanding stock of a publicly-held company) that is competitive with the Company's Business, including but not limited to any business or enterprise that develops, manufactures, markets, licenses, sells or provides any product or service that competes with any product or service developed, manufactured, marketed, licensed, sold or provided, or planned to be developed, manufactured, marketed, licensed, sold or provided, by the Company or any of its subsidiaries while the Executive was employed by the Company; or

(b) Either alone or in association with others (i) solicit, or permit any organization directly or indirectly controlled by the Executive to solicit, any employee of the Company to leave the employ of the Company, or (ii) solicit for employment, hire or engage as an independent contractor, or permit any organization directly or indirectly controlled by the Executive to solicit for employment, hire or engage as an independent contractor, any person who was employed by the Company at any time during the term of the Executive's employment with the Company.

(c) For purposes of this Section 6.1, "Business" shall mean the development, manufacture, marketing, licensing or sales of products or services in the field of vascular robotics.

6.2 Extension. If the Executive violates the provisions of Section 6.1, the Executive shall continue to be bound by the restrictions set forth in Section 6.1 until a period of eighteen (18) months has expired without any violation of such provisions.

6.3 Interpretation. If any restriction set forth in Section 6.1 is found by any court of competent jurisdiction to be unenforceable because it extends for too long a period of time or over too great a range of activities or in too broad a geographic area, it shall be interpreted to extend only over the maximum period of time, range of activities or geographic area as to which it may be enforceable.

6.4 Equitable Remedies. The restrictions contained in this Section 6 are necessary for the protection of the business and goodwill of the Company and are considered by the Executive to be reasonable for such purpose. The Executive agrees that any breach of this Section 6 is likely to cause the Company substantial and irrevocable damage which is difficult to measure. Therefore, in the event of any such breach or threatened breach, the Executive agrees that the Company, in addition to such other remedies which may be available, shall have the right to apply for an injunction from a court restraining such a breach or threatened breach and the right to specific performance of the provisions of this Section 6.

7. Proprietary Information and Developments.

7.1 Proprietary Information.

(a) The Executive agrees that all information, whether or not in writing, of a private, secret or confidential nature concerning the Company's business, business relationships, technologies, products, product development and marketing strategies or financial affairs (collectively, "Proprietary Information") is and shall be the exclusive property of the Company. By way of illustration, but not limitation, Proprietary Information may include inventions, products, processes, methods, trade secrets, formulas, compositions, compounds, projects, developments, plans, research data, clinical data, financial data, personnel data, computer programs, customer and supplier lists, and knowledge of customers or prospective customers of the Company. The Executive will not disclose any Proprietary Information to any person or entity other than employees of the Company or use the same for any purposes (other than in the performance of his duties as an employee of the Company) without written approval by an officer of the Company, either during or after his employment with the Company, unless and until such Proprietary Information has become public knowledge without fault by the Executive.

(b) The Executive agrees that all files, letters, memoranda, reports, records, data, sketches, drawings, laboratory notebooks, program listings, or other written, photographic, or other tangible material containing Proprietary Information, whether created by the Executive or others, which shall come into his custody or possession, shall be and are the exclusive property of the Company to be used by the Executive only in the performance of his duties for the Company. All such materials or copies thereof and all tangible property of the Company in the custody or possession of the Executive shall be delivered to the Company, upon the earlier of (i) a request by the Company or (ii) termination of his employment. After such delivery, the Executive shall not retain any such materials or copies thereof or any such tangible property.

(c) The Executive agrees that his obligation not to disclose or to use information and materials of the types set forth in paragraphs (a) and (b) above, and his obligation to return materials and tangible property, set forth in paragraph (b) above, also extends to such types of information, materials and tangible property of customers of the Company or suppliers to the Company or other third parties who may have disclosed or entrusted the same to the Company or to the Executive.

7.2 Developments.

(a) The Executive will make full and prompt disclosure to the Company of all inventions, improvements, discoveries, methods, developments, software, and works of authorship, whether patentable or not, which are created, made, conceived or reduced to practice by him or under his direction or jointly with others during his employment by the Company, whether or not during normal working hours or on the premises of the Company (all of which are collectively referred to in this Agreement as "Developments").

(b) The Executive agrees to assign and does hereby assign to the Company (or any person or entity designated by the Company) all his right, title and interest in and to all Developments and all related patents, patent applications, copyrights and copyright applications. However, this paragraph (b) shall not apply to Developments which do not relate to the business or research and development conducted or planned to be conducted by the Company at the time such Development is created, made, conceived or reduced to practice and which are made and conceived by the Executive not during normal working hours, not on the Company's premises and not using the Company's tools, devices, equipment or Proprietary Information. The Executive understands that, to the extent this Agreement shall be construed in accordance with the laws of any state which precludes a requirement in an employee agreement to assign certain classes of inventions made by an employee, this paragraph (b) shall be interpreted not to apply to any invention which a court rules and/or the Company agrees falls within such classes. The Executive also hereby waives all claims to moral rights in any Developments.

(c) The Executive agrees to cooperate fully with the Company, both during and after his employment with the Company, with respect to the procurement, maintenance and enforcement of copyrights, patents and other intellectual property rights (both in the United States and foreign countries) relating to Developments; provided that, after his employment with the Company, such cooperation shall be conditioned upon reimbursement by the Company of the Executive's reasonable costs and expenses incurred in connection therewith. The Executive shall sign all papers, including, without limitation, copyright applications, patent applications, declarations, oaths, formal assignments, assignments of priority rights, and powers of attorney, which the Company may deem necessary or desirable in order to protect its rights and interests in any Development. The Executive further agrees that if the Company is unable, after reasonable effort, to secure the signature of the Executive on any such papers, any executive officer of the Company shall be entitled to execute any such papers as the agent and the attorney-in-fact of the Executive, and the Executive hereby irrevocably designates and appoints each executive officer of the Company as his agent and attorney-in-fact to execute any such papers on his behalf, and to take any and all actions as the Company may deem necessary or desirable in order to protect its rights and interests in any Development, under the conditions described in this sentence.

7.3 United States Government Obligations. The Executive acknowledges that the Company from time to time may have agreements with other parties or with the United States Government, or agencies thereof, which impose obligations or restrictions on the Company regarding inventions made during the course of work under such agreements or regarding the confidential nature of such work. The Executive agrees to be bound by all such obligations and restrictions which are made known to the Executive and to take all appropriate action necessary to discharge the obligations of the Company under such agreements.

7.4 **Equitable Remedies.** The restrictions contained in this Section 7 are necessary for the protection of the business and goodwill of the Company and are considered by the Executive to be reasonable for such purpose. The Executive agrees that any breach of this Section 7 may cause the Company substantial and irrevocable damage which is difficult to measure. Therefore, in the event of any such breach or threatened breach, the Executive agrees that the Company, in addition to such other remedies which may be available, shall have the right to apply for an injunction from a court restraining such a breach or threatened breach and the right to specific performance of the provisions of this Section 7.

8. **Other Agreements.** The Executive represents that his performance of all the terms of this Agreement and the performance of his duties as an officer and employee of the Company do not and will not breach any agreement with any prior employer or other party to which the Executive is a party (including without limitation any nondisclosure or non-competition agreement). The Executive represents to the Company that any agreement to which the Executive is a party relating to nondisclosure, non-competition or non-solicitation of employees or customers is listed on Schedule A attached hereto.

9. **Miscellaneous.**

9.1 **Notices.** Any notices delivered under this Agreement shall be deemed duly delivered four (4) business days after it is sent by registered or certified mail, return receipt requested, postage prepaid, or one business day after it is sent for next-business day delivery via a reputable nationwide overnight courier service, in each case to the address of the recipient set forth in the introductory paragraph hereto. Either party may change the address to which notices are to be delivered by giving notice of such change to the other party in the manner set forth in this Section 9.1.

9.2 **Pronouns.** Whenever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular forms of nouns and pronouns shall include the plural, and vice versa.

9.3 **Entire Agreement.** This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements and understandings, whether written or oral, relating to the subject matter of this Agreement.

9.4 **Amendment.** This Agreement may be amended or modified only by a written instrument executed by both the Company and the Executive.

9.5 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of The Commonwealth of Massachusetts (without reference to the conflicts of laws provisions thereof). Any action, suit or other legal proceeding arising under or relating to any provision of this Agreement shall be commenced only in a court of The Commonwealth of Massachusetts (or, if appropriate, a federal court located within Massachusetts), and the Company and the Executive each consents to the jurisdiction of such a court.

9.6 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of both parties and their respective successors and assigns, including any corporation with which, or into which, the Company may be merged or which may succeed to the Company's assets or business; provided, however, that the obligations of the Executive are personal and shall not be assigned by him.

9.7 Waivers. No delay or omission by the Company in exercising any right under this Agreement shall operate as a waiver of that or any other right. A waiver or consent given by the Company on any one occasion shall be effective only in that instance and shall not be construed as a bar or waiver of any right on any other occasion.

9.8 Captions. The captions of the sections of this Agreement are for convenience of reference only and in no way define, limit or affect the scope or substance of any section of this Agreement.

9.9 Severability. In case any provision of this Agreement shall be invalid, illegal or otherwise unenforceable, the validity, legality and enforceability of the remaining provisions shall in no way be affected or impaired thereby.

THE EXECUTIVE ACKNOWLEDGES THAT HE HAS READ THIS AGREEMENT CAREFULLY AND UNDERSTANDS AND AGREES TO ALL OF THE PROVISIONS IN THIS AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year set forth above.

CORINDUS, INC.

By: /s/ Frank Martin

Title: CEO

EXECUTIVE

/s/ David M. Handler

David M. Handler

Exhibit A: Payments subject to Section 409A

Subject to the provisions in this Exhibit A, any severance payments or benefits under this Agreement shall begin only upon the date of the Executive's "separation from service" (determined as set forth below) which occurs on or after date of the termination of his employment. The following rules shall apply with respect to distribution of the payments and benefits, if any, to be provided to the Executive under this Agreement:

1. It is intended that each installment of the severance payments and benefits provided under this Agreement shall be treated as a separate "payment" for purposes of Section 409A. Neither the Company nor the Executive shall have the right to accelerate or defer the delivery of any such payments or benefits except to the extent specifically permitted or required by Section 409A.

2. If, as of the date of the Executive's "separation from service" from the Company, the Executive *is* not a "specified employee" (within the meaning of Section 409A), then each installment of the severance payments and benefits shall be made on the dates and terms set forth in this Agreement.

3. If, as of the date of the Executive's "separation from service" from the Company, *the* Executive is a "specified employee" (within the meaning of Section 409A), then:

a. Each installment of the severance payments and benefits due under this Agreement that, in accordance with the dates and terms set forth herein, will in all circumstances, regardless of when the separation from service occurs, be paid within the Short-Term Deferral Period (as hereinafter defined) shall be treated as a short-term deferral within the meaning of Treasury Regulation Section 1.409A-1(b)(4) to the maximum extent permissible under Section 409A. For purposes of this Agreement, the "Short-Term Deferral Period" means the period ending on the later of the 15th day of the third month following the end of the Executive's tax year in which the separation from service occurs and the 15th day of the third month following the end of the Company's tax year in which the separation from service occurs; and

b. Each installment of the severance payments and benefits due under this Agreement that is not described in paragraph 3(a) above and that would, absent this subsection, be paid within the six-month period following the Executive's "separation from service" from the Company shall not be paid until the date that is six months and one day after such separation from service (or, if earlier, the Executive's death), with any such installments that are required to be delayed being accumulated during the six-month period and paid in a lump sum on the date that is six months and one day following the Executive's separation from service and any subsequent installments, if any, being paid in accordance with the dates and terms set forth herein; provided, however, that the preceding provisions of this sentence shall not apply to any installment of severance payments and benefits if and to the maximum extent that that such installment is deemed to be paid under a separation pay plan that does not provide for a

deferral of compensation by reason of the application of Treasury Regulation 1.409A-1(b)(9)(iii) (relating to separation pay upon an involuntary separation from service). Any installments that qualify for the exception under Treasury Regulation Section 1.409A-1(b)(9)(iii) must be paid no later than the last day of the Executive's second taxable year following the taxable year in which the separation from service occurs.

4. The determination of whether and when the Executive's separation from service from the Company has occurred shall be made and in a manner consistent with, and based on the presumptions set forth in, Treasury Regulation Section 1.409A-1(h). Solely for purposes of this paragraph 4, "Company" shall include all persons with whom the Company would be considered a single employer under Section 414(b) and 414(c) of the Code.

SCHEDULE A

Prior Agreements



Corindus, Inc.
11 Erie Drive
Natick, MA 01760
Tel 508-653-3335 Fax 508-653-3355

www.corindus.com

**Amendment of Employment Agreement
(dated September 3,2008)
between David M. Handler's & Corindus Inc**

Date: December 23, 2008

- 1) Section 3.6 (ii)
 - a. Change 12 months to 24 months
- 2) Section 3.6 (c)
 - a. Change 3 months to 6 months

/s/ Frank J. Martin

Frank J. Martin

/s/ David M. Handler

David M. Handler



Corindus, Inc.
11 Erie Drive
Natick, MA 01760
Tel 508-653-3335 Fax 508-653-3355

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**Amendment of Employment Agreement
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- 2) Section 3.6 (c)
 - a. Change 3 months to 6 months

/s/ Frank J. Martin
Frank J. Martin

/s/ David M. Handler
David M. Handler



INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (the “**Agreement**”) is made and entered into as of January 21, 2011 between **Corindus, Inc.**, a Delaware corporation (the “**Company**”), and Gerard Winkels (“**Indemnitee**”).

WITNESSETH THAT:

WHEREAS, highly competent persons have become more reluctant to serve corporations as directors 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;

WHEREAS, the Board of Directors of the Company (the “**Board**”) has determined that, in order to attract and retain qualified individuals, the Company will attempt to maintain on an ongoing basis, at its sole expense, liability insurance to protect persons serving the Company and its subsidiaries from certain liabilities. Although the furnishing of such insurance has been a customary and widespread practice among United States-based corporations and other business enterprises, the Company believes that, given current market conditions and trends, such insurance may be available to it in the future only at higher premiums and with more exclusions. At the same time, directors, officers, and other persons in service to corporations or business enterprises are being increasingly subjected to expensive and time-consuming litigation relating to, among other things, matters that traditionally would have been brought only against the Company or business enterprise itself. The Amended and Restated Certificate of Incorporation (the “**Certificate of Incorporation**”) of the Company requires indemnification of the officers and directors of the Company. Indemnitee may also be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware (“**DGCL**”). The Certificate of Incorporation and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts may be entered into between the Company and members of the Board, officers and other persons with respect to indemnification;

WHEREAS, the uncertainties relating to such insurance and to indemnification have increased the difficulty of attracting and retaining such persons;

WHEREAS, 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 Certificate of Incorporation of the Company 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 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; and

WHEREAS, Indemnitee has certain rights to indemnification and/or insurance provided by Philips International B.V. (the "Sponsor") which Indemnitee and the Sponsor intend to be secondary to the primary obligation of the Company to indemnify Indemnitee as provided herein, with the Company's acknowledgement and agreement to the foregoing being a material condition to Indemnitee's willingness to serve on the Board.

NOW, THEREFORE, in consideration of Indemnitee's agreement to serve as a director from and after the date hereof, the parties hereto agree as follows:

1. Indemnity of Indemnitee. The Company hereby agrees to hold harmless and indemnify Indemnitee to the fullest extent permitted by law, as such may be amended from time to time. In furtherance of the foregoing indemnification, and without limiting the generality thereof:

(a) Proceedings Other Than Proceedings by or in the Right of the Company. Indemnitee shall be entitled to the rights of indemnification provided in this Section 1(a) if, by reason of his Corporate Status (as hereinafter defined), Indemnitee is, or is threatened to be made, a party to or participant in any Proceeding (as hereinafter defined) other than a Proceeding by or in the right of the Company. Pursuant to this Section 1(a), Indemnitee shall be indemnified against all Expenses (as hereinafter defined), judgments, penalties, fines and amounts paid in settlement 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 Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, and with respect to any criminal Proceeding, had no reasonable cause to believe Indemnitee's conduct was unlawful.

(b) Proceedings by or in the Right of the Company. Indemnitee shall be entitled to the rights of indemnification provided in this Section 1(b) if, by reason of his Corporate Status, Indemnitee is, or is threatened to be made, a party to or participant in any Proceeding brought by or in the right of the Company. Pursuant to this Section 1(b), Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by Indemnitee, or on Indemnitee's behalf, in connection with such Proceeding if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company; provided, however, if applicable law so provides, no indemnification against such Expenses shall be made in respect of any claim, issue or matter in such Proceeding as to which Indemnitee shall have been adjudged to be liable to the Company unless and to the extent that the Court of Chancery of the State of Delaware shall determine that such indemnification may be made.

(c) Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of his Corporate Status, a party to and is successful, on the merits or otherwise, in any Proceeding, he shall be indemnified to the maximum extent permitted by law, as such may be amended from time to time, against all Expenses actually and reasonably incurred by him or on his behalf 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. For purposes of this Section and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

(d) Indemnification of Appointing Stockholder. If (i) Indemnitee is or was affiliated with one or more stockholders that has invested in the Company (an “**Appointing Stockholder**”), (ii) the Appointing Stockholder is, or is threatened to be made, a party to or a participant in any Proceeding, and (iii) the Appointing Stockholder’s involvement in the Proceeding results from any claim based on Indemnitee’s service to the Company as a director or other fiduciary of the Company, the Appointing Stockholder will be entitled to indemnification hereunder for Expenses to the same extent as Indemnitee, and the terms of this Agreement as they relate to procedures for indemnification of Indemnitee and advancement of Expenses shall apply to any such indemnification of Appointing Stockholder.

2. Additional Indemnity. In addition to, and without regard to any limitations on, the indemnification provided for in Section 1 of this Agreement, the Company shall and hereby does indemnify and hold harmless Indemnitee against all Expenses, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him or on his behalf if, by reason of his Corporate Status, he is, or is threatened to be made, a party to or participant in any Proceeding (including a Proceeding by or in the right of the Company), including, without limitation, all liability arising out of the negligence or active or passive wrongdoing of Indemnitee. The only limitation that shall exist upon the Company’s obligations pursuant to this Agreement shall be that the Company shall not be obligated to make any payment to Indemnitee that is finally determined (under the procedures, and subject to the presumptions, set forth in Sections 6 and 7 hereof) to be unlawful.

3. Contribution.

(a) Whether or not the indemnification provided in Sections 1 and 2 hereof is available, in respect of any threatened, pending or completed action, suit or proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), the Company shall pay, in the first instance, the entire amount of any judgment or settlement of such action, suit or proceeding without requiring Indemnitee to contribute to such payment and the Company hereby waives and relinquishes any right of contribution it may have against Indemnitee. The Company shall not enter into any settlement of any action, suit or proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding) unless such settlement provides for a full and final release of all claims asserted against Indemnitee.

(b) Without diminishing or impairing the obligations of the Company set forth in the preceding subparagraph, if, for any reason, Indemnitee shall elect or be required to pay all or any portion of any judgment or settlement in any threatened, pending or completed action, suit or proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), the Company shall contribute to the amount of Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Indemnitee in proportion to the relative benefits received by the Company and all officers, directors or employees of the Company, other than Indemnitee, who are jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), on the one hand, and Indemnitee, on the other hand, from the transaction or events from which such action, suit or proceeding arose; provided, however, that the proportion determined on the basis of relative benefit may, to the extent necessary to conform to law, be further adjusted by reference to the relative fault of the Company and all officers, directors or employees of the Company other than Indemnitee who are jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), on the one hand, and Indemnitee, on the other hand, in connection with the transaction or events that resulted in such expenses, judgments, fines or settlement amounts, as well as any other equitable considerations which applicable law may require to be considered. The relative fault of the Company and all officers, directors or employees of the Company, other than Indemnitee, who are jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), on the one hand, and Indemnitee, on the other hand, shall be determined by reference to, among other things, the degree to which their actions were motivated by intent to gain personal profit or advantage, the degree to which their liability is primary or secondary and the degree to which their conduct is active or passive.

(c) The Company hereby agrees to fully indemnify and hold Indemnitee harmless from any claims of contribution which may be brought by officers, directors or employees of the Company, other than Indemnitee, who may be jointly liable with Indemnitee.

(d) 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).

4. Indemnification for Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of his Corporate Status, a witness, or is made (or asked) to respond to discovery requests, 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.

5. Advancement of Expenses. Notwithstanding any other provision of this Agreement, the Company shall advance all Expenses incurred by or on behalf of Indemnitee in connection with any Proceeding by reason of Indemnitee's Corporate Status within thirty (30) days after the receipt by the Company of a statement or statements from Indemnitee requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by Indemnitee and shall include or be preceded or accompanied by a written undertaking by or on behalf of Indemnitee to repay any Expenses advanced if it shall ultimately be determined that Indemnitee is not entitled to be indemnified against such Expenses. Any advances and undertakings to repay pursuant to this Section 5 shall be unsecured and interest free.

6. Procedures and Presumptions for Determination of Entitlement to Indemnification. It is the intent of this Agreement to secure for Indemnitee rights of indemnity that are as favorable as may be permitted under the DGCL and public policy of the State of Delaware. Accordingly, the parties agree that the following procedures and presumptions shall apply in the event of any question as to whether Indemnitee is entitled to indemnification under this Agreement:

(a) 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. 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. Notwithstanding the foregoing, any failure of Indemnitee to provide such a request to the Company, or to provide such a request in a timely fashion, shall not relieve the Company of any liability that it may have to Indemnitee unless, and to the extent that, such failure actually and materially prejudices the interests of the Company.

(b) Upon written request by Indemnitee for indemnification pursuant to the first sentence of Section 6(a) hereof, a determination with respect to Indemnitee's entitlement thereto shall be made in the specific case by one of the following four methods, which shall be at the election of the Board: (1) by a majority vote of the disinterested directors, even though less than a quorum, (2) by a committee of disinterested directors designated by a majority vote of the disinterested directors, even though less than a quorum, (3) if there are no disinterested directors or if the disinterested directors so direct, by independent legal counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee, or (4) if so directed by the Board, by the stockholders of the Company. For purposes hereof, disinterested directors are those members of the Board who are not parties to the action, suit or proceeding in respect of which indemnification is sought by Indemnitee.

(c) If the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 6(b) hereof, the Independent Counsel shall be selected as provided in this Section 6(c). The Independent Counsel shall be selected by the Board. Indemnitee may, within 10 days after such written notice of selection shall have been given, deliver to the Company 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 13 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 a written objection is made and substantiated, the Independent Counsel 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 20 days after submission by Indemnitee of a written request for indemnification pursuant to Section 6(a) hereof, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition the Court of Chancery of the State of Delaware or other court of competent jurisdiction for resolution of any objection which shall have been made by Indemnitee to the Company’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 6(b) hereof. The Company shall pay any and all reasonable fees and expenses of Independent Counsel incurred by such Independent Counsel in connection with acting pursuant to Section 6(b) hereof, and the Company shall pay all reasonable fees and expenses incident to the procedures of this Section 6(c), regardless of the manner in which such Independent Counsel was selected or appointed.

(d) In making a determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall presume that Indemnitee is entitled to indemnification under this Agreement. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence. 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.

(e) 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 Enterprise (as hereinafter defined), including financial statements, or on information supplied to Indemnitee by the officers of the Enterprise 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 Enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Enterprise. In addition, the knowledge and/or actions, or failure to act, of any director, officer, agent or employee of the Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement. Whether or not the foregoing provisions of this Section 6(e) are satisfied, it shall in any event be presumed that Indemnitee has at all times acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

(f) If the person, persons or entity empowered or selected under Section 6 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 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 such determination with respect to entitlement to indemnification in good faith requires such additional time to obtain or evaluate documentation and/or information relating thereto; and provided, further, that the foregoing provisions of this Section 6(g) shall not apply if the determination of entitlement to indemnification is to be made by the stockholders pursuant to Section 6(b) of this Agreement and if (A) within fifteen (15) days after receipt by the Company of the request for such determination, the Board or the Disinterested Directors, if appropriate, resolve 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.

(g) 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 Independent Counsel, member of the Board or stockholder of the Company shall act reasonably and in good faith in making a determination regarding Indemnitee's entitlement to indemnification under this Agreement. 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.

(h) The Company acknowledges that a settlement or other disposition short of final judgment may be successful if it permits a party to avoid expense, delay, distraction, disruption and uncertainty. In the event that any action, claim or proceeding to which Indemnitee is a party is resolved in any manner other than by adverse judgment against Indemnitee (including, without limitation, settlement of such action, claim or proceeding with or without payment of money or other consideration) it shall be presumed that Indemnitee has been successful on the merits or otherwise in such action, suit or proceeding. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

(i) 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.

7. Remedies of Indemnitee.

(a) In the event that (i) a determination is made pursuant to Section 6 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 5 of this Agreement, (iii) no determination of entitlement to indemnification is made pursuant to Section 6(b) of this Agreement within 90 days after receipt by the Company of the request for indemnification, (iv) payment of indemnification is not made pursuant to this Agreement within ten (10) days after receipt by the Company of a written request therefor or (v) payment of indemnification is not made within ten (10) days after a determination has been made that Indemnitee is entitled to indemnification or such determination is deemed to have been made pursuant to Section 6 of this Agreement, Indemnitee shall be entitled to an adjudication in an appropriate court of the State of Delaware, or in any other court of competent jurisdiction, of Indemnitee's entitlement to such indemnification. Indemnitee shall commence such proceeding seeking an adjudication within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to Section 7(a). The Company shall not oppose Indemnitee's right to seek any such adjudication.

(b) In the event that a determination shall have been made pursuant to Section 6(b) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding commenced pursuant to this Section 7 shall be conducted in all respects as a de novo trial on the merits, and Indemnitee shall not be prejudiced by reason of the adverse determination under Section 6(b).

(c) If a determination shall have been made pursuant to Section 6(b) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding commenced pursuant to this Section 7, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's misstatement not materially misleading in connection with the application for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) In the event that Indemnitee, pursuant to this Section 7, seeks a judicial adjudication of his rights under, or to recover damages for breach of, this Agreement, or to recover under any directors' and officers' liability insurance policies maintained by the Company, the Company shall pay on his behalf, in advance, any and all expenses (of the types described in the definition of Expenses in Section 13 of this Agreement) actually and reasonably incurred by him in such judicial adjudication, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advancement of expenses or insurance recovery.

(e) The Company shall be precluded from asserting in any judicial proceeding commenced pursuant to this Section 7 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court that the Company is bound by all the provisions of this Agreement. 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 therefore) 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.

(f) 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.

8. Non-Exclusivity; Survival of Rights; Insurance; Primacy of Indemnification; Subrogation.

(a) The rights of indemnification 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 Certificate of Incorporation, the By-laws, any agreement, a vote of stockholders, a resolution of directors of the Company, 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 the DGCL, whether by statute or judicial decision, permits greater indemnification than would be afforded currently under the Certificate of Incorporation, 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 or fiduciaries of the Company or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise that 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 director, officer, employee, agent or fiduciary 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 directors' and officers' 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 shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such policies.

(c) The Company hereby acknowledges that Indemnitee has certain rights to indemnification, advancement of expenses and/or insurance provided by the Sponsor and certain of its affiliates (collectively, the “**Sponsor Indemnitors**”). The Company hereby agrees (i) that it is the indemnitor of first resort (i.e., its obligations to Indemnitee are primary and any obligation of the Sponsor Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by Indemnitee are secondary), (ii) that it shall be required to advance the full amount of expenses incurred by Indemnitee and shall be liable for the full amount of all Expenses, judgments, penalties, fines and amounts paid in settlement to the extent legally permitted and as required by the terms of this Agreement and the Certificate of Incorporation or Bylaws of the Company (or any other agreement between the Company and Indemnitee), without regard to any rights Indemnitee may have against the Sponsor Indemnitors, and, (iii) that it irrevocably waives, relinquishes and releases the Sponsor Indemnitors from any and all claims against the Sponsor Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Sponsor Indemnitors on behalf of Indemnitee with respect to any claim for which Indemnitee has sought indemnification from the Company shall affect the foregoing and the Sponsor Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of Indemnitee against the Company. The Company and Indemnitee agree that the Sponsor Indemnitors are express third party beneficiaries of the terms of this Section 8(c).

(d) Except as provided in paragraph (c) above, 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 (other than against the Sponsor Indemnitors), 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.

(e) Except as provided in paragraph (c) above, the Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

(f) Except as provided in paragraph (c) above, 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, 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, partnership, joint venture, trust, employee benefit plan or other enterprise.

9. Exception to Right of Indemnification. 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, provided, that the foregoing shall not affect the rights of Indemnitee or the Sponsor Indemnitors set forth in Section 8(c) above; or

(b) for 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 Securities Exchange Act of 1934, as amended, or similar provisions of state statutory law or common law; or

(c) 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.

10. Duration of Agreement. All agreements and obligations of the Company contained herein shall continue during the period Indemnitee is an officer or director of the Company (or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) and shall continue thereafter so long as Indemnitee shall be subject to any Proceeding (or any proceeding commenced under Section 7 hereof) by reason of his Corporate Status, whether or not he is acting or serving in any such capacity at the time any liability or expense is incurred for which indemnification can be provided under this Agreement. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company), assigns, spouses, heirs, executors and personal and legal representatives.

11. Security. To the extent requested by Indemnitee and approved by the Board, the Company may at any time and from time to time provide security to Indemnitee for the Company's obligations hereunder through an irrevocable bank line of credit, funded trust or other collateral. Any such security, once provided to Indemnitee, may not be revoked or released without the prior written consent of Indemnitee.

12. Enforcement.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumes the obligations imposed on it hereby in order to induce Indemnitee to serve as an officer or director of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as an officer or director of the Company.

(b) 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.

(c) The Company shall not seek from a court, or agree to, a "bar order" which would have the effect of prohibiting or limiting Indemnitee's rights to receive advancement of expenses under this Agreement.

13. **Definitions**. For purposes of this Agreement:

(a) "**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, partnership, joint venture, trust, employee benefit plan or other enterprise that such person is or was serving at the express written request of the Company.

(b) "**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.

(c) "**Enterprise**" shall mean the Company and any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise that Indemnitee is or was serving at the express written request of the Company as a director, officer, employee, agent or fiduciary.

(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, participating, or being or preparing to be a witness in a Proceeding, or responding to, or objecting to, a request to provide discovery in any Proceeding. Expenses also shall include Expenses incurred in connection with any appeal resulting from any Proceeding and any federal, state, local or foreign taxes imposed on Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement, including without limitation the premium, security for, and other costs relating to any cost bond, supersede as bond, or other appeal bond or its equivalent. 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 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 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**” includes 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 by or in the right of the Company or otherwise and whether civil, criminal, administrative or investigative, in which Indemnitee was, is or will be involved as a party or otherwise, by reason of his or her Corporate Status, by reason of any action taken by him or of any inaction on his part while acting in his or her Corporate Status; in each case whether or not he is acting or serving in any such capacity at the time any liability or expense is incurred for which indemnification can be provided under this Agreement; including one pending on or before the date of this Agreement, but excluding one initiated by an Indemnitee pursuant to Section 7 of this Agreement to enforce his rights under this Agreement.

14. **Severability**. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision. Further, the invalidity or unenforceability of any provision hereof as to either Indemnitee or Appointing Stockholder shall in no way affect the validity or enforceability of any provision hereof as to the other. Without limiting the generality of the foregoing, this Agreement is intended to confer upon Indemnitee and Appointing Stockholder indemnification rights to the fullest extent permitted by applicable laws. In the event any provision hereof conflicts with any applicable law, such provision shall be deemed modified, consistent with the aforementioned intent, to the extent necessary to resolve such conflict.

15. **Modification and Waiver**. No supplement, modification, termination or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

16. **Notice By Indemnitee**. Indemnitee agrees promptly to notify the Company in writing upon being served with or otherwise receiving any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification covered hereunder. The failure to so notify the Company shall not relieve the Company of any obligation which it may have to Indemnitee under this Agreement or otherwise unless and only to the extent that such failure or delay materially prejudices the Company.

17. **Notices**. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient, and if not so confirmed, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent:

- (a) To Indemnitee at the address set forth below Indemnitee signature hereto.

(b) To the Company at:

Corindus, Inc.
11 Erie Drive
Natick, MA 01760
Attention: Chief Executive Officer

or to such other address as may have been furnished to Indemnitee by the Company or to the Company by Indemnitee, as the case may be.

18. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. This Agreement may also be executed and delivered by facsimile signature and in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

19. Headings. 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.

20. Governing 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. 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) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (iv) 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.

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, the parties hereto have executed this Indemnification Agreement on and as of the day and year first above written.

COMPANY

CORINDUS, INC.

/s/ David M. Handler

David M. Handler
President and Chief Executive Officer

11 Erie Drive
Natick, Massachusetts 01760

INDEMNITEE

/s/ Gerard Winkels

Name: Gerard Winkels

Address:

COMMERCIAL LEASE

1. **PARTIES:**

In consideration for the terms and conditions stated herein Beaver Group LLC, a Massachusetts Limited Liability Company, with a principal place of business at 411 Waverley Oaks Road, Suite 340, Waltham, MA, 02452, LESSOR, which expression shall include its heirs, successors, and assigns where the context so admits, does hereby lease to Corindus, Inc., a Delaware Corporation with a principal place of business at 11 Erie Drive, Natick, MA 01760 (until the commencement date, and thereafter the Leased Premises), LESSEE, which expression shall include its successors, executors, administrators, and assigns where the context so admits, (LESSOR and LESSEE collectively described herein as the "Parties"), and the LESSEE hereby leases, the following described premises:

2. **PREMISES:**

Approximately 26,402 rentable square feet + or - on the first floor at 309 Waverley Oaks Road (Suite # to be assigned at a later date), Waltham, MA, 02452 located on the Property (the "Building") as further depicted in Exhibit A hereto ("Leased Premises"). LESSOR has had its architect or engineer remeasure the Leased Premises consistent with the methods of measuring rentable square feet as described in the American National Institute Publication ANSI Z65.1-1996 promulgated by the Building Owners and Managers Association and has provided LESSEE or LESSEE's architect with the calculation for same. The Leased Premises is leased together with the right to use in common, with others entitled thereto, the lavatories nearest to the Leased Premises, the hallways, stairways, elevators, access roads, driveways, parking areas (as the same may be designated or modified by LESSOR from time to time), loading areas, pedestrian sidewalks, landscaped areas, and other areas or facilities, if any, which are located in or on the property and designated by LESSOR from time to time for the non-exclusive use of tenants and other occupants of the Building (or the office park in which it is located) as well as the non-exclusive use of ninety-two (92) (based approximately on 3.5 spaces per 1,000 rentable square feet) unassigned parking spaces serving the Building. LESSEE also shall be entitled to the non-exclusive use of the trash/waste dumpster serving the Building, from time to time, subject to reasonable rules and regulations imposed by LESSOR which may include, without limitation, restrictions on the amounts and materials to be disposed of, timing of use, and the like. LESSOR shall use commercially reasonable efforts to maintain the dumpster within fifty (50) yards of the current generator (across from the loading docks) or at some other mutually satisfactory location, subject to applicable law. LESSEE shall pay to LESSOR, as additional rent, a periodic and equitably based, as determined by LESSOR, charge for such use.

3. **TERM:**

The term of this lease shall be for approximately five (5) years and one and one-half (1.5) months anticipated to commence on December 21, 2012 (the "Target Commencement Date"), with a day for day extension for each day beyond the Target Commencement Date to the date which LESSOR delivers possession of the Leased Premises to LESSEE (with

[Handwritten signatures]

such delivery date being the actual "Commencement Date") and ending on January 31, 2018 (with a day for day extension for each day beyond the Target Commencement Date to the Commencement Date). If LESSOR fails to deliver possession of the Premises to LESSEE in the condition required herein within fifteen (15) days following the Target Commencement Date for any reason other than a delay caused by LESSEE or Force Majeure Event (defined below), LESSEE shall have the right to terminate this Lease upon thirty (30) days written notice to LESSOR in which event this Lease shall terminate and, upon such termination, LESSEE shall be relieved, without limitation, from any and all obligations under this Lease for payment of Rent, provided if LESSOR delivers the Premises as required hereunder within such thirty (30) day period following LESSEE's termination notice, LESSEE's termination right shall be void and of no further force or effect.

4. **RENT:**

The LESSEE shall pay to the LESSOR base rent in accordance with the schedule noted below per year, payable in advance in monthly installments in accordance with the schedule noted below, commencing December 21, 2012 (the "Rent Commencement Date"). Payments shall be pro-rated on a per diem basis should any payment become due during a portion of any monthly rental period. During the term of the lease, LESSEE shall pay base rent and additional rent to the LESSOR monthly, in advance, not later than the first day of each calendar month. Upon the execution of this lease the LESSEE shall pay to the LESSOR the amount of \$44,770.13 which is the sum of the first month's base rent (\$44,553.38) and first month's utility portion (\$216.75) as provided for in paragraph #7 herein.

The base rent for the Leased Premises shall be as follows:

Base Rent:

Year	PRSF	Annual	Monthly
12/21/2012-2/4/2013 (45 days)		\$0	\$0
2/5/2013-1/31/2014	\$20.25	\$534,640.50	\$44,553.38
2/01/2014-1/31/2015	\$20.75	\$547,841.50	\$45,653.46
2/01/2015-1/31/2016	\$21.25	\$561,042.50	\$46,753.54
2/01/2016-1/31/2017	\$21.75	\$574,243.50	\$47,853.63
2/01/2017-1/31/2018	\$22.25	\$587,444.50	\$48,953.71

5. **SECURITY DEPOSIT:**

Upon the execution and delivery of this Lease, LESSEE shall deliver to LESSOR a security deposit (the "Security Deposit") in the amount of Four Hundred Thousand Nine Hundred Eighty and 42/100 Dollars (\$400,980.42) (the "Security Deposit Amount"), which shall consist either of cash or a clean, irrevocable letter of credit in the form attached hereto as Exhibit G or otherwise satisfactory in form and content to LESSOR, and issued by an FDIC insured bank located in Boston reasonably satisfactory to LESSOR in favor of the LESSOR. During the Term hereof, and any extensions thereof, and for 60 days after the expiration of the Term, or for so long thereafter as LESSEE is in possession of the Premises or has

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unsatisfied obligations hereunder to LESSOR, the Security Deposit shall be security for the full and timely performance of LESSEE's obligations under this Lease; which cash may be used or letter of credit drawn upon by LESSOR and applied from time to time against outstanding obligations of LESSEE hereunder without notice or demand. LESSEE shall have no right to require LESSOR to so apply the Security Deposit, nor shall LESSEE be entitled to credit the same against rents or other sums payable hereunder; no interest shall accrue thereon. If the Security Deposit is in the form of a letter of credit, during the entire Term hereof, including any extension thereof, LESSEE shall cause said letter of credit to be renewed, in identical form to that delivered herewith, no later than 30 days prior to the date of expiration of same. Without limiting any other remedies of LESSOR, in the event that LESSEE fails to renew any letter of credit given hereunder at least 30 days prior to the date of expiration thereof, then LESSOR shall have the right to draw down the entire amount of said letter of credit and hold such sums as a cash deposit. If and to the extent that LESSOR makes such use of the Security Deposit, or any part thereof, the sum so applied by LESSOR (from cash or from a drawing on the letter of credit) shall be restored to the Security Deposit, in cash, by LESSEE upon notice from LESSOR, and failure to pay LESSOR the amount to be so restored (within the grace period applicable to Base Rent hereunder) shall be a default hereunder giving rise to all of LESSOR's rights and remedies applicable to a default in the payment of rent. In the event of a change of circumstance relating to the bank issuing the letter of credit, or LESSOR otherwise reasonably believes the financial conditions of the issuing bank has been degraded, LESSOR reserves the right to require LESSEE to replace the letter of credit from time to time with a substitute similar letter of credit issued by another bank satisfactory to LESSOR. No trust relationship is created herein between LESSOR and LESSEE with respect to said Security Deposit. LESSEE acknowledges that the Security Deposit is not an advance payment of any kind or a measure of LESSOR's damages in the event of LESSEE's default; LESSOR shall not be obliged to keep the Security Deposit as a separate fund or pay interest thereon but may commingle the Security Deposit with its own funds. LESSEE hereby waives the provisions of any law which is inconsistent with this Section 5.

Notwithstanding the foregoing, provided that: (i) LESSEE has not been in default of any of its obligations under this Lease, after any applicable notice or cure period, prior to any Reduction Date (as defined below), in question, (ii) LESSEE is, as of such Reduction Date, not in default of its obligation under the Lease, and (iii) the Lease is then in full force and effect, LESSOR shall refund to LESSEE such portion of the Security Deposit Amount (whether in the form of cash or letter of credit) which it is then holding so as to cause the total Security Deposit Amount to be reduced by one month's rent as calculated as of each Reduction Date to the amount shown in the following schedule:

Reduction Date:	New Reduced Security Deposit Amount:
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6 th calendar month following the Rent Commencement Date	\$356,427.04
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12 th calendar month

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following the Rent Commencement Date	\$311,873.66
18 th calendar month following the Rent Commencement Date	\$267,320.28
24 th calendar month following the Rent Commencement Date	\$222,766.90
30 th calendar month following the Rent Commencement Date	\$178,213.52
36 th calendar month following the Rent Commencement Date	\$133,660.14

If the Security Deposit is in the form of cash, any reduction in the Security Deposit Amount shall be credited to LESSEE in the next month's installment of Base Rent falling due (provided LESSOR has not less than twenty-one (21) days prior notice, otherwise the next month's installment shall reflect the reduction) and if the Security Deposit is in the form of a letter of credit any reduction in the Security Deposit Amount shall be accomplished by LESSEE providing LESSOR with a substitute letter of credit in the reduced amount in exchange for the existing letter of credit which LESSOR is then holding, or by an amendment to the existing letter of credit then held by LESSOR, in form and substance acceptable to LESSOR.

6. **RENT ADJUSTMENT:**

A. **TAX ESCALATION:** If any tax year commencing with the fiscal year ending June 30, 2014, the real estate taxes on the land and buildings, of which the Leased Premises are a part, are in excess of the amount of the real estate taxes thereon for the fiscal year ending June 30, 2013 (hereinafter called the "Base Year"), LESSEE will pay to LESSOR as additional rent hereunder, when and as designated by notice in writing by LESSOR, 18.51% of such excess that may occur in each year of the term of this lease or any extension or renewal thereof and proportionately for any part of a fiscal year. If the LESSOR obtains an abatement of any such excess real estate tax, a proportionate share of such abatement, less the reasonable fees and costs incurred in obtaining the same, if any, shall be refunded to the LESSEE. The LESSEE shall, effective July 1, 2013, make estimated installment payments as additional rent as and when the payment of base rent is due. During the fiscal year ending June 30, 2014 (July 1, 2013 – June 30, 2014) the LESSEE'S estimated installment payments shall be 105% of the actual real estate taxes assessed during the fiscal year ending June 30, 2013 (July 1, 2012 – June 30, 2013) less the Base Year amount. Thereafter, estimated real estate tax payments shall be based on 105% of the prior year's actual real estate taxes less the Base Year amount. Actual real estate taxes will not be known at the

beginning of each fiscal year and therefore retroactive adjustment to estimated payments shall be necessary when actual real estate taxes are known. After the end of each fiscal year, as and when the actual real estate taxes are available, LESSOR shall provide LESSEE written notice in reasonable detail of LESSEE'S pro rata share of the actual real estate taxes for such fiscal year less the Base Year amount, the estimated payments made by LESSEE on account thereof, and the new estimated payments calculated in accordance with the above. The LESSEE shall pay LESSOR within thirty (30) days of receiving such written notice, the balance owed due to insufficient estimated payments made in accordance with the above, and the LESSOR shall credit the LESSEE'S account for any excess estimated payments made in accordance with the above. Taxes for which LESSEE is obligated to reimburse LESSOR hereunder shall not include any penalties or interest for late or partial payment nor any income, franchise, inheritance, estate, transfer, excise, gift or capital gain taxes, that are or may be payable by LESSOR or that may be imposed against LESSOR or against the rents payable hereunder; provided, however, if at any time during the Lease term the present method of taxation shall be changed so that in lieu of the whole or any part of any real estate taxes levied, assessed, reassessed or imposed on the property of which the Leased Premises is a part and the improvements thereon, there shall be levied, assessed reassessed or imposed on LESSOR a capital levy or other tax directly on the rents received therefrom and/or a franchise tax, assessment, levy or charge measured by or based, in whole or in part, upon such rents or the present or any future building or buildings in and on the property of which the Leased Premises is a part, then all such taxes, assessments, reassessments, levies or charges, or the part thereof so measured or based, shall be deemed to be included within the term "real estate taxes" for the purpose hereof. LESSOR shall elect to pay, or real estate taxes due from LESSEE shall be calculated as if LESSEE elected to pay, all real estate taxes and betterments and special assessments over the longest period permitted under applicable law and real estate taxes due from LESSEE shall include only those installments which become due during or with respect to the Lease term (and an interest charged thereon as a result of such installment treatment).

LESSEE percent of expense is calculated as follows: Leased Premises 26,402 rentable square feet, divided by total Building 142,663 rentable square feet equals 18.51%.

B. OPERATING COST ESCALATION: The LESSEE shall pay to the LESSOR as additional rent hereunder when and as designated by notice in writing by LESSOR, 18.51% of any increase in operating expenses over those incurred during the calendar year 2013. Operating expenses are defined for the purposes of this agreement in Exhibit E hereto (as so defined, "Operating Expenses"). The LESSEE shall, effective January 1, 2014, make estimated installment payments as additional rent as and when the payment of base rent is due. During the calendar year 2014, the LESSEE'S estimated installment payments shall be 105% of actual Operating Expenses assessed during calendar year 2013 less the Operating Expenses base year amount. Thereafter, estimated Operating Expenses shall be based on 105% of the prior year's actual Operating Expenses less the Operating Expenses base year amount. Actual Operating Expenses will not be known until after the conclusion of each calendar year, retroactive adjustment to estimated payments shall be necessary when actual Operating Expenses are known. After the end of each calendar year, as and when the actual Operating Expenses are available (with LESSOR endeavoring to provide same by April 30th of each year), LESSOR shall provide LESSEE written notice in reasonable detail of

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LESSEE'S pro rata share of the actual Operating Expenses for such calendar year less the Operating Expenses base year amount, the estimated payments made by LESSEE on account thereof, and the new estimated payments calculated in accordance with the above. The LESSEE shall pay LESSOR, within thirty (30) days of receiving written notice thereof, the balance owed due to insufficient estimated payments made in accordance with the above, and the LESSOR shall credit the LESSEE'S account for any excess estimated payments made in accordance with the above.

LESSOR shall permit LESSEE, at LESSEE's expense and during normal business hours, but only one time with respect to any operating year, to review LESSOR's invoices and statements relating to the Operating Expenses for the applicable operating year for the purpose of verifying the Operating Expenses and LESSEE's share thereof; provided that notice of LESSEE's desire to so review is given to LESSOR not later than thirty (30) days after LESSEE receives an annual statement from LESSOR, and provided that such review is thereafter commenced and prosecuted by LESSEE with due diligence. Any Operating Expenses statement or accounting by LESSOR shall be binding and conclusive upon LESSEE unless (a) LESSEE duly requests such review within such 30-day period, and (b) within 3 months after such review request, LESSEE shall notify LESSOR in writing that LESSEE disputes the correctness of such statement, specifying the particular respects in which the statement is claimed to be incorrect. LESSEE shall have no right to conduct a review or to give LESSOR notice that it desires to conduct a review at any time LESSEE is in default under the Lease. The accountant or reviewer conducting the review shall be compensated on an hourly basis and shall not be compensated based upon a percentage of overcharges it discovers. No subtenant shall have any right to conduct a review, and no assignee shall conduct a review for any period during which such assignee was not in possession of the Premises. LESSEE agrees that the results of any Operating Expense review shall be kept strictly confidential by LESSEE and shall not be disclosed to any other person or entity. If LESSEE's review discloses that Operating Expenses for any Operating Year were overstated by more than five percent (5%) (absent good faith dispute) then LESSOR shall likewise pay the reasonable cost of LESSEE's third party review (as reflected in an invoice in reasonable detail delivered with the copy of the review) not to exceed \$3,000.

LESSEE percent of real estate tax escalation and operating cost escalation is calculated as follows: Leased Premises 26,402 rentable square feet, divided by total Building 142,663 rentable square feet equals 18.51%.

Increases shall be prorated should this lease be in effect with respect to only a portion of any calendar year.

7. **UTILITIES:**

The LESSEE shall pay, as they become due, all bills for electricity and other utilities (whether they are used for furnishing heat or other purposes) that are furnished to the Leased Premises (or any portion thereof) and separately metered (or submetered), or are servicing the Leased Premises (or any portion thereof) exclusively. The LESSOR agrees to provide all other utility service and reasonable heat and air conditioning (except to the extent that the

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same are furnished through separately metered or submetered utilities or separate fuel tanks as set forth above) to the Leased Premises, during normal business hours on regular business days of the heating and air conditioning seasons of each year (LESSOR committing to use commercially reasonable efforts to maintain temperatures in the Leased Premises between 60F and 80F degrees at all times), to furnish elevator service and to light passageways and stairways during business hours, and to furnish such cleaning service as is customary in similar buildings in said city or town. Normal business hours are 7:30 a.m. to 6:00 p.m., Monday through Friday, excluding holidays. LESSEE shall be charged for HVAC use at a rate of \$0.50 per ton per hour for HVAC usage ("HVAC Rate") outside of normal business hours or in excess of normal office usage as additional rent. The rate shall be held flat at \$.50 per ton per hour for a full twelve months from Lease Commencement. The HVAC Rate is subject to review and adjustment by LESSOR. LESSOR shall provide written notice to the LESSEE thirty (30) days prior to the effective date of any increase in the HVAC Rate. LESSOR shall not be liable for damages for any reason, or for any inconvenience, interruption or consequences resulting from the failure of utilities or any service due to any accident, to the making of repairs, alterations, or improvements, to labor difficulties, to trouble in obtaining fuel, electricity, service, or supplies from the sources from which they are usually obtained for said Building, or to any cause beyond the LESSOR'S control. If such cause is the result of the negligent act or omission of LESSOR, its agents, contractors or employees and continues for more than five (5) days after notice from LESSEE, as its sole remedy, LESSEE'S rental obligations shall be abated until such time as the damage or interruption is restored.

LESSOR shall have no obligation to provide utilities or equipment other than the utilities and equipment within the Leased Premises as of the commencement date of this lease. In the event LESSEE requires additional utilities or equipment, the installation and maintenance thereof shall be the obligation solely of the LESSEE, provided that such installation shall be subject to the written consent of the LESSOR. If the Leased Premises (or any portion thereof) is not separately metered LESSEE shall pay LESSOR an Annual Rate of \$1.50 per rentable square foot paid monthly as additional rent. The Annual Rate is subject to review and adjustment by LESSOR. LESSOR shall provide written notice to the LESSEE thirty (30) days prior to the effective date of any increase in the Annual Rate. It is expressly understood by and between the Parties that a portion of the Leased Premises shall be separately metered for lights and plugs (and the LESSEE shall pay, as they become due, all bills therefore directly to the service provider) and the remaining portion of the Leased Premises shall be subject to the above-mentioned Annual Rate on a per rentable square foot basis.

8. USE OF LEASED PREMISES:

The LESSEE shall use the Leased Premises only for the purpose of General office with light manufacturing and generally accepted uses within the Zoning By-Laws. LESSOR represents and warrants to LESSEE that the Leased Premises may be used generally for the aforementioned uses under applicable laws, ordinances, rules and regulations including, without limitation, zoning Laws, ("Laws") without regard to the specific manner of use by LESSEE.

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9. COMPLIANCE WITH LAWS:

The LESSEE acknowledges that no trade or occupation shall be conducted in the Leased Premises or the Building or property of which the Leased Premises are a part, or use made thereof which will be unlawful, improper, noisy or offensive, or contrary to any law, regulation or municipal by-law or ordinance in force in the city or town in which the Leased Premises are situated.

10. INSURANCE:

The LESSEE shall not permit any use of the Leased Premises which will make voidable any insurance on the property of which the Leased Premises are a part, or on the contents of said property or which shall be contrary to any law or regulation from time to time established by the New England Fire Insurance Rating Association, or any similar body succeeding to its powers. The LESSEE shall on demand reimburse the LESSOR, and all other tenants, all extra insurance premiums caused by the LESSEE'S use of the Leased Premises or the property of which the Leased Premises are a part.

LESSOR shall maintain and keep in effect throughout the Lease term (a) insurance against loss or damage to the Building by fire or other casualty as may be included within either fire and extended coverage insurance or "special form" insurance in commercially reasonable amounts, or such other coverages, amounts and/or endorsements as LESSOR determines in its sole but good faith judgment, (b) commercial general liability insurance in amounts determined by LESSOR in its sole but good faith judgment, and (c) such other insurance coverages and policies as LESSOR determines in its sole but good faith judgment. Any such coverages may be effected directly and/or through the use of blanket insurance coverage covering more than one location and may contain such commercially reasonable deductibles as LESSOR may elect in its reasonable discretion. The costs and expense of obtaining and maintaining all such insurance shall be included as part of Operating Expenses.

11. MAINTENANCE:

A. LESSEE'S OBLIGATIONS: The LESSEE agrees to maintain the Leased Premises in good condition, and whenever necessary, to replace plate glass and other glass therein, acknowledging that the Leased Premises are now in good order and the glass whole. The LESSEE shall not permit the Leased Premises to be overloaded, damaged, stripped or defaced, nor suffer any waste. LESSEE shall obtain written consent of LESSOR before erecting any sign on the Leased Premises or the Building or Property of which the Leased Premises are a part.

B. LESSOR'S OBLIGATIONS: The LESSOR agrees to maintain the roof, roof membrane, roof covering, concrete slab, footings, foundation, and other structure of the Building of which the Leased Premises are a part in the same condition as it is at the commencement of the term or as it may be put in during the term of this lease, reasonable wear and tear, damage by fire and other casualty only excepted, unless such maintenance is required because of the LESSEE, its agents, employees, invitees or those for whose conduct

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the LESSEE is legally responsible. LESSOR further agrees, to keep, maintain, alter and replace, if necessary, the common areas and the Leased Premises in order to maintain compliance with all applicable laws, statutes, rules, regulations, ordinances, and orders of general applicability to office buildings comparable to the Building, including, without limitation, the Americans with Disabilities Act, as amended, and the rules promulgated pursuant thereto ("ADA"); provided, however, that LESSEE shall be responsible for such compliance with the foregoing laws applicable to LESSEE's specific use or manner of use of the Building and provided further that the costs of LESSOR remedying any violation with such laws in force and applicability as of the date of this Lease (for which LESSOR is responsible) shall not be included in Operating Expenses.

C. **SELF HELP IN EMERGENCY:** In the event of an emergency which threatens the safety of individuals or damage to the Building or its contents, including personal property, the LESSOR may respond to the emergency, and any reasonable costs incurred by the LESSOR on behalf of the LESSEE, or due to the acts or negligence of the LESSEE, its agents, employees, invitees or those for whose conduct the LESSEE is legally responsible, shall be charged to and recovered from the LESSEE. LESSOR shall not be liable for any damages caused by said emergency, or any action or omission by the LESSOR under this paragraph.

12. **ALTERATIONS - ADDITIONS:**

The LESSEE shall not make structural alterations or additions to the Leased Premises, but may make non-structural alterations provided the LESSOR consents thereto in writing, which consent LESSOR agrees not unreasonably to withhold as to nonstructural alterations (being those that do not affect the base-Building or Building systems or architectural design, character or use of the Building or Leased Premises). All such allowed alterations shall be at LESSEE'S expense and shall be in quality at least equal to the present construction. LESSEE shall not permit any mechanics' liens, or similar liens, to remain upon the Leased Premises for labor and material furnished to LESSEE or claimed to have been furnished to LESSEE in connection with work of any character performed or claimed to have been performed at the direction of LESSEE and shall cause any such lien to be released of record forthwith without cost to LESSOR. LESSEE shall indemnify and hold the LESSOR harmless from any losses, costs and claims arising from all such liens. Any alterations or improvements made by the LESSEE shall become the property of the LESSOR at the termination of occupancy as provided herein. Notwithstanding the foregoing, LESSOR's consent shall not be required (but reasonable prior written notice shall be required) for any painting or carpeting performed by or on behalf of LESSEE, or for nonstructural alterations costing less than \$25,000.00 in each instance that do not affect the structural integrity or exterior of the Building, materially adversely affect the utility or Building systems, reduce the Building's value, require any modification to any existing permits and approvals obtained by LESSOR in connection with the Building, or involve penetrations of the roof or structure.

13. **ASSIGNMENT - SUBLEASING:**

The LESSEE shall not assign or sublet the whole or any part of the Leased Premises without
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LESSOR'S prior written consent, not to be unreasonably withheld, conditioned or delayed. Without limitation, it shall not be unreasonable for LESSOR to withhold such consent from any assignment or subletting where, in LESSOR's opinion: (a) the proposed assignee or sublessee does not have a financial standing and credit rating reasonably acceptable to LESSOR; (b) the proposed assignee or sublessee does not have a good reputation in the community; (c) the business in which the proposed assignee or sublessee is engaged could detract from the Building, its value or the costs of ownership thereof; (d) the rent to be paid by any proposed sublessee is less than the then current fair market rent; (e) the proposed sublessee or assignee is a current tenant or a prospective tenant (meaning such tenant has been shown space or has been presented with or has made an offer to lease space) of the Building or of the office park in which it is located and LESSOR (or a LESSOR affiliated entity) would be able to provide suitable space for such tenant therein; (f) the use of the Premises by any sublessee or assignee (even though a permitted use hereunder) violates any use restriction granted by LESSOR in any other lease or would otherwise cause LESSOR to be in violation of its obligations under another lease or agreement to which LESSOR is a party; (g) if such assignment or subleasing is not approved of by the holder of any mortgage on the property (if such approval is required); (h) a proposed assignee's or subtenant's business will impose a burden on the property's parking facilities, elevators, common areas, facilities, or utilities that is greater than the burden imposed by LESSEE, in LESSOR's reasonable judgment; (i) any guarantor of this Lease refuses to consent to the proposed transfer or to execute a written agreement reaffirming the guaranty; (j) LESSEE is in default of any of its obligations under the Lease at the time of the request or at the time of the proposed assignment or sublease; (k) if requested by LESSOR, the assignee or subtenant refuses to sign a non-disturbance and attornment agreement in favor of LESSOR's lender; (l) LESSOR has sued or been sued by the proposed assignee or subtenant or has otherwise been involved in a legal dispute with the proposed assignee or subtenant; (m) the assignee or subtenant is involved in a business which is not in keeping with the then current standards of the Property; (n) the assignment or sublease will result in there being more than one subtenant of the Premises (e.g., the assignee or subtenant intends to use the Premises as an executive suite); or (o) the assignee or subtenant is a governmental or quasi-governmental entity or an agency, department or instrumentality of a governmental or quasi-governmental agency. Notwithstanding such consent, LESSEE shall remain liable to LESSOR for the payment of all rent and for the full performance of the covenants and conditions of this lease. See Addendum.

Notwithstanding any other provision of this Section, transactions with an entity (a) into or with which LESSEE is merged or consolidated, (b) to which substantially all of LESSEE's assets or stock are transferred as a going concern, (c) which controls or is controlled by LESSEE or is under common control with LESSEE, or (d) to any affiliate (within the meaning of such term as set forth in Rule 501 of Regulation D under the Federal Securities Act of 1933) of LESSEE, shall not be deemed to be an assignment or subletting within the meaning of this Section, provided that in any of such events (i) LESSOR receives prior written notice of any such transactions, (ii) the assignee or subtenant agrees directly with LESSOR, by written instrument in form satisfactory to LESSOR, to be bound by all the obligations of LESSEE hereunder including, without limitation, the covenant against further assignment and subletting, (iii) in no event shall LESSEE be released from its obligations under this Lease, (iv) any such transfer or transaction is for a legitimate, regular

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business purpose of LESSEE other than a transfer of LESSEE's interest in this Lease, and (v) the involvement by LESSEE or its assets in any transaction, or series of transactions (by way of merger, sale, acquisition, financing, refinancing, transfer, leveraged buy-out or otherwise) whether or not a formal assignment or hypothecation of this Lease or LESSEE's assets occurs, will not result in a reduction of the "Net Worth" of LESSEE as hereinafter defined, as it is represented to LESSOR at the time of the execution by LESSOR of this Lease, or as it exists immediately prior to said transaction or transactions constituting such reduction, at whichever time said Net Worth of LESSEE was or is greater. "Net Worth" of LESSEE for purposes of this section shall be the tangible net worth of LESSEE (excluding any guarantors) established under generally accepted accounting principles consistently applied.

14. **SUBORDINATION:**

This lease shall be subject and subordinate to any and all mortgages, deeds of trust and other instruments in the nature of a mortgage granted by the LESSOR, in existence now or at any time hereafter as a lien or liens on the property of which the Leased Premises are a part, as long as the provisions of the Lease are not affected thereby. LESSEE shall, when requested, promptly execute and deliver such written instruments as shall be necessary to show the subordination of this lease to said mortgages, deeds of trust or other such instruments in the nature of a mortgage. If the Leased Premises are subject to a mortgage as of the date this Lease is executed by the parties hereto or at any time during the term of this Lease, LESSOR agrees to use commercially reasonable efforts to obtain from the mortgagee a commercially reasonable non-disturbance agreement which evidences the mortgagee's recognition of the LESSEE's rights under this Lease and acknowledges the mortgagee's agreement not to disturb LESSEE during the Term of this Lease so long as LESSEE is not in breach of any of its obligations hereunder. Notwithstanding the foregoing and so long as LESSEE is not in default in the payment of rent or any of the other covenants and conditions of this Lease, its rights as lessee hereunder shall not be disturbed by any mortgagee or by any proceedings on the debt which any such mortgage secures or by virtue of a right or power contained in any such mortgage or the note secured thereby and any sale at foreclosure will be subject to this Lease. If any mortgage encumbering the Leased Premises is foreclosed or acquired by a mortgagee by deed in lieu of foreclosure, then LESSEE will attorn to the mortgagee or purchaser provided that the new owner has accepted the obligations of the LESSOR hereunder.

15. **LESSOR'S ACCESS:**

The LESSOR or agents of the LESSOR may, at reasonable times during normal business hours, upon reasonable notice, (except in the case of emergency or for scheduled and routine services such as janitorial service for which no notice shall be required) enter to view the Leased Premises and may remove placards and signs not approved and affixed as herein provided, and make repairs and alterations as LESSOR should elect to do and may show the Leased Premises to others, and at any time within six (6) months before the expiration of the term, may affix to any suitable part of the Leased Premises a notice for letting or selling the Leased Premises or property of which the Leased Premises are a part and keep the same so affixed without hindrance or molestation.

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16. INDEMNIFICATION AND LIABILITY:

The LESSEE shall indemnify and hold the LESSOR harmless from all loss and damage occasioned by the negligence of the LESSEE including loss and damaged occasioned by the use or escape of water or by the bursting of pipes, or by any nuisance made or suffered on the Leased Premises or the property of which the Leased Premises are a part, unless such loss is caused by the negligence of the LESSOR. LESSEE shall not install or attach any appurtenances to the plumbing or heating systems and LESSEE shall indemnify and hold LESSOR harmless from any and all loss occasioned by the installation or attachment of said appurtenances. LESSOR shall not be liable for damages arising from the natural accumulation of snow and/or ice. The reasonable removal of snow and ice from the sidewalks bordering upon the Leased Premises shall be LESSOR'S responsibility.

17. LESSEE'S LIABILITY INSURANCE:

The LESSEE shall maintain with respect to the Leased Premises and the property of which the Leased Premises are a part therein (i) General Liability Bodily Injury and Property Damage primary liability limit of \$1,000,000 on an occurrence basis with a general aggregate limit of \$2,000,000, (ii) Umbrella liability limit of a minimum of \$1,000,000, (iii) Worker's compensation statutory liability, (iv) employer's non-owned and hired auto at a combined single limit for Bodily injury and Property Damage of \$1,000,000, each in responsible companies qualified to do business in Massachusetts and in good standing therein insuring the LESSOR as well as LESSEE against injury to persons or damage to property as provided. The LESSEE shall deposit with the LESSOR certificates for such insurance at or prior to the commencement of the term, and thereafter within thirty (30) days prior to the expiration of any such policies. All such insurance certificates shall provide that such policies shall not be canceled without at least ten (10) days prior written notice to each assured named therein.

The Parties to this lease, to the extent they are able, mutually waive their right to subrogate against each other for property losses. Except as provided herein, the Parties to the lease are therefore responsible for insuring their own property.

18. FIRE, CASUALTY - EMINENT DOMAIN:

Should a substantial portion of the Leased Premises, or of the property of which they are a part be substantially damaged by fire or other casualty, or be taken by eminent domain, to the extent that same is not reasonably susceptible to restoration within a period of 180 days after the date of the casualty or condemnation, as the case may be, the LESSOR may elect to terminate this lease by written notice to LESSEE. When, through no fault of the LESSEE, such fire, casualty, or taking renders the Leased Premises substantially unsuitable for their intended use, a just and proportionate abatement of rent shall be made, and the LESSEE may elect to terminate this lease upon thirty (30) days written notice if:

- (a) The LESSOR fails to give written notice within thirty (30) days of intention to restore Leased Premises,

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- (b) The LESSOR fails to restore the Leased Premises to a condition substantially suitable for their intended use within one hundred eighty (180) days of said fire, casualty or taking; or
- (c) Said casualty or condemnation occurs during the last year of the term hereof.

Provided, however, that if LESSOR remedies the failure set forth in (a) or (b) above within such thirty (30) day period, LESSEE's termination shall be void and of no further force or effect.

The LESSOR reserves and the LESSEE grants to the LESSOR, all rights which the LESSEE may have for damages or injury to the Leased Premises for any taking by eminent domain, except for damage to the LESSEE'S fixtures, property or equipment.

19. **DEFAULT AND BANKRUPTCY:**

In the event that:

- (a) The LESSEE shall default in the payment of any installment of base rent, additional rent or other sum herein specified and such default shall continue for five (5) days following written notice; provided that the LESSEE shall only be entitled to one (1) such notice per calendar year; after the first five (5) day notice in any calendar year, a default shall occur for a default in the payment of any installment of base rent, additional rent or other sum herein specified and such default shall continue for five (5) days after the date said payment is due; or
- (b) The LESSEE shall default in the observance or performance of any other of the LESSEE'S covenants, agreements, or obligations hereunder and such default shall not be corrected within thirty (30) days after written notice thereof; or
- (c) The LESSEE shall be declared bankrupt or insolvent according to law, or, if any assignment shall be made of LESSEE'S property for the benefit of creditors,

then the LESSOR shall have the right thereafter, while such default continues, to re-enter and take complete possession of the Leased Premises, to declare the term of this lease ended, and remove the LESSEE'S effects, without prejudice to any remedies which might be otherwise used for arrears of rent or other default. The LESSEE shall indemnify the LESSOR against all loss of rent and other payments which the LESSOR may incur by reason of such termination during the residue of the term, or the LESSOR may elect to be indemnified for loss of rent and other sums due under this lease by a lump sum payment representing the then present value of the amount of all sums which would have been paid in accordance with this lease for the remainder of the term minus the then present value of the aggregate market rate, as defined below, and additional charges payable for the Leased Premises for the remainder of the term, taking into account reasonable projections of vacancy and time required to re-lease the Leased Premises. For purposes hereof, market rate shall be the then current effective rate of rent (adjusted, if necessary, to reflect any free rent or comparable concessions), being charged for comparable space in comparable buildings. For the purposes of calculating the rent which would have been paid hereunder for the lump sum payment calculation described herein, the most recent full year's tax and operating expense payments shall be deemed constant for each year thereafter. The Federal Reserve

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discount rate (or equivalent) plus 3% shall be used in calculating present values. If the LESSEE shall default, after reasonable notice thereof, in the observance or performance of any conditions or covenants on LESSEE'S part to be observed or performed under or by virtue of any of the provisions in any article of this lease, the LESSOR, without being under any obligation to do so and without thereby waiving such default, may elect to remedy such default for the account and at the expense of the LESSEE. If the LESSOR makes any expenditures or incurs any obligations for the payment of money in connection therewith, including but not limited to, reasonable attorney's fees in instituting, prosecuting or defending any action or proceeding, such sums paid or obligations insured, with interest at the rate of 12 per cent per annum and costs, shall be paid to the LESSOR by the LESSEE as additional rent. It is expressly understood and agreed that the LESSEE'S obligation to pay base rent, additional rent, and any and all additional charges, is independent of any obligation or covenant entered into by the LESSOR.

Subject to the conditions and limitations hereafter set forth, LESSOR agrees to use good faith efforts to relet the Leased Premises after LESSEE vacates the Leased Premises in the event that this Lease is terminated by LESSOR as the result of an event of default hereunder. Marketing of the Leased Premises in a manner similar to the manner in which LESSOR markets other premises within LESSOR's control shall be deemed to have satisfied LESSOR's obligation to use "good faith efforts" to relet the Leased Premises. In no event shall LESSOR be required to (a) solicit or entertain negotiations with any other prospective tenants for the Leased Premises until LESSOR obtains full and complete possession of the Leased Premises including, without limitation, the final and unappealable legal right to relet the Leased Premises free of any claim of LESSEE, (b) relet the Leased Premises before leasing other vacant space in the Building or the office park in which it is located, (c) lease the Leased Premises for a rental or upon terms and conditions less than the current fair market rental and terms and conditions then prevailing for similar office space in the Building or the office park in which it is located, or (d) enter into a lease with any proposed tenant that does not have, in LESSOR's good faith opinion, sufficient financial resources or operating experience to operate the Leased Premises in a first-class manner.

LESSOR shall in no event be in default in the performance of any of LESSOR's obligations hereunder unless and until LESSOR shall have failed to perform such obligations within 30 days, or such additional time as is reasonably required to correct any such default, after written notice by LESSEE to LESSOR properly specifying wherein LESSOR has failed to perform any such obligation. It is the express understanding and agreement of the parties and a condition of LESSOR's agreement to execute this Lease that in no event shall LESSEE have the right to terminate this Lease or seek an abatement to or offset from Base Rent or other amounts due hereunder as a result of LESSOR's default, but LESSEE shall be entitled to seek all other remedies, at law or equity, as a result of such default. LESSEE hereby waives its right to recover punitive, special or consequential damages arising out of any act, omission or default by LESSOR (or any party for whom LESSOR is responsible). This Lease and the obligations of LESSEE hereunder shall not be affected or impaired because LESSOR is unable to fulfill any of its obligations hereunder or is delayed in doing so, if such inability or delay is caused by reason of a Force Majeure Event (as defined below), and the time for LESSOR's performance shall be extended for the period of any such delay. Any claim, demand, right or defense by LESSEE that arises out of this Lease or

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the negotiations which preceded this Lease shall be barred unless LESSEE commences an action thereon, or interposes a defense by reason thereof, within six (6) months after the date of the inaction, omission, event or action that gave rise to such claim, demand, right or defense. As used herein, a "Force Majeure Event" shall be any delay caused by or resulting from acts of God, war, civil commotion, fire, flood or other casualty, labor difficulties, shortages of or inability to obtain labor, materials or equipment, government regulations, unusually severe weather, or other causes beyond such party's reasonable control.

20. **NOTICE:**

Any notice or other communication relating to the Leased Premises or to the occupancy thereof shall be deemed duly served if in writing and addressed and delivered in the manner herein described: (1) mailed by first class, United States Mail, registered or certified mail, return receipt requested, postage prepaid; or (2) hand delivered to the intended addressee; or (3) sent by a nationally recognized overnight courier service; or (4) sent by facsimile transmission during normal business hours followed by a confirmatory letter sent in another manner permitted hereunder within 24 hours. All notices shall be effective on the date of delivery or the date when proper delivery is refused by the addressee or any representative thereof.

All notices and other communications relating to the Leased Premises or to the occupancy thereof from the LESSOR to the LESSEE prior to the LESSEE'S occupancy shall be addressed to the LESSEE at LESSEE'S address in paragraph one, Attention: David W. Long, Chief Financial Officer, fax #508-653-3355 with a copy to Richard B. Smith, Esq., McDermott Will & Emery LLP, 28 State Street, Boston, MA 02109, fax # 617-535-3800. All notices and other communications relating to the Leased Premises or the occupancy thereof from the LESSOR to the LESSEE after the LESSEE'S occupancy shall be addressed to the LESSEE at LESSEE'S address in paragraph two, Attention: David W. Long, Chief Financial Officer, fax #508-653-3355 with a copy to Richard B. Smith, Esq., McDermott Will & Emery LLP, 28 State Street, Boston, MA 02109, fax # 617-535-3800.

All notices, payments and other communications relating to the Leased Premises or to the occupancy thereof from the LESSEE to the LESSOR shall be addressed to the LESSOR at 411 Waverley Oaks Road, Suite 340, Waltham, MA 02452, fax #781-893-6623.

Either party, by written notice to the other, may change the address to which notice is required to be given hereunder.

21. **SURRENDER:**

The LESSEE shall at the expiration or other termination of this lease remove all of LESSEE'S goods and effects from the Leased Premises, (including, without hereby limiting the generality of the foregoing, all signs and lettering affixed or painted by the LESSEE, either inside or outside the Leased Premises). LESSEE shall deliver to the LESSOR the Leased Premises and all keys, locks thereto, and other fixtures connected therewith and all alterations and additions made to or upon the Leased Premises, in good condition, damage by fire or other casualty only excepted. In the event of the LESSEE'S failure to remove any

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of LESSEE'S property from the Leased Premises upon the expiration or other termination of the lease, LESSOR is hereby authorized, without liability to LESSEE for loss or damage thereto, and at the sole risk of LESSEE, to remove and store any of the property at LESSEE'S expense, or to retain same under LESSOR'S control or to sell at public or private sale, without notice, any or all of the property not so removed and to apply the net proceeds of such sale to the payment of any sum due hereunder, or to destroy such property.

In the event that LESSEE continues to occupy, control or remain in any part of the Leased Premises beyond the expiration or earlier termination of the term of this lease, including any extensions thereto, such holding over shall not be deemed to create any tenancy, but the LESSEE shall be a Tenant at Sufferance only and shall be liable for all loss, damage or expenses incurred by the LESSOR. All other terms of this lease shall apply, except that use and occupancy payments shall be due in full monthly installments which shall be paid to LESSOR at the times and manner determined by the LESSOR, in advance and in an amount equal to the greater of one and one-half times for the first (1st) month or portion thereof of such holdover, and the greater of two (2) times for any subsequent month or portion thereof thereafter, of either of the following: (i) base rent, additional rent and other sums due under the lease, including any extensions thereto, immediately prior to termination, or (ii) LESSOR'S then published rent for the Leased Premises. It is expressly understood and agreed that such extended occupancy is a Tenancy at Sufferance only, solely for the benefit and convenience of the LESSEE and is of greater rental value. If LESSEE continues to occupy, control or remain in all or any part of the Leased Premises beyond noon of the last day of any monthly rental period, said action shall constitute LESSEE'S occupancy for an entire additional month, and increased payment as provided by this section, shall be due and payable immediately in advance. LESSOR'S acceptance of any payments from LESSEE during such extended occupancy shall not alter LESSEE'S status as a Tenant at Sufferance.

22. **LATE FEES:**

LESSEE agrees that because of actual damages for a late payment or a dishonored check are difficult to fix or ascertain, but recognizing that damage and injury result therefore, LESSEE agrees that if payments of base rent, additional rent and other obligations are not received in hand by LESSOR five (5) days after the date it is due, LESSEE agrees to pay liquidated damages equal to five percent (5%) of the total delinquent amount owed. The postmark on the payment, received plus two (2) days, shall be conclusive evidence of whether the payment is delinquent. However, LESSOR is not responsible for late deliveries by U.S. Mail. LESSEE agrees to pay a liquidated damage of \$25.00 for each dishonored check. In the event that two or more of the LESSEE'S checks are dishonored in a 12 month period, the LESSOR, in addition to other rights, shall have the right to demand payment by Certified Check or Money Order.

23. **BROKERAGE:**

LESSOR and LESSEE represent to each other that neither party has dealt with any broker or any other person in connection with showing the Leased Premises and this lease agreement other than Newmark Grubb Knight Frank (f/k/a Grubb & Ellis) for whose commission LESSOR is responsible as per a separate agreement. LESSOR and LESSEE agree that each

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will hold harmless and indemnify the other from any loss, cost, damage and expense, including reasonable attorney's fees incurred by LESSOR or LESSEE for a commission or finder's fee as a result of the falseness of this representation.

24. **RIGHT OF FIRST OFFER:**

Subject to the then existing rights of other tenants, and provided the LESSEE is not in default hereunder beyond any applicable grace and/or cure period, the LESSEE shall have a right of first offer on additional lease space, in its entirety, as it becomes available within the Building during the term of this lease agreement or any extension thereof. The procedure for affecting the right of first offer shall be exercised in the following manner:

- (i) LESSEE may, in any quarter of the calendar year during the lease term, or its extension thereof, give written notice to LESSOR of its projected space requirements and its interest in space that is available or may become available for lease; and,
- (ii) LESSOR, within fourteen (14) days of LESSEE'S notice shall give written response describing to LESSEE the availability of or the projected availability of floor space subject to the terms described herein. "(A)available" or "availability" shall mean and include any space, in its entirety, that is not subject to a lease and (a) is vacant; or (b) the LESSOR has received a written notice of termination or non-renewal and will become free of leasehold commitment within the twelve (12) month period following LESSEE'S notice and which is subject to the terms described herein. LESSOR'S notice will contain the rental rate as determined by LESSOR and other terms for which such space will be offered; and,
- (iii) LESSEE shall have fourteen (14) days after receipt of the notice referenced in (ii) above to exercise its right of first offer by written notice to the LESSOR to accept or reject LESSOR'S notice and proposal; and,
- (iv) In the event LESSEE accepts such additional space, the parties shall, within thirty (30) days of LESSEE'S written response, execute a lease agreement or lease modification to reflect the additional space, its rental rate, the adjusted term of lease, if any, and such other changes as may be required to reflect the additional space; and,
- (v) In the event LESSEE does not accept the LESSOR'S proposal within the fourteen (14) day period, or in the event the parties are unable, despite using good faith efforts, to conclude a lease agreement or lease modification for the additional premises within the above thirty (30) day period, the LESSEE shall be deemed to have refused the space and LESSOR may offer and contract for lease of the space to third parties, and the LESSEE'S right of first offer under this lease agreement shall lapse and be of no further force or effect; and,
- (vi) The terms of this right of first offer are not applicable to space which becomes available pursuant to another tenant's default or sublease clause (unless and until the LESSOR obtains actual possession thereof); or space which may be subject to a new lease, renewal, extension or amendment by the current occupant or a successor in interest thereto; or space which is subject to a proposal or request for proposal for rental terms with a third party.

In addition to the foregoing, LESSOR and LESSEE shall reasonably cooperate and use good faith efforts to ascertain and accommodate LESSEE's additional space needs and in connection therewith LESSOR shall respond timely to LESSEE's inquiries about space availability and availability planning.

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25. **OPTION TO EXTEND:**

Provided the LESSEE is not in default hereunder, LESSEE shall have one (1) five (5) year option to extend the lease term at a rent equal to the greater of the following: (a) market rate for equivalent office space in similarly located buildings within the Waltham market as determined by LESSOR; or (b) the total rent then in effect as of the expiration date of the then current lease term. In no event shall the rent for the option term be less than the total rent then in effect as of the expiration date of the then current lease term. LESSEE must give LESSOR written notice it is exercising its extension option no later than six (6) months prior to the expiration of the then current lease term ("Extension Notice"). Nine (9) months prior to the lease expiration, LESSEE may request from LESSOR the new market rate for the Building. If the parties disagree as to such market rate, LESSEE and LESSOR shall negotiate in good faith for 30 days to determine the new market rate. If despite such good faith efforts the parties cannot agree on the market rate, the same shall be determined as follows:

LESSOR and LESSEE each shall, within thirty (30) days thereafter, appoint a third-party commercial real estate broker who shall be instructed to determine independently the market rate. If the difference between the amounts so determined by such brokers does not exceed ten percent (10%) of the lesser of such amounts, then the market rate shall be an amount equal to fifty percent (50%) of the total of the amounts so determined. If the difference between the amounts so determined shall exceed ten percent (10%) of the lesser of such amounts, then such two (2) brokers shall have ten (10) days thereafter to appoint a third broker, but if such brokers fail to do so within such ten (10) day period, then either LESSOR or LESSEE may request the Greater Boston Real Estate Board or any successor organization thereto to appoint an broker within ten (10) days of such request, and both LESSOR and LESSEE shall be bound by any appointment so made within such ten (10) day period. If no such broker shall have been appointed within such ten (10) days either LESSOR or LESSEE may apply to any court having jurisdiction to have such appointment made by such court. Any broker appointed by the original brokers, by the Greater Boston Real Estate Board or by such court shall be instructed to determine the market rate in accordance with the definition of such term contained herein and within twenty (20) days after its appointment. If the third appraisal shall exceed the higher of the first two appraisals, the market rate shall be the higher of the first two appraisals; if the third appraisal is less than the lower of the first two appraisals, the market rate shall be the lower of the first two appraisals. In all other cases, the market rate shall be equal to the third appraisal. Notwithstanding the foregoing, if either party shall fail to appoint its broker within the thirty (30) day period specified above (such party being referred to herein as the "failing party"), the other party may serve notice on the failing party requiring the failing party to appoint its broker within ten (10) days of the giving of such notice. If the failing party shall not respond by appointment of its broker within said ten day period, then the broker appointed by the other party shall be the sole broker whose determination of the market rate shall be binding and conclusive upon LESSEE and LESSOR. Each party shall pay for the fees and expenses of the broker appointed by it, but the fees and expenses of the third broker shall be shared equally by the

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parties. All brokers appointed hereunder shall be knowledgeable and with at least ten (10) years of experience in the field of commercial real estate leasing and experienced in the Boston Metro-West market. The foregoing determination shall be conclusive, final and binding on the parties and enforceable in any court having jurisdiction over the parties.

If the parties are unable to agree on the market rate (or the arbitration procedure set forth above has not concluded) prior to the first day of the extension term, LESSEE shall make monthly payments on account of Base Rent (in addition to all additional rent and other payments hereunder) in the amount of LESSOR's initial designation of the market rate, until the market rate has been finally established as herein provided, at which time an appropriate retroactive Base Rent adjustment payment or refund shall be made, if necessary.

In the event LESSEE notifies LESSOR as provided herein and, within thirty (30) days of receiving the LESSOR'S rent rate for the extended term has, in accordance with this paragraph, (i) delivered a fully executed mutually agreeable lease amendment, (ii) updated all deposits, and (iii) tendered the first month's base rent for the extended term, then the Lease Agreement shall automatically be extended five (5) years from the date the Lease Agreement would have expired had the option to extend not been exercised. LESSEE shall be responsible for all payments necessary to maintain a security deposit equivalent to a minimum number of months of base rent as provided in Section 5 above. All other terms and provisions under the Lease Agreement, other than LESSOR'S Work, other tenant improvements, or any rent concessions, abatements, or holidays shall continue through the extended lease term. In the event the LESSEE does not provide the Extension Notice, execute a lease amendment and provide payment as provided herein, the LESSEE shall be deemed to have waived its option to extend the lease term and this Lease Agreement shall terminate upon the expiration of the then current term.

26. EARLY ACCESS:

Provided the LESSEE is not in default hereunder and the LESSEE does not interfere with the rights of other tenants or the LESSOR'S Work or the tenant improvements, the LESSEE will be allowed, upon reasonable notice to LESSOR, reasonable access to the Leased Premises on December 1, 2012 to permit LESSEE to install fixtures, furniture, and equipment to allow for a transition into the Leased Premises. During such access, LESSEE shall be bound by all of the obligations of the LESSEE under the lease, including any and all insurance requirements, but, provided that said access is solely for the purpose of installing fixtures, furniture, and equipment to allow for a transition into the Leased Premises, excluding the payment of Base Rent and LESSEE'S proportionate share of Real Estate Taxes and Operating Costs during the above-mentioned early access period.

27. ADDITIONAL HVAC:

The LESSEE shall have the right to install additional HVAC as needed throughout the lease term for its equipment or telephone and data room(s). The location of said units shall be at the discretion of the LESSOR and subject to an area being available. The installation,

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maintenance and repair of said units are subject to the review, approval and supervision of LESSOR. Said review, approval or supervision shall not constitute a warranty or opinion regarding workmanship or the compliance or noncompliance with applicable local, state, regulatory or federal laws, ordinances, bylaws or regulations. All equipment shall be installed, maintained and repaired by the LESSEE at the LESSEE'S sole cost and expense and shall belong to the LESSEE at the expiration of lease. LESSEE shall repair any damage caused by said removal. Notwithstanding the foregoing, LESSEE shall not install any equipment or material on the roof. Any roof penetration or installation shall be done by the LESSOR'S contractor, subject to the LESSOR'S supervision and consent, at LESSEE'S expense.

28. **OTHER PROVISIONS:**

(A) **Entire Agreement:**

This lease constitutes the entire agreement between LESSOR and LESSEE regarding the subject matter hereof and supersedes all oral statements and prior writings relating thereto. Except for those set forth in this lease, no representations, warranties, or agreements have been made by the LESSOR or LESSEE to the other with respect to this lease or the obligations of LESSOR and LESSEE in connection therewith. The normal rule of construction that any ambiguities be resolved against the drafting party shall not apply to the interpretation of this lease or any exhibits or amendments thereto.

(B) It is also understood and agreed that the following attached items are part of this lease.

- Addendum
- Exhibit A - Floor Plans: Title sheet, A1, A2, A3, A4, A5 & C2
- Exhibit A-1 & A-2 New Entrance & Modifications
- Exhibit B - LESSOR'S Work
- Exhibit C - Building Rules and Regulations
- Exhibit D - Description of Real Property ("Property") on which Leased Premises are located
- Exhibit E - Building Operating Expenses
- Exhibit F - Cleaning Schedules
- Exhibit G - Form of Letter of Credit

IN WITNESS WHEREOF, the Parties hereto set their hands and seals this 24th day of October, 2012.

LESSEE
Corindus, Inc.

By: /s/ David Handler
David Handler, President
Duly Authorized

LESSOR
Beaver Group LLC

By: /s/ Robert L. Duffy, Jr.
Robert L. Duffy Jr, Member
Duly Authorized

maintenance and repair of said units are subject to the review, approval and supervision of LESSOR. Said review, approval or supervision shall not constitute a warranty or opinion regarding workmanship or the compliance or noncompliance with applicable local, state, regulatory or federal laws, ordinances, bylaws or regulations. All equipment shall be installed, maintained and repaired by the LESSEE at the LESSEE'S sole cost and expense and shall belong to the LESSEE at the expiration of lease. LESSEE shall repair any damage caused by said removal. Notwithstanding the foregoing, LESSEE shall not install any equipment or material on the roof. Any roof penetration or installation shall be done by the LESSOR'S contractor, subject to the LESSOR'S supervision and consent, at LESSEE'S expense.

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- Exhibit G - Form of Letter of Credit

IN WITNESS WHEREOF, the Parties hereto set their hands and seals this _____ day of October, 2012.

LESSEE
Corindus, Inc.

LESSOR
Beaver Group LLC

By: /s/ David Handler
David Handler, President
Duly Authorized

00433434.DOCX/S

By: _____
Robert L. Duffy Jr, Member
Duly Authorized

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LEASE ADDENDUM

1. LESSEE shall not change the color or appearance of the outside of the Leased Premises.
2. LESSEE shall not post signs on the exterior of the Leased Premises, or the building or property of which the Leased Premises are a part.
3. The parking spaces shall not be used for dead storage of vehicles or other merchandise or material.
4. LESSEE shall not keep or store any vehicles, containers, merchandise or refuse outside the Leased Premises.
5. LESSEE shall be responsible to dispose of LESSEE'S own trash and refuse except for normal office waste basket trash.
6. (A) If LESSEE requests LESSOR's consent to assign this Lease or sublet (or otherwise grant occupancy rights in and to) all, or substantially all of, the Premises, LESSOR shall have the option, exercisable by written notice to LESSEE given within thirty (30) days after LESSOR's receipt of LESSEE's completed request, to terminate this Lease as of the date specified in such notice, which shall not be less than thirty (30) nor more than one hundred twenty (120) days after the date of such notice.

(B) If an assignment or sublease is entered into, LESSEE shall, within thirty (30) days of receipt thereof, pay to LESSOR fifty percent (50%) of any base rent, additional rent or other sum or other consideration to be paid or given in connection with such assignment or sublease, either initially or overtime, in excess of the base rent and/or additional rent and/or other charges to be paid under this lease ("Sublease Profits") as if such amount were originally called for by the terms of this lease as additional rent, provided that, prior to the division of the Sublease Profits in the manner noted above, the LESSEE may deduct reasonable and customary expenses directly incurred by LESSEE which are attributable to the transfer, including, legal fees and brokerage commissions paid by LESSEE in connection with the assignment or sublease and any applicable market-based tenant improvement and transaction costs.

(C) LESSEE shall reimburse LESSOR from LESSEE'S portion of the Sublease Profits for reasonable LESSOR'S attorneys' fees for examination of and/or preparation of any documents in connection with such assignment or subletting in an amount up to but not to exceed \$2,500.00.
7. LESSEE may maintain the insurance required to be carried by LESSEE under blanket policy of insurance insuring LESSEE and other companies affiliated with LESSEE.
8. LESSEE acknowledges that it is part of a multi tenant building and agrees to refrain from and/or immediately cease any act or omission by the LESSEE, its employees, agents, affiliates, assignees, subtenants or invitees which may interfere, offend, or conflict with the rights of the LESSOR or other tenants.
9. LESSOR represents to LESSEE that, as of the date hereof, it has received no written notice, and otherwise has no actual knowledge, that the Leased Premises (and any appurtenance thereto) are in violation of any applicable laws or restrictions in force or effect as of the date hereof with respect to hazardous materials or substances. The Property is subject to the Activity and Use Limitation described on Exhibit D.

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10. LESSOR hereby agrees to subordinate any and all rights it may now or hereafter have, whether under applicable law or otherwise, to impose a lien for unpaid rent or any other charges against any of the property of the LESSEE to any secured creditor of LESSEE. LESSOR shall execute mutually satisfactory documentation which may be requested by LESSEE to confirm the foregoing.
11. LESSOR agrees that upon the execution of this Lease, LESSEE shall have the right to record a notice in the public records of the County where the Leased Premises are located of the LESSEE's rights provided for herein, said notice to be in form and substance as statutorily required.

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TENANT IMPROVEMENTS FOR:

CORINDUS VASCULAR ROBOTICS

309 WAVERLEY OAKS ROAD
WALTHAM, MASSACHUSETTS

DRAWINGS PREPARED BY:

ARCHITECT



Walsh/Cochis Associates Inc.

Architects & Engineers

WCACochis@AOL.com

1165 Brattle Street

Cambridge, Massachusetts 02131-341

(617) 451-5151

781/828-8700

LIST OF DRAWINGS:

ARCHITECTURAL

C.I.

NOTES

C.I.

NEW FIRST FLOOR PLAN

A.1

NEW ELECTRICAL INFORMATION PLAN

A.1

NEW LIFE SAFETY INFORMATION PLAN

A.1

NEW FIRST FLOOR REFLECTED CEILING PLAN

A.1

DETAILS

A.1

MECHANICAL

M.1

HVAC GENERAL NOTES AND SPECIFICATIONS

M.1

IVAC FLOOR PLAN

M.1

ELECTRICAL

E.1

ELECTRICAL NOTES

E.1

ONE LINE ISER

E.1

FIRST FLOOR POWER FLOOR PLAN

E.1

FIRST FLOOR REFLCTED CEILING PLAN

E.1

PUMBLING

P.1

PUMBLING GENERAL NOTES, SPECIFICATIONS AND FLOOR

P.1

PLANS

P.1

FIRE PROTECTION

F.P.1

CONTRACTORS & SUBCONTRACTORS

B.C.1

GENERAL CONTRACTORS

G.C.1

PHONE - 781-828-8700

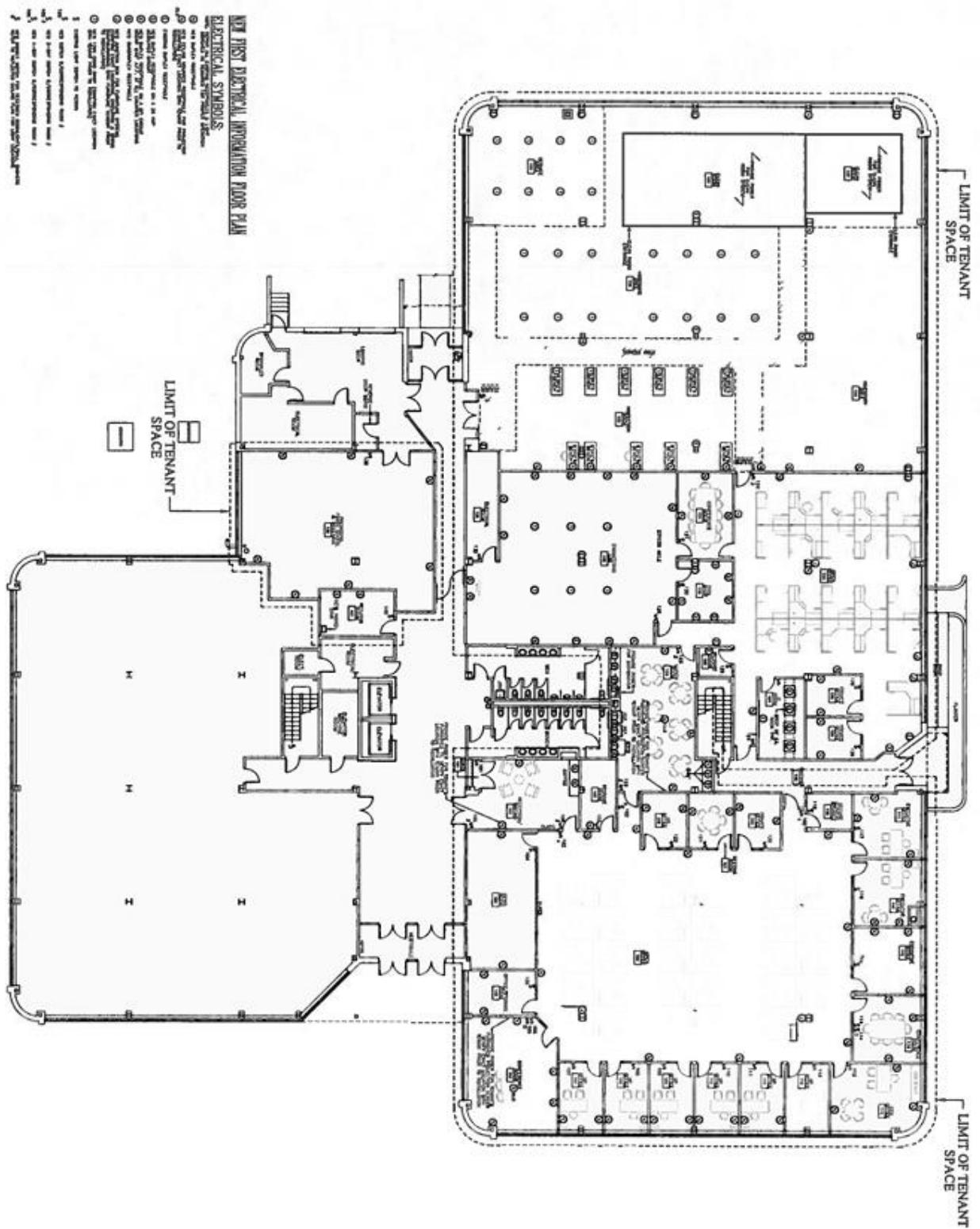
FAX - (781) 827-3842

E-mail -

WalshCochis@AOL.com

PHONE - 1-800-221-4411

FAX - 1-800-221-4411



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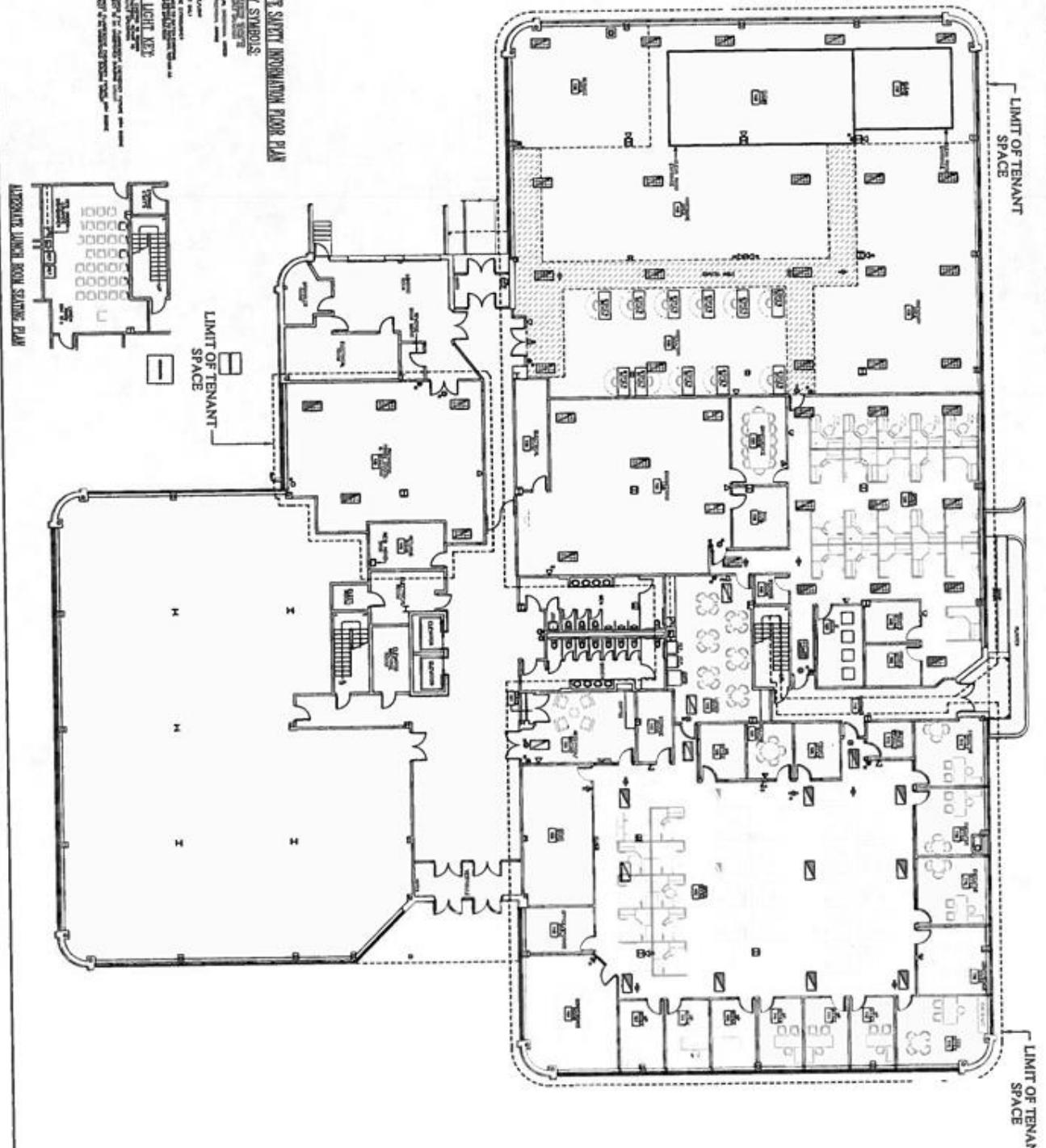
PROJECT DATA SHEET		TENANT IMPROVEMENTS FOR:	NEW ELECTRICAL INFORMATION PLAN	WIRING	
Project No.: 1000		CORINDUS VASCULAR ROBOTICS			
Name:	Address:	209 WATERTON OAK ROAD			
Phone:	City/State:	WALTHAM, MASSACHUSETTS			
Fax:					
Comments:					

Walsh/Cochis Associates Inc.
Architects & Consultants
SCocheis@AOL.com

1000 Washington Street
Boston, Massachusetts 02111-1381
Fax 781/828-8250 781/828-8700

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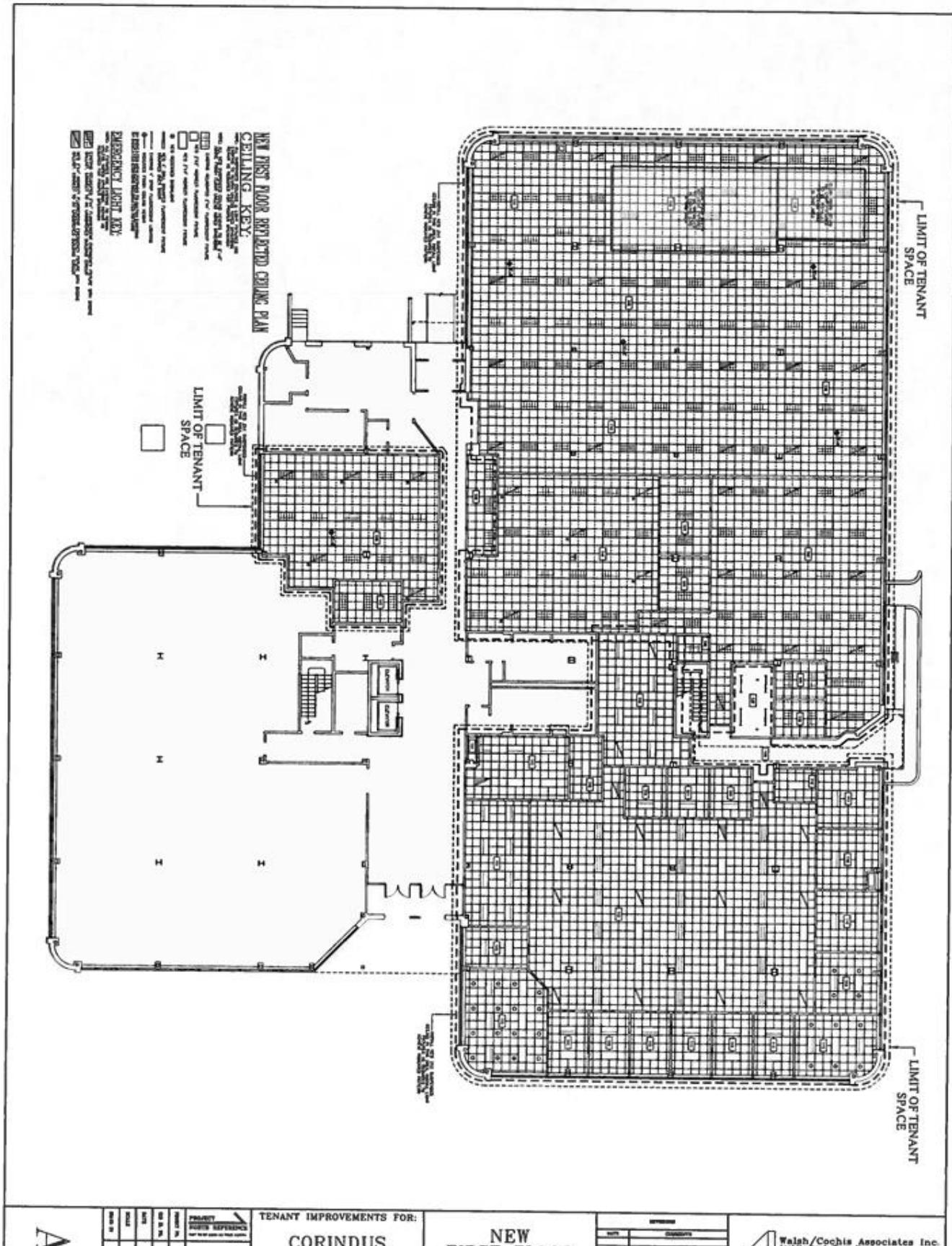
PROPERTY NOTES & REFERENCES		TENANT IMPROVEMENTS FOR:	NEW LIFE SAFETY INFORMATION PLAN	REVISIONS
NAME	ADDRESS	CORINDUS VASCULAR ROBOTICS		DATE COMPLETED
NAME	ADDRESS	205 WATERLEY ROAD WATERTON, MASSACHUSETTS		
PHONE	FAX	TELETYPE		

A3

Walsh/Cochis Associates Inc.
Architects & Consultants
110 Randolph Street
Castro, Massachusetts 02121-1381
Fax 781/825-7611/825-8700

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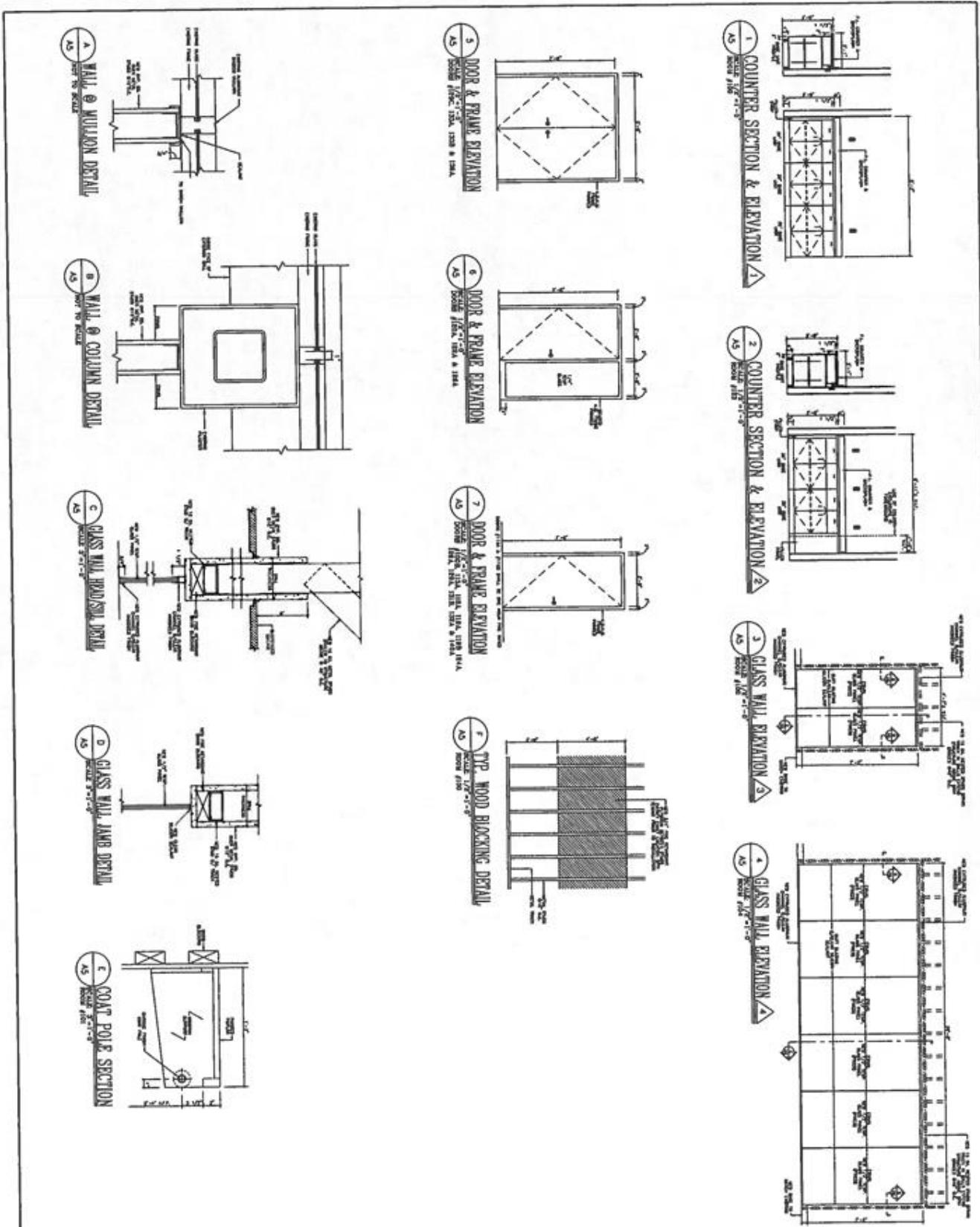


A4

A4	REF ID:	STORY:	LINE:	BLK:	FLR:	WALL:	CEIL:	FLOOR:	PROJECT STATUS REFERENCE	TENANT IMPROVEMENTS FOR:	NEW FIRST FLOOR REFLECTED CEILING PLAN	INTERIOR	EXTERIOR	STRUCTURE	MECHANICAL	ELECTRICAL	PLUMBING	LANDSCAPE	WALSH/COCHIS ASSOCIATES INC.
	REF ID:	STORY:	LINE:	BLK:	FLR:	WALL:	CEIL:	FLOOR:	PROJECT STATUS REFERENCE	CORINDUS VASCULAR ROBOTICS	200 WATKINS OAK ROAD WATKINS, MASSACHUSETTS								Walsh/Cochis Associates Inc. Architects & Consultants Classical@4dC.com

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Rev on D/W



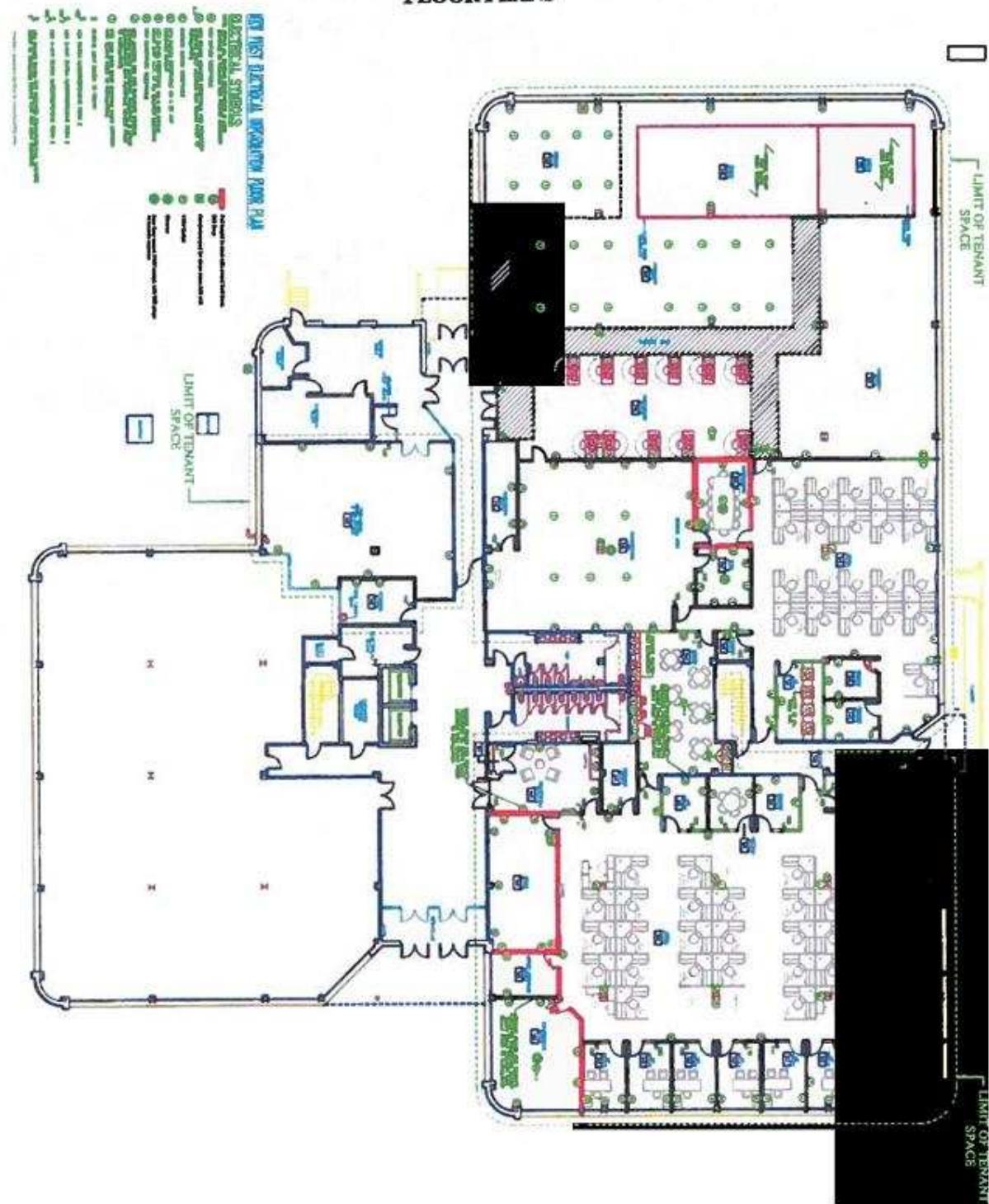
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EXHIBIT A

FLOOR PLANS



A2

TENANT IMPROVEMENTS FOR:
CORINDUS
VASCULAR
ROBOTICS
TECHNOLOGIES

NEW
ELECTRICAL
INFORMATION
PLAN



24 h

2nd flr

EXHIBIT A-1

NEW ENTRANCE

Butt Glazed Option

24:

12W 4H
9ft

EXHIBIT A-2

Modifications to Reception Area & Demo Room

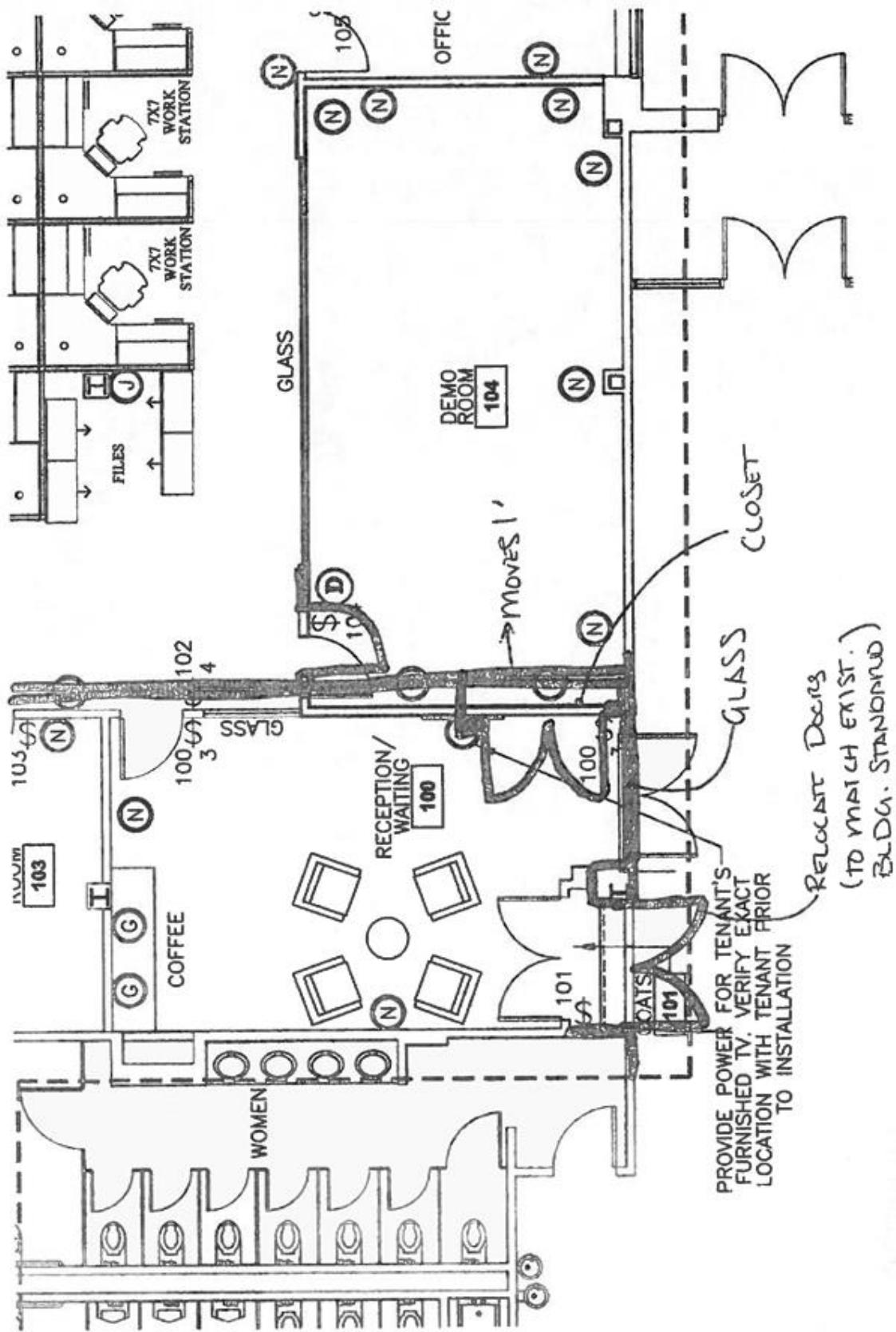


EXHIBIT B

LESSOR'S WORK

LESSOR shall conduct the following LESSOR'S Work in a good and workmanlike manner, and in compliance with all applicable laws and ADA, using building standard quantities and materials or as otherwise provided on Scheduled B-1 attached hereto:

LESSOR shall construct the Leased Premises pursuant to the attached to Exhibit A, Exhibit B and Schedule B-1.

Not included in the LESSOR'S Work are any and all costs or work associated with:

- (i) telephone/data/voice/network throughout the Leased Premises; and
- (ii) cubicles and/or open areas, including but not limited to costs or work associated with their installation or setup, and except for otherwise provided any telephone/data/voice/network and/or A/C power wiring, coring, through floor access modules, or other wiring therefor; and
- (iii) Interior blinds; the installation of any interior blinds and/or window treatments which may be visible from the common area or outside the Leased Premises is subject to the LESSOR'S written consent; and
- (iv) Coring the conference room floor(s) and/or the server room(s), if any; and
- (v) any clean rooms and appurtenances thereto.

Except for LESSOR'S Work, the Leased Premises shall be delivered in "AS IS" condition and LESSEE acknowledges that by taking possession of the Leased Premises, the Leased Premises "AS IS" are suitable for its intended use. LESSEE shall be responsible for any delays, costs and expenses caused by LESSEE'S failure to make decisions affecting the LESSOR'S Work in a timely manner. LESSEE shall be solely responsible for all costs, expenses and delays resulting from requests by LESSEE for work, quantities or materials in excess of the LESSOR'S Work noted above.

Additional work at LESSORS expense:

1. Reception – Add additional outlet close to internal glass door for telephone, etc.
2. Multi zone lighting (with dimmers) in demo area, conference rooms, and kitchen
3. Dimmer for demo and all conference rooms
4. Add at least two electric outlets in clinical storage room in case LESSEE wants to convert to office at any point
5. In CEO office add another electric outlet on the outside wall near the small conference table OK b/c on column
6. Need to add 2 electrical outlets to VP office south of CEO office (one on back wall, one on top wall)
7. 4 quadrant zones for lighting of manufacturing area
8. Add 2 electrical outlets to electrical room
9. Demo-area - 3 additional outlets in demo area on south wall, 1 additional on west wall, 2 on east wall, 2 on north wall
10. (2) 208 volt drops (If LESSEE wants 240v Drops, then a charge for a boost transformer would apply). 1 in tool room, 1 in engineering lab.
11. 2 positions for fume hoods if not ducted, each hood to get 120 Volt feed and 1 circuit
12. For all offices add additional outlet on the wall behind the desk OK if there is a column, otherwise we don't include outlets on the exterior walls
13. LESSOR has a concrete pad for Condenser that will go outside finished goods area (160ft chiller

- line). LESSOR to approve location of the pad. Said approval shall not be unreasonably withheld, delayed or denied.
14. Three foot single leaf door between engineering lab 125 and inspection room 123. Said door to have a fire alarm bar.
 15. Move existing double doors at entrance of space over and install full height butt glazed glass, refer to Exhibit A-1.
 16. Move wall in Reception Area over 1' into the proposed Demo Room to install coat closet, refer to Exhibit A-2.

Add Alternates at Tenant's Expense to be quoted by the Lessor to include:

- (i) Power back-up needs for generator for Manufacturing and server room. Specific needs TBD.
- (ii) Apron above Clean Room (to be coordinated with Corindus)
- (iii) Additional air drops at manufacturing
- (iv) Industrial sized stainless steel sink at Engineering Lab, spec to be provided for approval and location to be coordinated with architect
- (v) Core at conference room 156 for table connectivity (to be coordinated with Corindus)
- (vi) Hydraulic swing doors at 136A, 132A and landlord double door off dock
- (vii) Core at clean room for supplemental HVAC
- (viii) Ducts to be installed for (2) future fume hoods near the industrial sink in the R&D lab.

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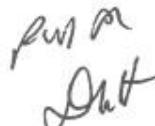
Schedule B-1

TENANT IMPROVEMENT SPECIFICATIONS

- Flooring:** Carpet, commercial grade, 26 oz. glue down, Shaw #54210 Color 1050-2 Pewter
Vinyl base, 4" commercial (with/without toe) VPI or equal
V.C.T., Armstrong standard exelon or equal, color by Tenant
provide Congoleum AL-34 VCT or equal
Adore Touch Contract, Mahogany DAE AT-1631 or equivalent in Reception Area
and Demo Room
- Paint:** Walls, Benjamin Moore Super-Spec or equal to include accent colors in office area
One coat primer tinted
One coat finish, color by Tenant
Additional coats will be added on an as needed basis
- Door frames, two coats Benjamin Moor Satin Impervo
Color by Tenant
- Hardware:** Tenant's select function (lock, passage, privacy, or storeroom)
All private offices to receive lock set
Butts, 1 ½ pair per leaf
All hardware US26D unless noted otherwise
provide Heavy Duty Schlage or equal
- Doors:** SC rotary sliced, all heart, Birch veneer doors set in hollow metal frames with integrated side lights. Finish of doors will be clear natural birch.
- Acoustical:** Armstrong one (1) inch Prelude grid, supporting U.S.G. MARS "Clima Plus" 2 x 2 tiles in executive area. Ceilings and lights in back area (beyond kitchen) space and R&D are existing and will remain. Replace existing tiles where needed & match color.
- Lighting:** Avante' recessed lighting 2' x 4'. Indirect lay in troffers manufactured by Lithonia. Manufacturing side will be existing Parabolics to remain. Landlord agrees to install additional light fixtures in manufacturing side. Additional fixtures will not be placed in a symmetrical manner. Relamp throughout with like kind color
- HVAC:** Exterior zones, fan powered variable air terminals with hydronic heat
Interior zones, variable air terminals (cooling only)
Cooling capacity, approximately 2.5 tons/1000 sf
- Partitions:** Office, 2" x 4" 25 gauge metal studs @ 16" o.c. to extend 6" above ceiling, insulated for sound attenuation at all walls. Demising, 2" x 4" 25 gauge metal studs @ 16" o.c. to underside of deck. Main conference room, CEO's office, Demo room, walls to go to pan deck.
- Lessee Entry:** Solid core birch doors with three true divided lights, glazed with ¼ clear tempered glass

RWD
DHF

Lessee Interior Signage:	Building standard signage on lobby directory
Exterior Window Treatments:	Hunter Douglas horizontal blinds exterior windows only. Replace/repair broken blinds. Clean blinds prior to occupancy
Card Access:	Available at Tenant's expense. Lessor to provide ring & string at (7) card access locations.
Supplemental HVAC:	Available at Tenant's expense
Compressed Air:	Landlord will develop delivery piping from the sprinkler room to manufacturing and the clean rooms. The main will be 2" type L copper with tees in lieu of couplings. The branch lines will be 1" with ball valves and female adaptors. All runs outs, drops and accessories (regulators, filters, dryers, etc.) will be by tenant.
Case Work:	The kitchen cabinets and counter tops will be replaced with new. Laminate selection will be by Corindus. In the lobby the casework will be per plan by Walsh/Cochis, laminate selection by Corindus. Provide Wilsonart or equal
Glazing:	Included at Landlord expense is ½ inch tempered butt glazed glass in the Demo room.
Decon. Sink:	Located in the returns room adjacent to the receiving area, at the Landlord's expense will be a laundry sink, including hot, cold re-circ. water lines, waste and vent lines and a Liberty 404 ejector pump.
Electrical Drops:	In inspection room #133 and clean rooms 137 and 138 the Landlord will provide and install a convenience 120 volt, single phase, 20 amp. Cord drops at each bench. Provide outlets at conference rooms 156, 114 and kitchen at ceiling for overhead projectors. (2) 240 volt drops on one circuit in engineering lab. Additional outlet provided at each office exterior wall where a column exists, or on interior wall adjacent to exterior wall.
Modular office furniture:	We exclude all work associated with portable office partitions i.e.: coring, power, tel./data, erection, with the exception of the tie-in of the furniture whips to power source.
Appliances:	all appliances are at Corindus' expense including but not limited to garbage grinder, dishwasher and refrigerator, and microwaves. The Landlord will provide at its own expense water lines for a coffee maker, a dishwasher and water filtration with shut-off
Fume Hood:	Fume hood at Returns Room to be vented through the building's common bathroom vent (at LESSEE expense).



 PW
 DRH

EXHIBIT C
BUILDING RULES AND REGULATIONS

1. Every reference herein to "LESSOR'S Consent" means "prior written consent of the LESSOR in each instance".
2. The sidewalk, entry, passages, elevator and stairways shall not be obstructed by the LESSEES and shall not be used by them for any other purpose than for ingress and egress to and from their respective premises. Excepted from this restriction is use of these facilities for purpose of moving furniture and equipment to or from the Leased Premises, which is permitted outside of normal office hours and on a non-interference basis with respect to other occupants of the Building.
3. The floors and windows that receive or admit light into passageways, or into any place in said Building, shall not be obstructed by any LESSEE. The elevators, water closets, and other water apparatus shall not be used for any purpose other than those for which they were constructed, and no sweepings, rubbish, rags, ashes or unsuitable substances, shall be added to them.
4. No sign, advertisement, or notice shall be placed on any part of the outside or inside of the Building.
5. No auction sales shall be conducted in or around the Building.
6. No LESSEE shall smoke tobacco in any part of the Building. Upon notice from the LESSOR, LESSEE shall immediately cease all activity in and around the Building which, in the discretion of the LESSOR, constitutes noisy, offensive or disruptive activity. LESSEE shall be responsible for the acts and omissions of their employees, agents, invitees and assigns.
7. The LESSEE shall not at any time exceed a floor capacity of one hundred and twenty-five pounds per square foot. All damage done to the Building by taking in or out a safe or other heavy or bulky object, or during the time it is in or on the premises, shall be repaired at the expense of the responsible LESSEE. Each LESSEE is required to notify and arrange with the Building superintendent when safes, furniture, or like property are to be taken into or out of the Building. No freight, furniture, or bulky package or matter of any description shall be carried on the elevators except as shall not by their size, weight or nature damage the elevators, and which shall be loaded and carried only with appropriate protective measures, and which elevating shall not inhibit or restrict normal pedestrian traffic.
8. No LESSEE may change any locks without the LESSOR'S consent.
9. No LESSEE shall use any method of heating or cooling other than that provided by the LESSOR, without the LESSOR'S consent.
10. Each LESSEE shall keep the Leased Premises in a good state of cleanliness, and for such purposes shall, during the term of the lease, make use of an approved cleaning service for the Building. No tenant shall employ any person or persons other than an approved cleaning service for the Building for the purpose of cleaning, or of taking charge of the Leased Premises unless other arrangements have been approved by LESSOR in writing. Each LESSEE agrees that the LESSOR shall not be responsible to any LESSEE for any damage or loss of property within the Leased Premises.
11. Nothing shall be thrown out of the windows or doors or down the passages or light shafts or upon the skylights of the Building or upon or into any heating or ventilating register or plumbing apparatus of

R.W.M.
D.H.

- the Building, or be placed or left upon any outside windowsill, fire escape or other projection of the Building.
12. No animals, including but not limited to reptiles and insects, shall be kept in or about the Building.
 13. No LESSEE will introduce or admit into the Building any means of external communication without the LESSOR'S consent. LESSOR reserves the right to rescind such consent at any time, in which case the LESSEE agrees to remove any such wire or means, provided that LESSOR shall not restrict LESSEE'S means of external communication in any manner which unreasonably interferes with the operation of LESSEE'S business. Notwithstanding the foregoing, LESSEE shall immediately cease such means of communication which disrupts and/or interferes with the rights of other tenants. LESSEE shall be solely responsible for such disruption and/or interference.
 14. No machine or machinery of any kind other than office equipment, light manufacturing equipment, including but not limited to typewriters, computers, copiers and fax machines, shall be operated on or in the Building, without the LESSOR'S consent. (LESSEE has shown LESSOR existing space and equipment). LESSEE shall be permitted to install and operate a compressor in the Building and shall be responsible for operating, maintaining and repairing said equipment at its sole cost and expense and the installation and operation of same shall be subject to the terms and conditions of the Lease, all applicable Laws and reasonable rules and regulations of LESSOR as may be from time to time implemented, which may include without limitation, those applying to location, installation, noise and vibration suppression and other interference avoidance, screening, fuel sources, appurtenances and the like.
 15. All complaints by a LESSEE shall be made in writing to the LESSOR. Each tenant shall give to the LESSOR'S Building superintendent prompt written notice of any damage known to LESSEE or defect in pipes, wires, appliances or fixtures in or about the premises and of any damage to any part of the premises.
 16. LESSEE shall not be permitted to use or keep in the Building any kerosene, burning fluid, or other illuminating material, inflammable, explosive, corrosive or otherwise harmful substance or materials, except as is customary in office or computer facilities, without the LESSOR'S consent. Notwithstanding such consent, LESSEE shall be solely liable and responsible for ensuring that such material is kept, maintained, stored, destroyed, disposed and discharged in accordance with all applicable federal, state, regulatory and local laws, regulations and ordinances as well as industry standards and practices. LESSEE shall indemnify and hold LESSOR harmless for its failure to comply with the above. LESSEE shall provide LESSOR with a written list identifying any hazardous substances and materials then used, stored, or maintained upon the Premises (with periodic updates upon changes thereto), the use and approximate quantity of each such material, a copy of any material safety data sheet ("MSDS") issued by the manufacturer therefor, written information concerning the removal, transportation and disposal of the same, and such other information as LESSOR may reasonably require or as may be required by law.
 17. No LESSEE shall use or permit any room or portion thereof to be used by anyone for the purpose of lodging or sleeping therein.
 18. The LESSOR reserves the right to rescind any of these rules and to make such other and further reasonable and uniform rules and regulations as in its reasonable judgment may from time to time be needful for the safety, care, and cleanliness of the Building, and for the preservation of good order therein, provided, that such other and further rules shall not be inconsistent with the proper and rightful enjoyment by the LESSEE under the within lease.

*EW M
JW*

19. LESSEE shall not install, attach or modify any appurtenances to the plumbing or HVAC systems without the LESSOR'S prior written consent and LESSEE shall indemnify and hold LESSOR harmless from any and all loss occasioned by the installation, modification or attachment of said appurtenances.

*ewm
DFT*

EXHIBIT D
**DESCRIPTION OF PREMISES ON WHICH
LEASED PREMISES ARE LOCATED**

All that certain parcel of land together with the buildings and other improvements thereon situated at Waverley Oaks Road in Waltham, Middlesex County, Massachusetts, all more particularly described as follows:

NORTHWESTERLY: by the southeasterly line of Waverley Oaks Road, forty (40) feet;
NORTHEASTERLY

AND NORTHERLY: by land now or formerly of E. Allan Peirce, et al, one hundred twenty nine and 24/100 (129.24) feet;

NORTHWESTERLY: by said Peirce et al land and by land now or formerly of Allan W. Peirce, three hundred sixty-three and 59/100 (363.59) feet;

NORTHERLY: by said Allan W. Peirce land, fifty-nine and 04/100 (59.04) feet;

NORTHEASTERLY: seventy-seven and 75/100 (77.75) feet; and

NORTHWESTERLY: ninety (90) feet by land now or formerly of Catherine Hastings, et al, Trustees;

NORTHEASTERLY: by other land now or formerly of said E. Allan Peirce et al, four hundred forty-four and 30/100 (444.30) feet;

SOUTHEASTERLY: by land now or formerly of the Boston and Maine Railroad about fourteen (14) feet;

SOUTHEASTERLY: by Beaver Brook;

SOUTHERLY: by said Boston and Maine Railroad land, about ten hundred thirty-nine and 09/100 (1039.09) feet; and

WESTERLY: by land now or formerly of The Commonwealth of Massachusetts, ten hundred thirty-six and 98/100 (1036.98) feet;

The above described property is subject to and has the benefit of, as the case may be, all easements, restrictions, covenants, rights, encumbrances, instruments, takings and matters of public record, insofar as the same are now in force and applicable including, but not limited to, a Notice of Activity and Use Limitation dated July 30, 2004 which was registered on August 4, 2004 as document #01344656 on Certificate of Title #213705 in Book 1198, Page 155 at the Land Court of the Middlesex South District Registry of Deeds.

The above described property is subject to a Notice of Voluntary Withdrawal of Land from the Registration System which was approved by the Land Court on November 9, 2010 and registered on November 18, 2010 as document #01550029 on Certificate of Title #213705 in Book 1198, Page 155 at the Land Court of the Middlesex South District Registry of Deeds and was recorded on November 18, 2010 in Book 55855, Page 415 at the Middlesex South District Registry of Deeds.

Excepted from the above property description is the portion of land, being 13,666 square feet more or less, which was conveyed to Waverley Group LLC on February 18, 2011 by a deed recorded at the Middlesex South District Registry of Deeds on February 18, 2011 in Book 56492, Page 86. The property conveyed, as well as the modified boundaries of Beaver Group LLC are further described on Plan #818 of 2010 which was filed with the Middlesex South District Registry of Deeds on November 17, 2010.

*PWS DR
DHF*

EXHIBIT E

BUILDING OPERATING EXPENSES

- I. Operating Expenses shall consist by way of example the following items of Building and Property costs:
 1. Labor, materials, supplies and services for all maintenance and cleaning of the Building, its machinery and other personal property; and for maintenance, cleaning, snow removal and landscape care on the exterior of premises.
 2. Allowance equal to 5% of rent for general supervisory, administrative expenses and management fees.
 3. Cost of waste disposal.
 4. Costs of license, inspection and permit fees.
 5. Heat, air conditioning and ventilation for the Building and lighting and power for common areas and property.
 6. Janitorial and cleaning services for all office spaces (excluding any laboratory, storage or manufacturing, data-center, medical, environmentally-sensitive, high-security or similar specialized, non-office use portion(s) of the Leased Premises for which LESSEE must engage its own contractor).
 7. Maintenance, repair, and service contracts.
 8. Security expenses including watchmen, guards and security services (if necessary).
 9. Insurance including fire, casualty, general liability, property damage, etc.
 10. Reserves for capital replacement and improvements, equal to 2% of rent for the replacement value of capital equipment. However, expenditures for such capital replacements and improvements are specifically excluded.
 11. Water, sewer and general utility charges.
- II. Notwithstanding anything to the contrary set forth in the Lease, Operating Expenses shall not include the following:
 1. Cost of permits, licenses and inspection fees incurred by LESSOR to prepare, renovate, repaint, or redecorate any space leased to any existing tenant or prospective tenant, other than LESSEE, of the Building;
 2. Advertising and promotional expenditures incurred to lease space to new tenants or retain existing tenants, other than LESSEE;
 3. Legal fees and expenses incurred by LESSOR to resolve disputes with tenants, other than LESSEE;
 4. Cost of replacement of any items covered under warranty so long as such warranty is in effect and honored;

*pwdr
Dk*

5. Compensation paid to any employee to the extent that the same is not fairly allocable to the work or service provided by such employee to the Building.
6. Costs of any items which are reimbursed to LESSOR by other tenants or third parties other than through Operating Expenses pass-through provisions in the leases of other tenants in the Building (if any);
7. Expenses paid by LESSOR to affiliates unless same are reasonably consistent with fees charged by third-party professional property managers and operators providing reasonably comparable services in the metropolitan Boston market;
8. The purchase or maintenance of any artwork or sculpture;
9. Fines and penalties; and
10. Costs for remediating or abating asbestos or other hazardous materials or to remove chloroflouro carbons, unless mandated by laws coming into force and effect from and after the date of this Lease.
11. Legal fees, brokerage fees, leasing commissions, advertising costs and other fees associated with any subsequent renting of the Premises or any other space in the Building;
12. Costs associated with LESSOR's violation of any other lease for space in the Building;
13. Any general overhead expenses of LESSOR not related to the Leased Premises, Building or Property; executive salaries or salaries of service personnel to the extent that such personnel perform services not in connection with the management or operations of the Building or Property, except as otherwise provided above and in the Lease;
14. Capital expenditures except to the extent expressly provided above;
15. Financing and refinancing costs in respect of any mortgage placed upon the Building, including points and commissions in connection therewith;
16. Interest or penalties for any late payments by LESSOR;
17. Rent or other charges payable under any ground or underlying lease;
18. An amount equal to all amounts received by LESSOR through proceeds of insurance to the extent the proceeds are compensation for expenses which (i) previously were included in operating costs hereunder, (ii) are included in operating costs for the Operating Year in which the insurance proceeds are received or (iii) will be included as operating costs in a subsequent Operating Year;
19. Legal fees, accounting fees and other expenses related to (i) the defense of LESSOR's title to or interest in the Leased Premises, (ii) negotiations of leases or disputes arising from leases with other tenants or (iii) enforcement of the obligations of any other tenant; payment of debt service on loans secured by a mortgage on the Building;
20. Depreciation on the Building; and

PLW/JL

21. All costs which are reimbursable to LESSOR by third parties, including but not limited to expenses for repair or replacement paid by proceeds of insurance or condemnation awards (but only, in each case, after actual receipt by LESSOR of such reimbursement).

2007
Draf

EXHIBIT F

CLEANING SCHEDULE

NIGHTLY: Between the hours of 5:00 p.m. and 6:00 a.m., Monday through Friday, legal holidays excluded.

1. Restrooms:
 - Dust and spot clean all toilet partitions, tile walls and receptacles.
 - Refill all dispensers including soap, toilet tissue, paper towels, etc.
 - Dust mop or sweep floors thoroughly; wash and rinse using a germicidal detergent.
 - Empty all trash receptacles and replace plastic liners.
 - Clean and polish all chrome fittings and bright work, including shelves, flushometers and metal dispensers.
 - Clean, sanitize and polish all fixtures including toilet bowls, urinals and sinks using a germicidal detergent solution.
 - Clean and sanitize both sides of toilet seats with a germicidal detergent solution.
 - Clean and polish all mirrors and glass.
2. Wash and clean water fountains with a germicidal detergent solution.
3. Office rubbish removal. Empty wastebaskets and replace liners, resulting from business office use, not including manufacturing or product packaging materials, the removal and disposal of this type of rubbish is Tenant's responsibility.
4. Vacuum carpeted areas as needed.
5. Dry mop, wet mop and burnish tile floors to a polished appearance and/or vacuum and spot clean carpeting.
6. Wet wipe table tops in employee lounge, including cleaning of any spills, if applicable.
7. Keep sidewalks and parking area clean and rubbish free.
8. Clean entrance door glass to remove finger marks, smudges, etc.
9. Remove recycling materials (for which Landlord maintains a recycling program from time to time) in kitchen area.

WEEKLY:

1. Dust rails and sills or as needed.
2. Sweep stairwells and landings or as needed.
3. Edge vacuum and moldings.
4. Keep lawn and landscaping properly maintained, if applicable.

QUARTERLY:

1. HVAC filters cleaning and/or changing filters on roof tops and air handlers.
(Lab areas and specialized sections not included)

ANNUALLY:

1. Wash all windows inside and out.
2. Wax and polish VCT floors in kitchen.

*Ron M
Dut*

Note: Lab areas and specialized sections are not included in the above-mentioned cleaning schedule and are the sole responsibility of the LESSEE. However LESSOR will provide damp mop cleaning once a week and removal of wastepaper trash in the Engineering Lab Space only.

A handwritten signature consisting of the letters "RWD" stacked vertically above the letters "JKT".

EXHIBIT G

FORM OF LETTER OF CREDIT

IRREVOCABLE STANDBY LETTER OF CREDIT NO.

DATE :

BENEFICIARY:

Beaver Group LLC
c/o Duffy Properties LLC
411 Waverley Oaks Road, Suite 340
Waltham, MA 02452

APPLICANT:

AS "TENANT"

AMOUNT: US \$ _____ (
AND 00/100 U.S. DOLLARS)

EXPIRATION DATE: _____

LOCATION: AT OUR COUNTERS IN BOSTON, MASSACHUSETTS

DEAR SIR/MADAM:

WE HEREBY ESTABLISH OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO.

**_____ IN YOUR FAVOR AVAILABLE BY YOUR DRAFT DRAWN ON US AT SIGHT IN
THE FORM OF EXHIBIT "B" ATTACHED AND ACCOMPANIED BY THE FOLLOWING
DOCUMENTS:**

- 1. THE ORIGINAL OF THIS LETTER OF CREDIT AND ALL AMENDMENT(S), IF ANY.**
- 2. A DATED CERTIFICATION FROM THE BENEFICIARY SIGNED BY AN AUTHORIZED
OFFICER OR AGENT, FOLLOWED BY ITS DESIGNATED TITLE, STATING THE FOLLOWING:**

**(A) "THE AMOUNT REPRESENTS FUNDS DUE AND OWING TO US FROM
APPLICANT PURSUANT TO THAT CERTAIN LEASE BY AND BETWEEN
BENEFICIARY, AS LANDLORD, AND APPLICANT, AS TENANT."**

OR

**(B) "WE HEREBY CERTIFY THAT WE HAVE RECEIVED NOTICE FROM
_____ BANK THAT LETTER OF CREDIT NO. _____ WILL NOT
BE RENEWED, AND THAT WE HAVE NOT RECEIVED A REPLACEMENT OF THIS
LETTER OF CREDIT FROM APPLICANT SATISFACTORY TO US AT LEAST THIRTY
(30) DAYS PRIOR TO THE EXPIRATION DATE OF THIS LETTER OF CREDIT."**

*Bob Jr
Jeff*

IRREVOCABLE STANDBY LETTER OF CREDIT NO. _____
DATED _____

THE LEASE AGREEMENT MENTIONED ABOVE IS FOR IDENTIFICATION PURPOSES ONLY AND IT IS NOT INTENDED THAT SAID LEASE AGREEMENT BE INCORPORATED HEREIN OR FORM PART OF THIS LETTER OF CREDIT.

OUR OBLIGATION UNDER THIS CREDIT SHALL NOT BE AFFECTED BY ANY CIRCUMSTANCES, CLAIM OR DEFENSE, REAL OR PERSONAL, OF ANY PARTY AS TO THE ENFORCEABILITY OF THE LEASE BETWEEN YOU AND TENANT, IT BEING UNDERSTOOD THAT OUR OBLIGATION SHALL BE THAT OF A PRIMARY OBLIGOR AND NOT THAT OF A SURETY, GUARANTOR OR ACCOMMODATION MAKER. IF YOU DELIVER THE WRITTEN CERTIFICATE REFERENCED ABOVE TO US, (I) WE SHALL HAVE NO OBLIGATION TO DETERMINE WHETHER ANY OF THE STATEMENTS THEREIN ARE TRUE, (II) OUR OBLIGATIONS HEREUNDER SHALL NOT BE AFFECTED IN ANY MANNER WHATSOEVER IF THE STATEMENTS MADE IN SUCH CERTIFICATE ARE UNTRUE IN WHOLE OR IN PART, AND (III) OUR OBLIGATIONS HEREUNDER SHALL NOT BE AFFECTED IN ANY MANNER WHATSOEVER IF TENANT DELIVERS INSTRUCTIONS OR CORRESPONDENCE TO WHICH EITHER (A) DENIES THE TRUTH OF THE STATEMENT SET FORTH IN THE CERTIFICATE REFERRED TO ABOVE, OR (B) INSTRUCTS US NOT TO PAY BENEFICIARY ON THIS CREDIT FOR ANY REASON WHATSOEVER.

PARTIAL AND MULTIPLE DRAWS ARE ALLOWED. EXCEPT AS EXPRESSLY SET FORTH HEREIN, THIS LETTER OF CREDIT MUST ACCOMPANY ANY DRAWINGS HEREUNDER FOR ENDORSEMENT OF THE DRAWING AMOUNT AND WILL BE RETURNED TO THE BENEFICIARY UNLESS IT IS FULLY UTILIZED.

DRAFT(S) AND DOCUMENTS MUST INDICATE THE NUMBER AND DATE OF THIS LETTER OF CREDIT.

THIS LETTER OF CREDIT SHALL BE AUTOMATICALLY EXTENDED FOR AN ADDITIONAL PERIOD OF ONE YEAR, WITHOUT AMENDMENT, FROM THE PRESENT OR EACH FUTURE EXPIRATION DATE UNLESS AT LEAST SIXTY (60) DAYS PRIOR TO THE THEN CURRENT EXPIRATION DATE WE NOTIFY YOU BY REGISTERED MAIL/OVERNIGHT COURIER SERVICE AT THE ABOVE ADDRESSES THAT THIS LETTER OF CREDIT WILL NOT BE EXTENDED BEYOND THE CURRENT EXPIRATION DATE. IN NO EVENT SHALL THIS LETTER OF CREDIT BE AUTOMATICALLY EXTENDED BEYOND [SIX (6) MONTHS BEYOND LEASE EXPIRATION].

THIS LETTER OF CREDIT MAY BE TRANSFERRED WITHOUT COST TO THE BENEFICIARY, ONE OR MORE TIMES BUT IN EACH INSTANCE TO A SINGLE BENEFICIARY AND ONLY IN THE FULL AMOUNT AVAILABLE TO BE DRAWN UNDER THE LETTER OF CREDIT AT THE TIME OF THE TRANSFER AND ONLY BY THE ISSUING BANK UPON OUR RECEIPT OF THE ATTACHED "EXHIBIT A" DULY COMPLETED AND EXECUTED BY THE BENEFICIARY AND ACCOMPANIED BY THE ORIGINAL LETTER OF CREDIT AND ALL AMENDMENTS, IF ANY.

ALL DEMANDS FOR PAYMENT SHALL BE MADE BY PRESENTATION OF THE ORIGINAL APPROPRIATE DOCUMENTS PRIOR TO 10:00 A.M. E.S.T. TIME, ON A BUSINESS DAY AT OUR OFFICE (THE "BANK'S OFFICE") AT: _____ BOSTON,
MASSACHUSETTS _____, ATTENTION: _____ OR BY

*PW M
JLH*

FACSIMILE TRANSMISSION AT: (617) ____ - ____; AND SIMULTANEOUSLY UNDER
TELEPHONE ADVICE TO: (617) ____ - ____ , ATTENTION: _____ WITH
ORIGINALS TO FOLLOW BY OVERNIGHT COURIER SERVICE.

PAYMENT AGAINST CONFORMING PRESENTATIONS HEREUNDER SHALL BE MADE BY
BANK DURING NORMAL BUSINESS HOURS OF THE BANK'S OFFICE WITHIN ONE (1)
BUSINESS DAY AFTER PRESENTATION.

WE HEREBY AGREE WITH THE DRAWERS, ENDORSERS AND BONAFIDE HOLDERS THAT
THE DRAFTS DRAWN UNDER AND IN ACCORDANCE WITH THE TERMS AND CONDITIONS
OF THIS LETTER OF CREDIT SHALL BE DULY HONORED UPON PRESENTATION TO THE
DRAWEE, IF NEGOTIATED ON OR BEFORE THE EXPIRATION DATE OF THIS CREDIT.

THIS LETTER OF CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR
DOCUMENTARY CREDITS (1993 REVISION), INTERNATIONAL CHAMBER OF COMMERCE,
PUBLICATION NO. 500.

AUTHORIZED SIGNATURE

AUTHORIZED SIGNATURE

EXHIBIT "A"

DATE:

00433434.DOCX/5

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RWD m
JW

TO:
RE: STANDBY LETTER OF CREDIT
BY NO. ISSUED
ATTN: L/C AMOUNT:

LADIES AND GENTLEMEN:

FOR VALUE RECEIVED, THE UNDERSIGNED BENEFICIARY HEREBY IRREVOCABLY TRANSFERS TO:

(NAME OF TRANSFeree)
(ADDRESS)

ALL RIGHTS OF THE UNDERSIGNED BENEFICIARY TO DRAW UNDER THE ABOVE LETTER OF CREDIT UP TO ITS AVAILABLE AMOUNT AS SHOWN ABOVE AS OF THE DATE OF THIS TRANSFER.

BY THIS TRANSFER, ALL RIGHTS OF THE UNDERSIGNED BENEFICIARY IN SUCH LETTER OF CREDIT ARE TRANSFERRED TO THE TRANSFeree. TRANSFeree SHALL HAVE THE SOLE RIGHTS AS BENEFICIARY THEREOF, INCLUDING SOLE RIGHTS RELATING TO ANY AMENDMENTS, WHETHER INCREASES OR EXTENSIONS OR OTHER AMENDMENTS, AND WHETHER NOW EXISTING OR HEREAFTER MADE. ALL AMENDMENTS ARE TO BE ADVISED DIRECT TO THE TRANSFeree WITHOUT NECESSITY OF ANY CONSENT OF OR NOTICE TO THE UNDERSIGNED BENEFICIARY.

THE ORIGINAL OF SUCH LETTER OF CREDIT IS RETURNED HEREWITH, AND WE ASK YOU TO ENDORSE THE TRANSFER ON THE REVERSE THEREOF, AND FORWARD IT DIRECTLY TO THE TRANSFeree WITH YOUR CUSTOMARY NOTICE OF TRANSFER.

SINCERELY,

(BENEFICIARY'S NAME)

SIGNATURE OF BENEFICIARY

SIGNATURE AUTHENTICATED

(NAME OF BANK)

AUTHORIZED SIGNATURE

RWDR
JAH

EXHIBIT "B"

DATE: _____ REF. NO. _____

AT SIGHT OF THIS DRAFT

PAY TO THE ORDER OF _____ US\$ _____
USDOLLARS _____

DRAWN UNDER _____ BANK, BOSTON, MASSACHUSETTS, STANDBY
LETTER OF CREDIT NUMBER NO. _____ DATED _____

TO: _____ BANK
_____, MA _____

(BENEFICIARY'S NAME)

.....
Authorized Signature

pw m
dt



LOAN AND SECURITY AGREEMENT

THIS LOAN AND SECURITY AGREEMENT is made and dated as of June 11, 2014 and is entered into by and between CORINDUS, INC., a Delaware corporation, and each of its Domestic Subsidiaries signatory hereto or hereinafter a party hereto by joinder (hereinafter collectively referred to as the “**Borrower**”), and STEWARD CAPITAL HOLDINGS, LP, a Delaware limited partnership, and its successors and assigns (together with its successors and assigns, hereinafter referred to as “**Lender**”)

RECITALS

A. Borrower has requested Lender to make available to Borrower a loan in an aggregate principal amount of up to Ten Million Dollars (\$10,000,000.00) (the “**Loan**”); and

B. Lender is willing to make the Loan on the terms and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, Borrower and Lender agree as follows:

SECTION 1. DEFINITIONS AND RULES OF CONSTRUCTION

1.1 Unless otherwise defined herein, the following capitalized terms shall have the following meanings:

“**Account Control Agreement**” means any agreement entered into by and among the Lender, Borrower and a third party Bank or other institution (including a Securities Intermediary) in which Borrower maintains a Deposit Account or an account holding Investment Property and which grants Lender a perfected first priority security interest in the subject account or accounts.

“**ACH Authorization**” means the ACH Debit Authorization Agreement in substantially the form of Exhibit H.

“**Advance**” means either a Tranche A or Tranche B advance under Section 2.1 below.

“**Advance Date**” means the funding date of any Advance.

“**Advance Request**” means a request for an Advance submitted by Borrower to Lender in substantially the form of Exhibit A.

“**Agreement**” means this Loan and Security Agreement, as amended, modified, supplemented or restated from time to time.

“**Amortization Date**” means July 1, 2015.

“**Assignee**” has the meaning given to it in Section 10.13.

“ Borrower Products ” means all products, software, service offerings, technical data or technology currently being designed, manufactured or sold by Borrower or which Borrower intends to sell, license, or distribute in the future including any products or service offerings under development, collectively, together with all products, software, service offerings, technical data or technology that have been sold, licensed or distributed by Borrower since its incorporation.

“ Business Day ” means any day other than Saturday, Sunday and any other day on which banking institutions in the State of Missouri are closed for business.

“ Cash ” means all cash, marketable securities, and other liquid funds (including, without limitation, those Permitted Investments set forth in clauses (ii)(a)-(d) of the definition thereof).

“ Change in Control ” means any (i) reorganization, recapitalization, consolidation or merger (or similar transaction or series of related transactions) of Borrower or any Subsidiary, sale or exchange of outstanding shares (or similar transaction or series of related transactions) of Borrower or any Subsidiary in which the holders of Borrower or Subsidiary’s outstanding shares immediately before consummation of such transaction or series of related transactions (or their controlled affiliates) do not, immediately after consummation of such transaction or series of related transactions, retain shares representing more than fifty percent (50%) of the voting power of the surviving entity of such transaction or series of related transactions (or the parent of such surviving entity if such surviving entity is wholly owned by such parent), in each case without regard to whether Borrower or Subsidiary is the surviving entity, or (ii) sale or issuance by Borrower of new shares of Preferred Stock of Borrower to investors, none of whom are current investors in Borrower, and such new shares of Preferred Stock are senior to all existing Preferred Stock and common stock with respect to liquidation preferences, and the aggregate liquidation preference of the new shares of Preferred Stock is more than fifty percent (50%) of the aggregate liquidation preference of all shares of Preferred Stock and common stock of Borrower; provided, however, an Initial Public Offering shall not constitute a Change in Control.

“ Claims ” has the meaning given to it in Section 10.10.

“ Closing Date ” means the date of this Agreement.

“ Code ” means the Internal Revenue Code of 1986, and the regulations thereunder, in each case as amended from time to time.

“ Collateral ” has the meaning given to it in Section 3.

“ Commitment Fee ” means \$25,000, which fee is due to Lender on or prior to the Closing Date, and shall be deemed fully earned on such date regardless of the early termination of this Agreement.

“ Confidential Information ” has the meaning given to it in Section 10.12.

“ Contingent Obligation ” means, as applied to any Person, any direct or indirect liability, contingent or otherwise, of that Person with respect to (i) any Indebtedness, lease, dividend, letter of credit or other obligation of another, including any such obligation directly or indirectly guaranteed, endorsed, co-made or discounted or sold with recourse by that Person, or in respect of which that Person is otherwise directly or indirectly liable; (ii) any obligations with respect to undrawn letters of credit, corporate credit cards or merchant services issued for the account of that Person; and (iii) all obligations arising under any interest rate, currency or commodity swap agreement, interest rate cap agreement, interest rate collar agreement, or other agreement or arrangement designated to protect a Person against fluctuation in interest rates, currency exchange rates or commodity prices; provided, however, that the term “Contingent Obligation” shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Contingent Obligation shall be computed at the amount that meets the criteria for accrual under Statement of Financial Accounting Standard No. 5.

“ Copyright License ” means any written agreement granting any right to use any Copyright or Copyright registration, now owned or hereafter acquired by Borrower or in which Borrower now holds or hereafter acquires any interest.

“ Copyrights ” means all copyrights, whether registered or unregistered, held pursuant to the laws of the United States, any State thereof, or of any other country.

“ Default ” means any event or occurrence that, with the giving of notice or the lapse of time or both, would constitute an Event of Default.

“ Deposit Accounts ” means any “deposit accounts,” as such term is defined in the UCC, and includes any checking account, savings account, or certificate of deposit.

“ Domestic Subsidiary ” means any Subsidiary that is not a Foreign Subsidiary.

“ End of Term Charge ” has the meaning given to it in Section 2.3.

“ ERISA ” means the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.

“ Excluded Taxes ” means any of the following taxes imposed on or with respect to Lender or required to be withheld or deducted from a payment to Lender, (a) taxes imposed on or measured by net income (however denominated), franchise taxes, and branch profits taxes, in each case, (i) imposed as a result of Lender being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of Lender, U.S. federal withholding taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Term Commitment (or otherwise pursuant to any Loan Document) pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or commitment hereunder or becomes a party to this Agreement or (ii) Lender changes its lending office, except in each case of (i) and (ii) above, to the extent that amounts with respect to such taxes were payable either to Lender’s assignor immediately before Lender became a party hereto or to Lender immediately before it changed its lending office, (c) taxes attributable to Lender’s failure to comply with Section 6.4, and (d) any U.S. federal withholding taxes imposed under FATCA.

“ Event of Default ” has the meaning given to it in Section 8.

“ Facility Charge ” means \$100,000, representing one percent (1%) of the Maximum Loan Amount. \$50,000 being payable upon funding of the Tranche A Advance and \$50,000 being payable upon funding of the Tranche B Advance.

“ FATCA ” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version of such sections that are substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof, and any agreements entered into pursuant to Section 1471(b)(1) of the Code.

“ Financial Statements ” has the meaning given to it in Section 7.1.

“ Foreign Subsidiary ” means any Subsidiary other than a Subsidiary organized under the laws of any state within the United States.

“ GAAP ” means generally accepted accounting principles in the United States of America, as in effect from time to time.

“ Guaranty ” means a Guaranty of the Secured Obligations in a form reasonably acceptable to Lender.

“ Indebtedness ” means indebtedness of any kind, including (a) all indebtedness for borrowed money or the deferred purchase price of property or services (excluding trade credit entered into in the ordinary course of business that are not more than sixty (60) days past due), including reimbursement and other obligations with respect to surety bonds and letters of credit, (b) all obligations evidenced by notes, bonds, debentures or similar instruments, (c) all capital lease obligations, and (d) all Contingent Obligations.

“ Initial Public Offering ” means the initial firm commitment underwritten offering of Borrower’s common stock pursuant to a registration statement under the Securities Act of 1933 filed with and declared effective by the Securities and Exchange Commission.

“ Insolvency Proceeding ” is any proceeding by or against any Person under the United States Bankruptcy Code, or any other bankruptcy or insolvency law, including assignments for the benefit of creditors, compositions, extensions generally with its creditors, or proceedings seeking reorganization, arrangement, or other similar relief.

“ Intellectual Property ” means all of Borrower’s Copyrights; Trademarks; Patents; Licenses; trade secrets and inventions; mask works; Borrower’s applications therefor and reissues, extensions, or renewals thereof; and Borrower’s goodwill associated with any of the foregoing, together with Borrower’s rights to sue for past, present and future infringement of Intellectual Property and the goodwill associated therewith.

“ Interest Only Extension Conditions ” shall mean satisfaction of each of the following events: (a) no Default or Event of Default shall have occurred; (b) Borrower shall have closed the New Financing; and (c) Borrower shall have drawn an Advance under Tranche B.

“Investment” means any beneficial ownership (including stock, partnership or limited liability company interests) of or in any Person, or any loan, advance or capital contribution to any Person or the acquisition of all, or substantially all, of the assets of another Person.

“IP Security Agreement” means an Intellectual Property Security Agreement by Borrower in favor of Lender granting a security interest in its Intellectual Property, to be filed with the appropriate office in order to perfect Lender’s interest in such Collateral.

“Joinder Agreements” means for each Subsidiary other than a Foreign Subsidiary, a completed and executed Joinder Agreement in substantially the form attached hereto as Exhibit G.

“Lender” has the meaning given to it in the preamble to this Agreement.

“License” means any Copyright License, Patent License, Trademark License or other license of rights or interests.

“Lien” means any mortgage, deed of trust, pledge, hypothecation, assignment for security, security interest, encumbrance, levy, lien or charge of any kind, whether voluntarily incurred or arising by operation of law or otherwise, against any property, any conditional sale or other title retention agreement, and any lease in the nature of a security interest.

“Loan” has the meaning given such term in the Recitals.

“Loan Documents” means this Agreement, the Note, the ACH Authorization, the Account Control Agreements, the IP Security Agreement, the Joinder Agreements (if any), the Warrant, any Guaranty, and any other documents executed in connection with the Secured Obligations or the transactions contemplated hereby, as the same may from time to time be amended, modified, supplemented or restated.

“Material Adverse Effect” means a material adverse effect upon: (i) the business, operations, properties, assets or financial condition of Borrower and its Subsidiaries taken as a whole; or (ii) the ability of Borrower to perform the Secured Obligations in accordance with the terms of the Loan Documents, or the ability of Lender to enforce any of its material rights or remedies with respect to the Secured Obligations; or (iii) any material portion of the Collateral or Lender’s Liens on such Collateral or the priority of such Liens.

“Maturity Date” means October 1, 2017.

“Maximum Loan Amount” means Ten Million and No/100 Dollars (\$10,000,000).

“Maximum Rate” shall have the meaning assigned to such term in Section 2.1.

“New Financing” Borrower’s closing of a reverse merger or other private equity or convertible preferred subordinated debt financing that raises at least \$10,000,000 on terms reasonably acceptable to Lender.

“ Note ” means a Secured Term Promissory Note made by Borrower in favor of Lender in the form attached hereto as Exhibit B.

“ Other Connection Taxes ” means, with respect to Lender, taxes imposed as a result of a present or former connection between Lender and the jurisdiction imposing such tax (other than connections arising from Lender having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a Lien under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

“ Patent License ” means any written agreement granting any right with respect to any invention on which a Patent is in existence or a Patent application is pending, in which agreement Borrower now holds or hereafter acquires any interest.

“ Patents ” means all letters patent of, or rights corresponding thereto, in the United States or in any other country, all registrations and recordings thereof, and all applications for letters patent of, or rights corresponding thereto, in the United States or any other country.

“ Permitted Indebtedness ” means: (i) Indebtedness of Borrower in favor of Lender arising under this Agreement or any other Loan Document; (ii) Indebtedness existing on the Closing Date which is disclosed in Schedule 1A; (iii) Indebtedness of up to \$250,000 outstanding at any time secured by a Lien described in clause (vii) of the defined term “Permitted Liens,” provided such Indebtedness does not exceed the lesser of the cost or fair market value of the Equipment financed with such Indebtedness; (iv) Indebtedness to trade creditors incurred in the ordinary course of business, including Indebtedness incurred in the ordinary course of business with corporate credit cards; (v) Indebtedness that also constitutes a Permitted Investment; (vi) Subordinated Indebtedness; (vii) reimbursement obligations in connection with letters of credit that are secured by cash or cash equivalents and issued on behalf of the Borrower or a Subsidiary thereof in an amount not to exceed \$200,000 at any time outstanding, (viii) other Indebtedness in an amount not to exceed \$100,000 at any time outstanding, and (ix) extensions, refinancings and renewals of any items of Permitted Indebtedness, provided that the principal amount is not increased or the terms modified to impose materially more burdensome terms upon Borrower or its Subsidiary, as the case may be.

“ Permitted Investment ” means: (i) Investments existing on the Closing Date which are disclosed in Schedule 1B; (ii) (a) marketable direct obligations issued or unconditionally guaranteed by the United States of America or any agency or any State thereof maturing within one year from the date of acquisition thereof, (b) commercial paper maturing no more than one year from the date of creation thereof and currently having a rating of at least A-2 or P-2 from either Standard & Poor’s Corporation or Moody’s Investors Service, (c) certificates of deposit issued by any bank with assets of at least \$500,000,000 maturing no more than one year from the date of investment therein, and (d) money market accounts; (iii) repurchases of stock from former employees, directors, or consultants of Borrower under the terms of applicable repurchase agreements at the original issuance price of such securities in an aggregate amount not to exceed \$250,000 in any fiscal year, provided that no Event of Default has occurred, is continuing or would exist after giving effect to the repurchases; (iv) Investments accepted in connection with Permitted Transfers; (v) Investments (including debt obligations) received in connection with the bankruptcy or reorganization of customers or suppliers and in settlement of delinquent obligations of, and other disputes with, customers or suppliers arising in the ordinary course of Borrower’s business; (vi) Investments consisting of notes receivable of, or prepaid royalties and other credit extensions, to customers and suppliers who are not affiliates, in the ordinary course of business, provided that this subparagraph (vi) shall not apply to Investments of Borrower in any Subsidiary; (vii) Investments consisting of loans not involving the net transfer on a substantially contemporaneous basis of cash proceeds to employees, officers or directors relating to the purchase of capital stock of Borrower pursuant to employee stock purchase plans or other similar agreements approved by Borrower’s Board of Directors; (viii) Investments consisting of travel advances in the ordinary course of business; (ix) Investments in Domestic Subsidiaries, provided that each such Domestic Subsidiary enters into (or has previously entered into) a Joinder Agreement promptly after its formation by Borrower and execute such other documents as shall be reasonably requested by Lender, and Investments by Domestic Subsidiaries in Borrower; (x) Investments in Foreign Subsidiaries approved in advance in writing by Lender; (xi) joint ventures or strategic alliances in the ordinary course of Borrower’s business consisting of the nonexclusive licensing of technology, the development of technology or the providing of technical support, provided that any cash Investments by Borrower do not exceed \$100,000 in the aggregate in any fiscal year; (xii) Investments consisting of loans to employees to pay taxes incurred in connection with the conversion of the Borrower to an entity organized of the laws of Delaware in an amount that do not exceed \$145,000 in the aggregate; and (xiii) additional Investments that do not exceed \$250,000 in the aggregate.

“ Permitted Liens ” means any and all of the following: (i) Liens in favor of Lender; (ii) Liens existing on the Closing Date which are disclosed in Schedule 1C; (iii) Liens for taxes, fees, assessments or other governmental charges or levies, either not delinquent or being contested in good faith by appropriate proceedings; provided, that Borrower maintains adequate reserves therefor in accordance with GAAP; (iv) Liens securing claims or demands of materialmen, artisans, mechanics, carriers, warehousemen, landlords and other like Persons arising in the ordinary course of Borrower’s business and imposed without action of such parties; provided, that the payment thereof is not yet required; (v) Liens arising from judgments, decrees or attachments in circumstances which do not constitute an Event of Default hereunder; (vi) the following deposits, to the extent made in the ordinary course of business: deposits under worker’s compensation, unemployment insurance, social security and other similar laws, or to secure the performance of bids, tenders or contracts (other than for the repayment of borrowed money) or to secure indemnity, performance or other similar bonds for the performance of bids, tenders or contracts (other than for the repayment of borrowed money) or to secure statutory obligations (other than Liens arising under ERISA or environmental Liens) or surety or appeal bonds, or to secure indemnity, performance or other similar bonds; (vii) Liens on Equipment or software or other intellectual property constituting purchase money Liens and Liens in connection with capital leases securing Indebtedness permitted in clause (iii) of “Permitted Indebtedness”; (viii) Liens incurred in connection with Subordinated Indebtedness; (ix) leasehold interests in leases or subleases and licenses granted in the ordinary course of business and not interfering in any material respect with the business of the licensor; (x) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of custom duties that are promptly paid on or before the date they become due; (xi) Liens on insurance proceeds securing the payment of financed insurance premiums that are promptly paid on or before the date they become due (provided that such Liens extend only to such insurance proceeds and not to any other property or assets); (xii) statutory and common law rights of set-off and other similar rights as to deposits of cash and securities in favor of banks, other depository institutions and brokerage firms; (xiii) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business so long as they do not materially impair the value or marketability of the related property; (xiv) Liens on cash or cash equivalents securing obligations permitted under clause (vii) of the definition of Permitted Indebtedness; (xv) additional Liens that do not exceed \$100,000 in the aggregate; and (xvi) Liens incurred in connection with the extension, renewal or refinancing of the Indebtedness secured by Liens of the type described in clauses (i) through (xi) above; provided, that any extension, renewal or replacement Lien shall be limited to the property encumbered by the existing Lien and the principal amount of the Indebtedness being extended, renewed or refinanced (as may have been reduced by any payment thereon) does not increase.

“ Permitted Transfers ” means (i) sales of Inventory in the ordinary course of business, (ii) non-exclusive licenses and similar arrangements for the use of Intellectual Property in the ordinary course of business and licenses that could not result in a legal transfer of title of the licensed property but that may be exclusive in respects other than territory and that may be exclusive as to territory only as to discreet geographical areas outside of the United States in the ordinary course of business, or (iii) dispositions of worn-out, obsolete or surplus property at fair market value in the ordinary course of business, (iv) transactions permitted by Section 7.9 and (v) other Transfers of assets having a fair market value of not more than \$500,000 in the aggregate in any fiscal year.

“ Person ” means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, limited liability company, institution, other entity or government.

“ Preferred Stock ” means at any given time any equity security issued by Borrower that has any rights, preferences or privileges senior to Borrower’s common stock.

“ Prime Rate ” means the Wall Street Journal (National Edition) Prime Rate.

“ Secured Obligations ” means Borrower’s obligations under this Agreement and any Loan Document, including any obligation to pay any amount now owing or later arising.

“ Subordinated Indebtedness ” means Indebtedness subordinated to the Secured Obligations in amounts and on terms and conditions satisfactory to Lender in its reasonable discretion.

“ Subsequent Financing ” means the closing of any Borrower institutional private equity or convertible preferred financing which becomes effective after the Closing Date (other than the New Financing) and results in aggregate proceeds to Borrower of at least \$10,000,000.

“ Subsidiary ” means an entity, whether corporate, partnership, limited liability company, joint venture or otherwise, in which Borrower owns or controls 50% or more of the outstanding voting securities, including each entity listed on Schedule 1 hereto.

“Trademark License” means any written agreement granting any right to use any Trademark or Trademark registration, now owned or hereafter acquired by Borrower or in which Borrower now holds or hereafter acquires any interest.

“Trademarks” means all trademarks (registered, common law or otherwise) and any applications in connection therewith, including registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof.

“Tranche A Loan Interest Rate” means for any day a per annum rate of interest equal to the greater of (a) 11.25% or (b) 11.25% plus the Prime Rate, less 3.25%.

“Tranche B Loan Interest Rate” means for any day a per annum rate of interest equal to the greater of (a) 9.95% or (b) 9.95% plus the Prime Rate, less 3.25%.

“UCC” means the Uniform Commercial Code as the same is, from time to time, in effect in the State of Missouri; provided, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of, or remedies with respect to, Lender’s Lien on any Collateral is governed by the Uniform Commercial Code as the same is, from time to time, in effect in a jurisdiction other than the State of Missouri, then the term “UCC” shall mean the Uniform Commercial Code as in effect, from time to time, in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority or remedies and for purposes of definitions related to such provisions.

“Warrant” means any warrant entered into in connection with the Loan, as may be amended, restated or modified from time to time.¹

Unless otherwise specified, all references in this Agreement or any Annex or Schedule hereto to a “Section,” “subsection,” “Exhibit,” “Annex,” or “Schedule” shall refer to the corresponding Section, subsection, Exhibit, Annex, or Schedule in or to this Agreement. Unless otherwise specifically provided herein, any accounting term used in this Agreement or the other Loan Documents shall have the meaning customarily given such term in accordance with GAAP, and all financial computations hereunder shall be computed in accordance with GAAP, consistently applied. Unless otherwise defined herein or in the other Loan Documents, terms that are used herein or in the other Loan Documents and defined in the UCC shall have the meanings given to them in the UCC. Notwithstanding anything contained herein to the contrary, any lease properly classified as an operating lease when entered into shall continue to constitute an operating lease during the term of this Agreement regardless of any reclassification thereof as a capital lease due to a change in treatment under GAAP.

¹ Warrant to be issued in proportion to loan amount (i.e., Warrant representing 5% issued with Tranche A and 5% issued with Tranche B)

SECTION 2. THE LOAN

2.1 Loan

(a) Advances. Subject to the terms and conditions of this Agreement, Lender will make an Advance of \$5,000,000 (“**Tranche A**”) on the Closing Date. Provided no Event of Default shall have occurred and is continuing, beginning on the date Borrower closes the New Financing and continuing until December 31, 2014, Borrower may request an additional Advance of \$5,000,000 (“**Tranche B**”).

(b) Advance Request. To obtain an Advance, Borrower shall complete, sign and deliver an Advance Request (at least five (5) Business Days before the Advance Date) to Lender; provided that the Advance Request related to Tranche A on the Closing Date may be delivered on the Advance Date related thereto. Lender shall fund the Advance in the manner requested by the Advance Request provided that each of the conditions precedent to such Advance is satisfied as of the requested Advance Date.

(c) Interest. (i) The principal balance of the Tranche A Advance shall bear interest thereon from such Advance Date at the Tranche A Loan Interest Rate based on a year consisting of 360 days, with interest computed daily based on the actual number of days elapsed; and the principal balance of the Tranche B Advances shall bear interest thereon from each applicable Advance Date at the Tranche B Loan Interest Rate based on a year consisting of 360 days, with interest computed daily based on the actual number of days elapsed. The Tranche A Loan Interest Rate and the Tranche B Loan Interest Rate will float and change on the day the Prime Rate changes from time to time.

(d) Payment. Borrower will pay interest on the outstanding principal balance of the Loan on the first day of each month, beginning July 1, 2014. Borrower shall repay the aggregate Loan principal balance that is outstanding on the day immediately preceding the Amortization Date, in 27 equal monthly installments of principal and interest (mortgage style) beginning on the Amortization Date and continuing on the first Business Day of each month thereafter until the Secured Obligations are repaid. The entire Loan principal balance and all accrued but unpaid interest hereunder, shall be due and payable on Maturity Date. Borrower shall make all payments under this Agreement without setoff, recoupment or deduction and regardless of any counterclaim or defense. Lender will initiate debit entries to the Borrower’s account as authorized on the ACH Authorization on each payment date of all periodic obligations payable to Lender under each Term Advance.

(e) Maximum Interest. Notwithstanding any provision in this Agreement or any other Loan Document, it is the parties’ intent not to contract for, charge or receive interest at a rate that is greater than the maximum rate permissible by law that a court of competent jurisdiction shall deem applicable hereto (which under the laws of the State of Missouri shall be deemed to be the laws relating to permissible rates of interest on commercial loans) (the “**Maximum Rate**”). If a court of competent jurisdiction shall finally determine that Borrower has actually paid to Lender an amount of interest in excess of the amount that would have been payable if all of the Secured Obligations had at all times borne interest at the Maximum Rate, then such excess interest actually paid by Borrower shall be applied as follows: first, to the payment of the Secured Obligations consisting of the outstanding principal; second, after all principal is repaid, to the payment of Lender’s accrued interest, costs, expenses, professional fees and any other Secured Obligations; and third, after all Secured Obligations are repaid, the excess (if any) shall be refunded to Borrower.

(f) Default Interest. In the event any payment is not paid on the scheduled payment date, an amount equal to two percent (2%) of the past due amount shall be payable on demand. In addition, upon the occurrence and during the continuation of an Event of Default hereunder, all Secured Obligations, including principal, interest, and compounded interest shall bear interest at a rate per annum equal to the rate set forth in Section 2.1(c), plus two percent (2%) per annum. In the event any interest is not paid when due hereunder, delinquent interest shall be added to principal and shall bear interest on interest, compounded at the rate set forth in Section 2.1(c) or Section 2.3, as applicable.

2.2 Prepayment. Borrower may prepay all, but not less than all, of the outstanding Advances by paying the entire principal balance and all accrued and unpaid interest thereon subject to a prepayment fee to Lender. In the event, Borrower prepays the outstanding amount of all principal and accrued and unpaid interest within the first twelve (12) months from the date of this Agreement, the prepayment fee due to Lender shall be three percent (3%). In the event Borrower prepays the outstanding amount of all principal and accrued and unpaid interest after the twelve (12) month period, the prepayment fee due to Lender shall be one percent (1%). Borrower shall prepay the outstanding amount of all principal and accrued and unpaid interest through the prepayment date upon the occurrence of a Change of Control. Notwithstanding anything contained in the foregoing to the contrary, no prepayment fee shall be payable to Lender to the extent Lender acts as agent, arranges or participates as a lender in any refinancing facility that repays the Secured Obligations.

2.3 End of Term Charge. On the earliest to occur of (i) the Maturity Date, (ii) the date that Borrower prepays the outstanding Secured Obligations, or (iii) the date that the Secured Obligations become due and payable, Borrower shall pay Lender a charge of \$250,000 representing two and one-half percent (2.5%) of the Maximum Loan Amount (the “**End of Term Charge**”). Notwithstanding the required payment date of such charge, it shall be deemed earned by Lender as of the Closing Date.

2.4 Note. The Loan shall be evidenced by the Note.

SECTION 3. SECURITY INTEREST

3.1 Grant of Security Interest. The Borrower hereby pledges and grants to the Lender, and hereby creates a continuing first priority Lien and security interest (subject to any Permitted Liens) in favor of the Lender in and to all of its right, title and interest in and to the following, wherever located, whether now existing or hereafter from time to time arising or acquired (collectively, the “**Collateral**”):

(a) all Fixtures and personal property of every kind and nature including all Accounts (including Health-Care-Insurance Receivables), Goods (including Inventory and Equipment), Documents (including, if applicable, Electronic Documents), Instruments, Promissory Notes, Chattel Paper (whether Tangible or Electronic), Letters of Credit, Letter-Of-Credit Rights (whether or not the Letter Of Credit is evidenced by a writing), Securities and all other Investment Property, Commercial Tort Claims, General Intangibles (including all Payment Intangibles), Money, Deposit Accounts, and any other Contract Rights or rights to the payment of Money; and

(b) all Proceeds and products of each of the foregoing, all books and records relating to the foregoing, all supporting obligations related thereto, and all accessions to, substitutions and replacements for, and rents, profits and products of, each of the foregoing, and any and all Proceeds of any insurance, indemnity, warranty or guaranty payable to the Borrower from time to time with respect to any of the foregoing.

3.2 Notwithstanding the foregoing, Collateral shall exclude (a) any property of Borrower as to which Lender has determined in its sole discretion that the collateral value is insufficient to justify the difficulty, time and/or expense of obtaining a perfected security interest therein, (b) any lease, license, contract or agreement to which Borrower is a party, and any of its rights or interests thereunder, if and to the extent that a security interest therein is prohibited by or in violation of (x) any applicable law, or (y) a term, provision or condition of any such lease, license, contract or agreement (unless in each case, such applicable law, term, provision or condition would be rendered ineffective with respect to the creation of such security interest pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC of any relevant jurisdiction or any other applicable law or principles of equity), provided, however, that the foregoing shall cease to be treated as excluded collateral (and shall constitute Collateral) immediately at such time as the contractual or legal prohibition shall no longer be applicable and to the extent severable, such security interest shall attach immediately to any portion of such lease, license, contract or agreement not subject to the prohibitions specified in (x) or (y) above, (c) any "intent to use" trademark applications for which a statement of use has not been filed (but only until such statement is filed), and (d) more than 65% of the presently existing and hereafter arising issued and outstanding shares of capital stock owned by Borrower of any Foreign Subsidiary which shares entitle the holder thereof to vote for directors or any other matter; provided, further that excluded Collateral shall not include any proceeds of any excluded property or any goodwill of Borrower's business associated therewith or attributable thereto.

SECTION 4. CONDITIONS PRECEDENT TO LOAN

The obligations of Lender to make the Loan hereunder are subject to the satisfaction by Borrower of the following conditions:

4.1 Initial Advance. On or prior to the Closing Date, Borrower shall have delivered to Lender the following:

(a) executed originals of the Loan Documents, Account Control Agreements, and all other documents and instruments reasonably required by Lender to effectuate the transactions contemplated hereby or to create and perfect the Liens of Lender with respect to all Collateral, in all cases in form and substance reasonably acceptable to Lender;

- (b) certified copy of resolutions of Borrower's board of directors evidencing approval of (i) the Loan and other transactions evidenced by the Loan Documents; and (ii) the Warrant and transactions evidenced thereby;
- (c) certified copies of the Certificate of Incorporation and the Bylaws, as amended through the Closing Date, of Borrower;
- (d) a certificate of good standing for Borrower from its state of incorporation and similar certificates from all other jurisdictions in which it does business and where the failure to be qualified would have a Material Adverse Effect;
- (e) payment of the Facility Charge and reimbursement of Lender's and Lender's current reasonable and documented out of pocket expenses reimbursable pursuant to this Agreement, which amounts may be deducted from the initial Advance; and
- (f) such other documents as Lender may reasonably request.

4.2 All Advances. On each Advance Date:

- (a) Lender shall have received an Advance Request for the relevant Advance as required by 2.2(b), each duly executed by Borrower's Chief Executive Officer or Chief Financial Officer.
- (b) The representations and warranties set forth in this Agreement and in Section 5 shall be true and correct in all material respects on and as of the Advance Date with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date.
- (c) At the time of and immediately after such Advance, no Default or Event of Default shall have occurred and be continuing.
- (d) Each Advance Request shall be deemed to constitute a representation and warranty by Borrower on the relevant Advance Date as to the matters specified in paragraphs (b) and (c) of this Section 4.2 and as to the matters set forth in the Advance Request.

4.3 No Material Adverse Effect. As of the Closing Date and each Advance Date, no event that has had a Material Adverse Effect has occurred and is continuing, as determined by Lender in its sole discretion.

SECTION 5. REPRESENTATIONS AND WARRANTIES OF BORROWER

Each Borrower represents and warrants that:

5.1 **Corporate Status**. Each Borrower is a corporation duly organized, legally existing and in good standing under the laws of the State of Delaware, and is duly qualified as a foreign corporation in all jurisdictions in which the nature of its business or location of its properties require such qualifications and where the failure to be qualified could reasonably be expected to have a Material Adverse Effect. Each Borrower's present name, former names (if any), locations, place of formation, tax identification number, organizational identification number and other information are correctly set forth in Exhibit C, as may be updated by Borrower in a written notice (including any Compliance Certificate) provided to Lender after the Closing Date.

5.2 **Collateral**. Borrower owns the Collateral, free of all Liens, except for Permitted Liens. Borrower has the power and authority to grant to Lender a Lien in the Collateral as security for the Secured Obligations .

5.3 **Consents**. Borrower's execution, delivery and performance of this Agreement and all other Loan Documents, and Borrower's execution of the Warrant, (i) have been duly authorized by all necessary corporate action of Borrower, (ii) will not result in the creation or imposition of any Lien upon the Collateral, other than Permitted Liens, (iii) do not violate any provisions of Borrower's Certificate or Articles of Incorporation (as applicable), bylaws, or any, law, regulation, order, injunction, judgment, decree or writ to which Borrower is subject and (iv) except as described on Schedule 5.3, do not violate any contract or agreement or require the consent or approval of any other Person which has not already been obtained. The individual or individuals executing the Loan Documents and the Warrant are duly authorized to do so.

5.4 **Material Adverse Effect**. No event that has had or could reasonably be expected to have a Material Adverse Effect has occurred and is continuing. Borrower is not aware of any event likely to occur that is reasonably expected to result in a Material Adverse Effect.

5.5 **Actions Before Governmental Authorities**. Except as described on Schedule 5.5, there are no actions, suits or proceedings at law or in equity or by or before any governmental authority now pending or, to the knowledge of Borrower, threatened against or affecting Borrower or its property that is reasonably expected to have a Material Adverse Effect.

5.6 **Laws**. Borrower is not in violation of any law, rule or regulation, or in default with respect to any judgment, writ, injunction or decree of any governmental authority, where such violation or default is reasonably expected to result in a Material Adverse Effect. Borrower is not in default in any manner under any provision of any agreement or instrument evidencing Indebtedness, or any other material agreement to which it is a party or by which it is bound.

5.7 **Information Correct and Current**. No information, report, Advance Request, financial statement, exhibit or schedule furnished, by or on behalf of Borrower to Lender in connection with any Loan Document or included therein or delivered pursuant thereto contained, contains or will contain (taken as a whole) any material misstatement of fact or omitted, omits or will omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were, are or will be made, not misleading at the time such statement was made or deemed made. Additionally, any and all financial or business projections provided by Borrower to Lender, whether prior to or after the Closing Date, shall be (i) provided in good faith and based on the most current data and information available to Borrower, and (ii) the most current of such projections provided to Borrower's Board of Directors.

5.8 Tax Matters. Except as described on Schedule 5.8, (a) Borrower has filed all federal and state income and other material tax returns that it is required to file, (b) Borrower has duly paid or fully reserved for all taxes or installments thereof (including any interest or penalties) as and when due, which have or may become due pursuant to such returns, and (c) Borrower has paid or fully reserved for any tax assessment received by Borrower for the three (3) years preceding the Closing Date, if any (including any taxes being contested in good faith and by appropriate proceedings).

5.9 Intellectual Property Claims. Borrower is the sole owner of, or otherwise has the right to use, the Intellectual Property material and necessary in the operation or conduct of Borrower's business as currently conducted. Except as described on Schedule 5.9, (i) each of the material Copyrights, Trademarks and Patents is valid and enforceable, (ii) no material part of the Intellectual Property has been judged invalid or unenforceable, in whole or in part, and (iii) no claim has been made to Borrower that any material part of the Intellectual Property violates the rights of any third party. Exhibit D is a true, correct and complete list of each of Borrower's Patents, registered Trademarks, registered Copyrights, and material agreements under which Borrower licenses Intellectual Property from third parties (other than shrink-wrap software licenses), together with application or registration numbers, as applicable, owned by Borrower or any Subsidiary, in each case as of the Closing Date. Borrower is not in material breach of, nor has Borrower failed to perform any material obligations under, any of the foregoing contracts, licenses or agreements and, to Borrower's knowledge, no third party to any such contract, license or agreement is in material breach thereof or has failed to perform any material obligations thereunder.

5.10 Intellectual Property. Except as described on Schedule 5.10, Borrower has, or in the case of any proposed business, will have, all material rights with respect to Intellectual Property material and necessary in the operation or conduct of Borrower's business as currently conducted. Without limiting the generality of the foregoing, and in the case of Licenses, except for restrictions that are unenforceable under Division 9 of the UCC, Borrower has the right, to the extent required to operate Borrower's business, to freely transfer, license or assign such Intellectual Property without condition, restriction or payment of any kind (other than license payments in the ordinary course of business) to any third party, and Borrower owns or has the right to use, pursuant to valid licenses, all software development tools, library functions, compilers and all other third-party software and other items that are used in the design, development, promotion, sale, license, manufacture, import, export, use or distribution of Borrower Products.

5.11 Borrower Products. Except as described on Schedule 5.11, no Intellectual Property owned by Borrower or Borrower Product, in each case, material and necessary in the operation or conduct of the Borrower's business as currently conducted has been or is subject to any actual or, to the knowledge of Borrower, threatened litigation, proceeding (including any proceeding in the United States Patent and Trademark Office or any corresponding foreign office or agency) or outstanding decree, order, judgment, settlement agreement or stipulation that restricts in any manner Borrower's use, transfer or licensing thereof or that may affect the validity, use or enforceability thereof. There is no decree, order, judgment, agreement, stipulation, arbitral award or other provision entered into in connection with any litigation or proceeding that obligates Borrower to grant licenses or ownership interest in any such Intellectual Property related to the material and necessary in the operation or conduct of the business of Borrower or Borrower Products. Borrower has not received any written notice or claim, or, to the knowledge of Borrower, oral notice or claim, challenging or questioning Borrower's ownership in any such Intellectual Property (or written notice of any claim challenging or questioning the ownership in any such licensed Intellectual Property of the owner thereof) or suggesting that any third party has any claim of legal or beneficial ownership with respect thereto nor, to Borrower's knowledge, is there a reasonable basis for any such claim. To the knowledge of Borrower, neither Borrower's use of its Intellectual Property material and necessary to the operation and conduct of its Business nor the production and sale of any material Borrower Products infringes the Intellectual Property or other rights of others.

5.12 Financial Accounts. Exhibit E, as may be updated by the Borrower in a written notice provided to Lender after the Closing Date, is a true, correct and complete list of (a) all banks and other financial institutions at which Borrower or any Subsidiary maintains Deposit Accounts and (b) all institutions at which Borrower or any Subsidiary maintains an account holding Investment Property, and such exhibit correctly identifies the name, address and telephone number of each bank or other institution, the name in which the account is held, a description of the purpose of the account, and the complete account number therefor.

5.13 Employee Loans. Except for Permitted Investments, Borrower has no outstanding loans to any employee, officer or director of the Borrower nor has Borrower guaranteed the payment of any loan made to an employee, officer or director of the Borrower by a third party.

5.14 Capitalization and Subsidiaries. Borrower's capitalization as of the Closing Date is set forth on Schedule 5.14 annexed hereto. Borrower does not own any stock, partnership interest or other securities of any Person, except for Permitted Investments. Attached as Schedule 5.14, as may be updated by Borrower in a written notice provided after the Closing Date, is a true, correct and complete list of each Subsidiary.

SECTION 6. INSURANCE; INDEMNIFICATION

6.1 Coverage. Borrower shall cause to be carried and maintained commercial general liability insurance, on an occurrence form, against risks customarily insured against in Borrower's line of business. Such risks shall include the risks of bodily injury, including death, property damage, personal injury, advertising injury, and contractual liability per the terms of the indemnification agreement found in Section 6.3. Borrower must maintain a minimum of \$2,000,000 of commercial general liability insurance for each occurrence. Borrower has and agrees to maintain a minimum of \$2,000,000 of directors' and officers' insurance for each occurrence and \$5,000,000 in the aggregate. So long as there are any Secured Obligations outstanding, Borrower shall also cause to be carried and maintained insurance upon the Collateral, insuring against all risks of physical loss or damage howsoever caused, in an amount not less than the full replacement cost of the Collateral, provided that such insurance may be subject to standard exceptions and deductibles.

6.2 **Certificates**. Borrower shall deliver to Lender certificates of insurance that evidence Borrower's compliance with its insurance obligations in Section 6.1 and the obligations contained in this Section 6.2. Borrower's insurance certificate shall state Lender is an additional insured for commercial general liability, a loss payee for all risk property damage insurance, subject to the insurer's approval, and a loss payee for property insurance and additional insured for liability insurance for any future insurance that Borrower may acquire from such insurer. Attached to the certificates of insurance will be additional insured endorsements for liability and lender's loss payable endorsements for all risk property damage insurance. All certificates of insurance will provide for a minimum of thirty (30) days advance written notice to Lender of cancellation or any other change adverse to Lender's interests. Any failure of Lender to scrutinize such insurance certificates for compliance is not a waiver of any of Lender's rights, all of which are reserved.

6.3 **Indemnity**. Borrower agrees to indemnify and hold Lender and their officers, directors, employees, agents, in-house attorneys, representatives and shareholders (each, an "**Indemnified Person**") harmless from and against any and all claims, costs, expenses, damages and liabilities (including such claims, costs, expenses, damages and liabilities based on liability in tort, including strict liability in tort), including reasonable attorneys' fees and disbursements and other costs of investigation or defense (including those incurred upon any appeal) (collectively, "Liabilities"), that may be instituted or asserted against or incurred by such Indemnified Person as the result of credit having been extended, suspended or terminated under this Agreement and the other Loan Documents or the administration of such credit, or in connection with or arising out of the transactions contemplated hereunder and thereunder, or any actions or failures to act in connection therewith, or arising out of the disposition or utilization of the Collateral, excluding in all cases Liabilities to the extent resulting solely from any Indemnified Person's gross negligence, bad faith or willful misconduct. Borrower agrees to pay, and to save Lender harmless from, any and all liabilities with respect to, or resulting from any delay in paying, any and all excise, sales or other similar taxes that may be payable or determined to be payable with respect to any of the Collateral or this Agreement. In no event shall any Indemnified Person be liable on any theory of liability for any special, indirect, consequential or punitive damages (including any loss of profits, business or anticipated savings).

6.4 **Lender Tax Certificates**. Lender shall deliver to Borrower, on or prior to the Closing Date (and from time to time thereafter upon the reasonable request of Borrower), duly completed, valid, and executed originals of IRS Form W-9 (or any successor form) certifying that Lender, as applicable, is exempt from U.S. federal backup withholding tax.

SECTION 7. COVENANTS OF BORROWER

Each Borrower agrees as follows:

7.1 **Financial Reports**. Borrower shall furnish to Lender the financial statements and reports listed hereinafter (clauses (a)-(c) being referred to as, the "**Financial Statements**"):

(a) within 45 days after the end of each month, unaudited interim and year-to-date financial statements as of the end of such month (prepared on a consolidated basis), including balance sheet and related statements of income and cash flows, all certified by Borrower's Chief Executive Officer or Chief Financial Officer to the effect that they have been prepared in accordance with GAAP, except (i) for the absence of footnotes, (ii) that they are subject to normal year-end adjustments, and (iii) they do not contain certain non-cash items that are customarily included in quarterly and annual financial statements;

(b) within 45 days after the end of each of the first three calendar quarters of each fiscal year of Borrower, unaudited interim and year-to-date financial statements as of the end of such calendar quarter (prepared on a consolidated basis), including balance sheet and related statements of income and cash flows, certified by Borrower's Chief Executive Officer or Chief Financial Officer to the effect that they have been prepared in accordance with GAAP, except (i) for the absence of footnotes, and (ii) that they are subject to normal year-end adjustments; as well as the most recent capitalization table for Borrower, including the weighted average exercise price of employee stock options;

(c) within one hundred twenty (120) days after the end of each fiscal year (June 30, 2014 with respect to the fiscal year ended December 31, 2013), unqualified audited financial statements as of the end of such year (prepared on a consolidated basis), including balance sheet and related statements of income and cash flows, and setting forth in comparative form the corresponding figures for the preceding fiscal year, certified by Ernst & Young LLP or such other firm of independent certified public accountants selected by Borrower and reasonably acceptable to Lender, accompanied by any management report from such accountants; provided that with respect to the audited financial statements for the fiscal year ending December 31, 2013, Lender acknowledge that such financial statements shall be permitted to contain a going concern qualification due to the previously disclosed cash position of the Borrower;

(d) within 45 days after the end of each month, a Compliance Certificate in the form of Exhibit F;

(e) together with the delivery of the monthly financial statements delivered under clause (a) above, a report showing agings of accounts receivable and accounts payable;

(f) promptly after the sending or filing thereof, as the case may be, copies of any proxy statements, financial statements or reports that Borrower has made available to holders of its Preferred Stock generally and copies of any regular, periodic and special reports or registration statements that Borrower files with the Securities and Exchange Commission or any governmental authority that may be substituted therefore, or any national securities exchange;

(g) financial and business projections promptly following their approval by Borrower's Board of Directors; and

(h) such other financial information reasonably requested by Lender.

Borrower shall not (without the consent of Lender, such consent not to be unreasonably withheld or delayed), make any change in its (a) accounting policies or reporting practices, except as required by GAAP or (b) fiscal years or fiscal quarters. The fiscal year of Borrower shall end on December 31.

The executed Compliance Certificate may be sent via facsimile to Lender at (417) 931-9998. All Financial Statements required to be delivered pursuant to clauses (a), (b) and (c) shall be sent via e-mail to djohns@agfinancial.org provided, that if e-mail is not available or sending such Financial Statements via e-mail is not possible, they shall be sent via facsimile to Lender at: (471) 931-9998.

7.2 Management Rights. Borrower shall permit any representative that Lender authorizes, including its attorneys and accountants (but in no event shall any representative be an employee or an agent of a competitor of Borrower), to inspect the Collateral and examine and make copies and abstracts of the books of account and records of Borrower at reasonable times and upon reasonable notice during normal business hours. The Lenders shall, collectively, be limited to two (2) such inspections and audit per calendar year so long as no Event of Default exists, and thereafter without limit, which shall each be at Borrower's expense, in an amount not to exceed the reasonable and customary amounts for audits and inspections administered or conducted pursuant to this Section 7.2. In addition, any such representative shall have the right to meet with management and officers of Borrower to discuss such books of account and records. In addition, Lender shall be entitled at reasonable times and intervals to consult with and advise the management and officers of Borrower concerning significant business issues affecting Borrower. Such consultations shall not unreasonably interfere with Borrower's business operations. The parties intend that the rights granted Lender shall constitute "management rights" within the meaning of 29 C.F.R Section 2510.3-101(d)(3)(ii), but that any advice, recommendations or participation by Lender with respect to any business issues shall not be deemed to give Lender, nor be deemed an exercise by Lender of, control over Borrower's management or policies.

7.3 Further Assurances. Borrower shall from time to time execute, deliver and file, alone or with Lender, any financing statements, security agreements, collateral assignments, notices, control agreements, or other documents to perfect or give the highest priority to Lender's Lien (subject to Permitted Liens) on the Collateral. Borrower shall from time to time procure any instruments or documents as may be requested by Lender, and take all further action that may be necessary or desirable, or that Lender may reasonably request, to perfect and protect the Liens granted hereby and thereby. In addition, and for such purposes only, Borrower hereby authorizes Lender to execute and deliver on behalf of Borrower and to file such financing statements, collateral assignments, notices, control agreements, security agreements and other documents without the signature of Borrower either in Lender's name or in the name of Lender as agent and attorney-in-fact for Borrower. Borrower shall protect and defend Borrower's title to the Collateral and Lender's Lien thereon against all Persons claiming any interest adverse to Borrower or Lender other than Permitted Liens.

7.4 Indebtedness. Borrower shall not create, incur, assume, guarantee or be or remain liable with respect to any Indebtedness, or permit any Subsidiary so to do, other than Permitted Indebtedness, or prepay any Indebtedness or take any actions which impose on Borrower an obligation to prepay any Indebtedness, except for (i) the conversion of Indebtedness into equity securities and the payment of cash in lieu of fractional shares in connection with such conversion and (ii) unsecured Indebtedness constituting indemnification obligations of Borrower arising under Borrower's charter documents.

7.5 **Collateral**. Borrower shall at all times keep the Collateral and all other property and assets used in Borrower's business or in which Borrower now or hereafter holds any interest free and clear from any legal process or Liens whatsoever (except for Permitted Liens), and shall give Lender prompt written notice of any legal process affecting the Collateral, such other property and assets, or any Liens thereon, provided however, that the Collateral and such other property and assets may be subject to Permitted Liens except that there shall be no Liens whatsoever on Intellectual Property material and necessary to the Borrower's operations or conduct of its business as currently conducted. Borrower shall cause its Subsidiaries to protect and defend such Subsidiary's title to its assets from and against all Persons claiming any interest adverse to such Subsidiary, and Borrower shall cause its Subsidiaries at all times to keep such Subsidiary's property and assets free and clear from any legal process or Liens whatsoever (except for Permitted Liens, provided however, that there shall be no Liens whatsoever on Intellectual Property material and necessary to the Borrower's operations or conduct of its business as currently conducted), and shall give Lender prompt written notice of any legal process affecting such Subsidiary's assets. Borrower shall not agree with any Person other than Lender not to encumber its property other than with respect to Permitted Liens.

7.6 **Investments**. Borrower shall not directly or indirectly acquire or own, or make any Investment in or to any Person, or permit any of its Subsidiaries so to do, other than Permitted Investments.

7.7 **Distributions**. Except for Permitted Investments, Borrower shall not, and shall not allow any Subsidiary to, (a) repurchase or redeem any class of stock or other equity interest other than pursuant to employee, director or consultant repurchase plans or other similar agreements, provided, however, in each case the repurchase or redemption price does not exceed the original consideration paid for such stock or equity interest, or (b) declare or pay any cash dividend or make a cash distribution on any class of stock or other equity interest, except that a Subsidiary may pay dividends or make distributions to Borrower, or (c) lend money to any employees, officers or directors or guarantee the payment of any such loans granted by a third party in excess of \$100,000 in the aggregate or (d) waive, release or forgive any Indebtedness owed by any employees, officers or directors in excess of \$100,000 in the aggregate.

7.8 **Transfers**. Except for Permitted Transfers, Borrower shall not voluntarily or involuntarily transfer, sell, lease, license, lend or in any other manner convey any equitable, beneficial or legal interest in any material portion of its assets.

7.9 **Mergers or Acquisitions**. Except with respect to the New Financing, Borrower shall not merge or consolidate, or permit any of its Subsidiaries to merge or consolidate, with or into any other business organization (other than mergers or consolidations of (a) a Subsidiary which is not a Borrower into another Subsidiary or into Borrower or (b) a Borrower into another Borrower), or acquire, or permit any of its Subsidiaries to acquire, all or substantially all of the capital stock or property of another Person.

7.10 Taxes. Except for Excluded Taxes, Borrower and its Subsidiaries shall pay when due all taxes, fees or other charges of any nature whatsoever (together with any related interest or penalties) now or hereafter imposed or assessed against Borrower, Lender or the Collateral or upon Borrower's ownership, possession, use, operation or disposition thereof or upon Borrower's rents, receipts or earnings arising therefrom. Borrower shall file on or before the due date therefor all personal property tax returns in respect of the Collateral. Notwithstanding the foregoing, Borrower may contest, in good faith and by appropriate proceedings, taxes for which Borrower maintains adequate reserves therefor in accordance with GAAP.

7.11 Corporate Changes. Neither Borrower nor any Subsidiary shall change its corporate name, legal form or jurisdiction of formation without ten (10) days' prior written notice to Lender. Neither Borrower nor any Subsidiary shall suffer a Change in Control. Neither Borrower nor any Subsidiary shall relocate its chief executive office or its principal place of business unless: (i) it has provided prior written notice to Lender; and (ii) such relocation shall be within the continental United States. Neither Borrower nor any Subsidiary shall relocate any item of Collateral (other than (x) sales of Inventory in the ordinary course of business, (y) relocations of Equipment having an aggregate value of up to \$150,000 in any fiscal year, and (z) relocations of Collateral from a location described on Exhibit C to another location described on Exhibit C) unless (i) it has provided prompt written notice to Lender, (ii) such relocation is within the continental United States and, (iii) if such relocation is to a third party bailee, it has delivered a bailee agreement in form and substance reasonably acceptable to Lender.

7.12 Deposit Accounts. Neither Borrower nor any Subsidiary shall maintain any Deposit Accounts, or accounts holding Investment Property, except with respect to which Lender has an Account Control Agreement or as shown on Schedule 7.12.

7.13 New Subsidiaries. Borrower shall notify Lender of each Subsidiary formed subsequent to the Closing Date and, within 15 days of formation, shall cause any such Domestic Subsidiary to execute and deliver to Lender a Joinder Agreement.

7.14 Notification of Event of Default. Borrower shall notify Lender within five (5) Business Days of the occurrence of any Event of Default, such notice to be sent via facsimile to Lender.

SECTION 8. EVENTS OF DEFAULT

The occurrence of any one or more of the following events shall be an Event of Default:

8.1 Payments. Borrower fails to pay any amount due under this Agreement or any of the other Loan Documents within five (5) Business Days of the due date; or

8.2 Covenants. Borrower breaches or defaults in the performance of any covenant or Secured Obligation under this Agreement, or any of the other Loan Documents, and (a) with respect to a default under any covenant under this Agreement (other than under Sections 6 and 7.4, 7.5, 7.6, 7.7, 7.8, 7.9, and 7.14), any other Loan Document or any other agreement among Borrower and Lender, such default continues for more than thirty (30) days after the earlier of the date on which (i) Lender has given notice of such default to Borrower and (ii) Borrower has actual knowledge of such default or (b) with respect to a default under any of Sections 6 and 7.4, 7.5, 7.6, 7.7, 7.8, 7.9, and 7.14, the occurrence of such default; or

8.3 **Material Adverse Effect**. A circumstance has occurred that would reasonably be expected to have a Material Adverse Effect; or

8.4 **Representations**. Any representation or warranty made by Borrower in any Loan Document or in the Warrant shall have been false or misleading in any material respect; or

8.5 **Insolvency**. Borrower (A) (i) shall make an assignment for the benefit of creditors; or (ii) shall admit in writing its inability to pay its debts as they become due, or be unable to pay or perform under the Loan Documents, or shall become insolvent; or (iii) shall file a voluntary petition in bankruptcy; or (iv) shall file any petition, answer, or document seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation pertinent to such circumstances; or (v) shall seek or consent to or acquiesce in the appointment of any trustee, receiver, or liquidator of Borrower or of all or any substantial part (i.e., 33-1/3% or more) of the assets or property of Borrower; or (vi) shall cease operations of its business as its business has normally been conducted, or terminate substantially all of its employees; or (vii) Borrower or its directors or majority shareholders shall take any action initiating any of the foregoing actions described in clauses (i) through (vi); or (B) either (i) sixty (60) days shall have expired after the commencement of an involuntary action against Borrower seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, without such action being dismissed or all orders or proceedings thereunder affecting the operations or the business of Borrower being stayed; or (ii) a stay of any such order or proceedings shall thereafter be set aside and the action setting it aside shall not be timely appealed; or (iii) Borrower shall file any answer admitting or not contesting the material allegations of a petition filed against Borrower in any such proceedings; or (iv) the court in which such proceedings are pending shall enter a decree or order granting the relief sought in any such proceedings; or (v) sixty (60) days shall have expired after the appointment, without the consent or acquiescence of Borrower, of any trustee, receiver or liquidator of Borrower or of all or any substantial part of the properties of Borrower without such appointment being vacated; or

8.6 **Attachments; Judgments**. Any portion of Borrower's assets is attached or seized, or a levy is filed against any such assets, or a judgment or judgments (which is/are not covered by available insurance) is/are entered for the payment of money, individually or in the aggregate, of at least \$750,000 and such judgment is not paid, vacated or dismissed within sixty (60) days of the entry thereof, or Borrower is enjoined or in any way prevented by court order from conducting any material part of its business; or

8.7 **Other Obligations**. The occurrence of any default under any agreement or obligation of Borrower involving any Indebtedness in excess of \$750,000.

SECTION 9. REMEDIES

9.1 General. Upon and during the continuance of any one or more Events of Default, (i) Lender may, at its option, accelerate and demand payment of all or any part of the Secured Obligations together with the End of Term Charge and declare them to be immediately due and payable (provided, that upon the occurrence of an Event of Default of the type described in Section 8.5, all of the Secured Obligations shall automatically be accelerated and made due and payable, in each case without any further notice or act), (ii) Lender may, at its option, sign and file in Borrower's name any and all collateral assignments, notices, control agreements, security agreements and other documents it deems necessary or appropriate to perfect the Lien in the Collateral to secure repayment of the Secured Obligations, and in furtherance thereof, Borrower hereby grants Lender an irrevocable power of attorney coupled with an interest, and (iii) Lender may notify any of Borrower's account debtors to make payment directly to Lender, compromise the amount of any such account on Borrower's behalf and endorse Lender's name without recourse on any such payment for deposit directly to Lender's account. Lender may exercise all rights and remedies with respect to the Collateral under the Loan Documents or otherwise available to it under the UCC and other applicable law, including the right to release, hold, sell, lease, liquidate, collect, realize upon, or otherwise dispose of all or any part of the Collateral and the right to occupy, utilize, process and commingle the Collateral. All Lender's rights and remedies shall be cumulative and not exclusive.

9.2 Collection; Foreclosure. Upon the occurrence and during the continuance of any Event of Default, Lender may, at any time or from time to time, apply, collect, liquidate, sell in one or more sales, lease or otherwise dispose of, any or all of the Collateral, in its then condition or following any commercially reasonable preparation or processing, in such order as Lender may elect. Any such sale may be made either at public or private sale at its place of business or elsewhere. Borrower agrees that any such public or private sale may occur upon ten (10) calendar days' prior written notice to Borrower. Lender may require Borrower to assemble the Collateral and make it available to Lender at a place designated by Lender that is reasonably convenient to Lender and Borrower. The proceeds of any sale, disposition or other realization upon all or any part of the Collateral shall be applied by Lender in the following order of priorities:

First, to Lender in an amount sufficient to pay in full Lender's costs and professionals' and advisors' fees and expenses as described in Section 10.11;

Second, to Lender in an amount equal to the then unpaid amount of the Secured Obligations (including principal, interest, and the Default Rate interest), in such order and priority as Lender may choose in its sole discretion; and

Finally, after the full, final, and indefeasible payment in Cash of all of the Secured Obligations, to any creditor holding a junior Lien on the Collateral, or to Borrower or its representatives or as a court of competent jurisdiction may direct.

Lender shall be deemed to have acted reasonably in the custody, preservation and disposition of any of the Collateral if it complies with the obligations of a secured party under the UCC.

9.3 No Waiver. Lender shall be under no obligation to marshal any of the Collateral for the benefit of Borrower or any other Person, and Borrower expressly waives all rights, if any, to require Lender to marshal any Collateral.

9.4 Cumulative Remedies. The rights, powers and remedies of Lender hereunder shall be in addition to all rights, powers and remedies given by statute or rule of law and are cumulative. The exercise of any one or more of the rights, powers and remedies provided herein shall not be construed as a waiver of or election of remedies with respect to any other rights, powers and remedies of Lender.

SECTION 10. MISCELLANEOUS

10.1 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective only to the extent and duration of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

10.2 Notice. Except as otherwise provided herein, any notice, demand, request, consent, approval, declaration, service of process or other communication (including the delivery of Financial Statements) that is required, contemplated, or permitted under the Loan Documents or with respect to the subject matter hereof shall be in writing, and shall be deemed to have been validly served, given, delivered, and received upon the earlier of: (i) the day of transmission by facsimile or hand delivery or delivery by an overnight express service or overnight mail delivery service; or (ii) the third calendar day after deposit in the United States mails, with proper first class postage prepaid, in each case addressed to the party to be notified as follows:

(a) If to Lender:

STEWARD CAPITAL HOLDINGS, LP

Attention: Donald P. Johns, CFO
3900 S. Overland Avenue
Springfield, MO 65807
Facsimile: 417-831-9998
Telephone: 417-520-2707

(b) If to Borrower:

CORINDUS, INC.
Attention: David Long, CFO
309 Waverly Oaks Rd., Suite 105
Waltham, MA 02452
Facsimile: 508-653-3355
Telephone: 508-653-3335, ext. 228

or to such other address as each party may designate for itself by like notice.

10.3 Entire Agreement; Amendments.

(a) This Agreement and the other Loan Documents constitute the entire agreement and understanding of the parties hereto in respect of the subject matter hereof and thereof, and supersede and replace in their entirety any prior proposals, term sheets, non-disclosure or confidentiality agreements, letters, negotiations or other documents or agreements, whether written or oral, with respect to the subject matter hereof or thereof.

(b) Neither this Agreement, any other Loan Document, nor any terms hereof or thereof may be amended, supplemented or modified except in writing executed by Lender and Borrower.

10.4 No Strict Construction. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

10.5 No Waiver. The powers conferred upon Lender by this Agreement are solely to protect its rights hereunder and under the other Loan Documents and its interest in the Collateral and shall not impose any duty upon Lender to exercise any such powers. No omission or delay by Lender at any time to enforce any right or remedy reserved to it, or to require performance of any of the terms, covenants or provisions hereof by Borrower at any time designated, shall be a waiver of any such right or remedy to which Lender is entitled, nor shall it in any way affect the right of Lender to enforce such provisions thereafter.

10.6 Survival. All agreements, representations and warranties contained in this Agreement and the other Loan Documents or in any document delivered pursuant hereto or thereto shall be for the benefit of Lender and shall survive the execution and delivery of this Agreement and the expiration or other termination of this Agreement.

10.7 Successors and Assigns. The provisions of this Agreement and the other Loan Documents shall inure to the benefit of and be binding on Borrower and its permitted assigns (if any). Subject to Section 10.13, Borrower shall not assign its obligations under this Agreement or any of the other Loan Documents without Lender's express prior written consent, and any such attempted assignment shall be void and of no effect. Subject to Section 10.13, Lender may assign, transfer, or endorse its rights hereunder and under the other Loan Documents without prior notice to Borrower, and all of such rights shall inure to the benefit of Lender's successors and assigns.

10.8 Governing Law. This Agreement and the other Loan Documents have been negotiated and delivered to Lender in the State of Missouri, and shall have been accepted by Lender in the State of Missouri. Payment to Lender by Borrower of the Secured Obligations is due in the State of Missouri. This Agreement and the other Loan Documents shall be governed by, and construed and enforced in accordance with, the laws of the State of Missouri, excluding conflict of laws principles that would cause the application of laws of any other jurisdiction.

10.9 Consent to Jurisdiction and Venue. All judicial proceedings arising in or under or related to this Agreement or any of the other Loan Documents may be brought in any state or federal court located in the State of Missouri. By execution and delivery of this Agreement, each party hereto generally and unconditionally: (a) consents to nonexclusive personal jurisdiction in Jackson County, Missouri; (b) waives any objection as to jurisdiction or venue in Jackson County, Missouri; (c) agrees not to assert any defense based on lack of jurisdiction or venue in the aforesaid courts; and (d) irrevocably agrees to be bound by any judgment rendered thereby in connection with this Agreement or the other Loan Documents. Service of process on any party hereto in any action arising out of or relating to this Agreement shall be effective if given in accordance with the requirements for notice set forth in Section 10.2, and shall be deemed effective and received as set forth in Section 10.2. Nothing herein shall affect the right to serve process in any other manner permitted by law or shall limit the right of either party to bring proceedings in the courts of any other jurisdiction.

10.10 Mutual Waiver of Jury Trial. Because disputes arising in connection with complex financial transactions are most quickly and economically resolved by an experienced and expert Person and the parties wish applicable state and federal laws to apply (rather than arbitration rules), the parties desire that their disputes be resolved by a judge applying such applicable laws. EACH OF BORROWER, LENDER SPECIFICALLY WAIVES ANY RIGHT IT MAY HAVE TO TRIAL BY JURY OF ANY CAUSE OF ACTION, CLAIM, CROSS-CLAIM, COUNTERCLAIM, THIRD PARTY CLAIM OR ANY OTHER CLAIM (COLLECTIVELY, “ CLAIMS ”) ASSERTED BY BORROWER AGAINST LENDER OR THEIR RESPECTIVE ASSIGNEE OR BY LENDER OR THEIR RESPECTIVE ASSIGNEE AGAINST BORROWER. This waiver extends to all such Claims, including Claims that involve Persons other than Borrower and Lender; Claims that arise out of or are in any way connected to the relationship among Borrower and Lender; and any Claims for damages, breach of contract, tort, specific performance, or any equitable or legal relief of any kind, arising out of this Agreement, any other Loan Document.

10.11 Professional Fees. Borrower promises to pay Lender’s reasonable and documented out of pocket fees and expenses necessary to finalize the loan documentation, including but not limited to reasonable and documented attorneys’ fees, UCC searches, filing costs, and other miscellaneous expenses. In addition, Borrower promises to pay any and all reasonable and documented attorneys’ and other professionals’ fees and expenses (including, without duplication, fees and expenses of in-house counsel) incurred by Lender after the Closing Date in connection with or related to: (a) the Loan; (b) the administration, collection, or enforcement of the Loan; (c) the amendment or modification of the Loan Documents; (d) any waiver, consent, release, or termination under the Loan Documents; (e) the protection, preservation, audit, field exam, sale, lease, liquidation, or disposition of Collateral or the exercise of remedies with respect to the Collateral; (f) any legal, litigation, administrative, arbitration, or out of court proceeding in connection with or related to Borrower or the Collateral, and any appeal or review thereof; and (g) any bankruptcy, restructuring, reorganization, assignment for the benefit of creditors, workout, foreclosure, or other action related to Borrower, the Collateral, the Loan Documents, including representing Lender in any adversary proceeding or contested matter commenced or continued by or on behalf of Borrower’s estate, and any appeal or review thereof.

10.12 **Confidentiality.** Lender acknowledge that certain items of Collateral and information provided to Lender by Borrower are confidential and proprietary information of Borrower, if and to the extent such information either (x) is marked as confidential by Borrower at the time of disclosure, or (y) should reasonably be understood to be confidential (the “Confidential Information”). Accordingly, Lender agree that any Confidential Information it may obtain in the course of acquiring, administering, or perfecting Lender’s security interest in the Collateral shall not be disclosed to any other Person or entity in any manner whatsoever, in whole or in part, without the prior written consent of Borrower, except that Lender may disclose any such information: (a) to its own directors, officers, employees, accountants, counsel and other professional advisors and to its affiliates if Lender in their sole discretion determines that any such party should have access to such information in connection with such party’s responsibilities in connection with the Loan or this Agreement and, provided that such recipient of such Confidential Information either (i) agrees to be bound by the confidentiality provisions of this paragraph or (ii) is otherwise subject to confidentiality restrictions that reasonably protect against the disclosure of Confidential Information; (b) if such information is generally available to the public; (c) if required or appropriate in any report, statement or testimony submitted to any governmental authority having or claiming to have jurisdiction over Lender; (d) if required or appropriate in response to any summons or subpoena or in connection with any litigation, to the extent permitted or deemed advisable by Lender’s counsel; provided that to the extent permitted by applicable law, Lender shall promptly provide Borrower notice thereof to permit Borrower the opportunity to take action to maintain confidentiality of such information; (e) to comply with any legal requirement or law applicable to Lender; (f) to the extent reasonably necessary in connection with the exercise of any right or remedy under any Loan Document, including Lender’s sale, lease, or other disposition of Collateral after the occurrence and continuance of an Event of Default; (g) to any permitted participant or assignee of Lender or any prospective participant or assignee; provided, that such participant or assignee or prospective participant or assignee agrees in writing to be bound by this Section prior to disclosure; or (h) otherwise with the prior consent of Borrower; provided, that any disclosure made in violation of this Agreement shall not affect the obligations of Borrower or any of its affiliates or any guarantor under this Agreement or the other Loan Documents.

10.13 **Assignment of Rights.** Borrower acknowledges and understands that Lender may sell and assign all or part of its interest hereunder and under the Loan Documents to any Person or entity other than a competitor of Borrower or any Person controlling such competitor (an “**Assignee**”); provided that so long as no Event of Default exists any such assignment shall require the prior written consent of Borrower (which consent shall not be unreasonably withheld, delayed or conditioned). After such assignment the term “Lender” as used in the Loan Documents shall mean and include such Assignee, and such Assignee shall be vested with all rights, powers and remedies of Lender hereunder with respect to the interest so assigned; but with respect to any such interest not so transferred, Lender shall retain all rights, powers and remedies hereby given. No such assignment by Lender shall relieve Borrower of any of its obligations hereunder. Lender agrees that in the event of any transfer by it of the Note(s)(if any), it will endorse thereon a notation as to the portion of the principal of the Note(s), which shall have been paid at the time of such transfer and as to the date to which interest shall have been last paid thereon.

10.14 **Revival of Secured Obligations**. This Agreement and the Loan Documents shall remain in full force and effect and continue to be effective if any petition is filed by or against Borrower for liquidation or reorganization, if Borrower becomes insolvent or makes an assignment for the benefit of creditors, if a receiver or trustee is appointed for all or any significant part of Borrower's assets, or if any payment or transfer of Collateral is recovered from Lender. The Loan Documents and the Secured Obligations and Collateral security shall continue to be effective, or shall be revived or reinstated, as the case may be, if at any time payment and performance of the Secured Obligations or any transfer of Collateral to Lender, or any part thereof is rescinded, avoided or avoidable, reduced in amount, or must otherwise be restored or returned by, or is recovered from, Lender or by any obligee of the Secured Obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment, performance, or transfer of Collateral had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, avoided, or otherwise, restored, returned, or recovered, the Loan Documents and the Secured Obligations shall be deemed, without any further action or documentation, to have been revived and reinstated except to the extent of the full, final, and indefeasible payment to Lender in Cash.

10.15 **Counterparts**. This Agreement and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts, and by different parties hereto in separate counterparts, each of which when so delivered shall be deemed an original, but all of which counterparts shall constitute but one and the same instrument.

10.16 **No Third Party Beneficiaries**. No provisions of the Loan Documents are intended, nor will be interpreted, to provide or create any third-party beneficiary rights or any other rights of any kind in any Person other than Lender and Borrower unless specifically provided otherwise herein, and, except as otherwise so provided, all provisions of the Loan Documents will be personal and solely among the Lender and the Borrower.

10.17 **Publicity**.

(a) Borrower consents to the publication and use by Lender and any of its member businesses and affiliates of (i) Borrower's name (including a brief description of the relationship among Borrower and Lender) and logo and a hyperlink to Borrower's web site, separately or together, in written and oral presentations, advertising, promotional and marketing materials, client lists, public relations materials or on its web site (together, the "Lender Publicity Materials"); (ii) the names of officers of Borrower in the Lender Publicity Materials; and (iii) Borrower's name, trademarks or servicemarks in any news release concerning Lender.

(b) Lender consent to the publication and use by Borrower and any of its Subsidiaries of (i) Lender's name (including a brief description of the relationship among Borrower, Lender), logo or hyperlink to Lender's web site, separately or together, in written and oral presentations, advertising, promotional and marketing materials, client lists, public relations materials or on its web site (together, the "Borrower Publicity Materials"); (ii) the names of officers of Lender in the Borrower Publicity Materials; and (iii) Lender's name, trademarks, servicemarks in any news release concerning Borrower.

(SIGNATURES TO FOLLOW)

IN WITNESS WHEREOF, Borrower, Lender have duly executed and delivered this Loan and Security Agreement as of the day and year first above written.

BORROWER:

CORINDUS, INC.

Signature: _____

Print Name: _____

Title: _____

CORINDUS SECURITY CORPORATION

Signature: _____

Print Name: _____

Title: _____

Accepted in _____:

LENDER:

STEWARD CAPITAL HOLDINGS, LP

By: _____

Donald P. Johns, Vice President/CFO

Table of Addenda, Exhibits and Schedules

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EXHIBIT A
ADVANCE REQUEST

To: Lender:

Date: _____, 2014

Steward Capital Holdings, LP
3900 S. Overland Avenue
Springfield, MO 65807
Facsimile: 417-831-9998
Attn: Donald P. Johns, CFO

Corindus, Inc. ("Borrower") hereby requests from Steward Capital Holdings, LP ("Lender") an Advance in the amount of Five Million Dollars (\$5,000,000.00) on _____, ____ (the "Advance Date") pursuant to the Loan and Security Agreement among Borrower and Lender (the "Agreement"). Capitalized words and other terms used but not otherwise defined herein are used with the same meanings as defined in the Agreement.

Please:

(a) Issue a check payable to Borrower _____

or

(b) Wire Funds to Borrower's account _____

Bank:

Address:

ABA Number:

Account Number:

Account Name:

Borrower represents that the conditions precedent to the Advance set forth in the Agreement are satisfied and shall be satisfied upon the making of such Advance, including but not limited to: (i) that no event that has had or could reasonably be expected to have a Material Adverse Effect has occurred and is continuing; (ii) that the representations and warranties set forth in the Agreement are and shall be true and correct in all material respects on and as of the Advance Date with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date; (iii) that Borrower is in compliance with all the terms and provisions set forth in each Loan Document on its part to be observed or performed; and (iv) that as of the Advance Date, no fact or condition exists that would (or would, with the passage of time, the giving of notice, or both) constitute an Event of Default under the Loan Documents. Borrower understands and acknowledges that Lender has the right to review the financial information supporting this representation and, based upon such review in its sole discretion, Lender may decline to fund the requested Advance.

Borrower hereby represents that Borrower's corporate status and locations have not changed since the date of the Agreement or, if the Attachment to this Advance Request is completed, are as set forth in the Attachment to this Advance Request.

Borrower agrees to notify Lender promptly before the funding of the Loan if any of the matters which have been represented above shall not be true and correct on the Borrowing Date and if Lender has received no such notice before the Advance Date then the statements set forth above shall be deemed to have been made and shall be deemed to be true and correct as of the Advance Date.

Executed as of [], 2014.

BORROWER: CORINDUS, INC.

SIGNATURE: _____

TITLE: _____

PRINT NAME: _____

ATTACHMENT TO ADVANCE REQUEST

Dated: _____

Borrower hereby represents and warrants to Lender that Borrower's current name and organizational status is as follows:

Name: Corindus, Inc.

Type of organization: Corporation

State of organization: Delaware

Organization file number:

Borrower hereby represents and warrants to Lender that the street addresses, cities, states and postal codes of its current locations are as follows:

EXHIBIT B
SECURED TERM PROMISSORY NOTE

\$10,000,000

Advance Date: _____, 20[]

Maturity Date: _____, 20[]

FOR VALUE RECEIVED, Corindus, Inc., a Delaware corporation, for itself and each of its Subsidiaries (the "Borrower") hereby promises to pay to the order of Steward Capital Holdings, LP, a Delaware partnership, or the holder of this Note (the "Lender") at 3900 S. Overland Avenue, Springfield, MO 65807 or such other place of payment as the holder of this Secured Term Promissory Note (this "Promissory Note") may specify from time to time in writing, in lawful money of the United States of America, the principal amount of Ten Million Dollars \$10,000,000) or such lesser principal amount as Lender has advanced to Borrower, together with interest as set forth in that certain Loan and Security Agreement dated June ___, 2014, by and among Borrower, its Domestic Subsidiaries party thereto and Lender (as the same may from time to time be amended, modified or supplemented in accordance with its terms, the "Loan Agreement").

This Promissory Note is the Term Note referred to in, and is executed and delivered in connection with, the Loan Agreement, and is entitled to the benefit and security of the Loan Agreement and the other Loan Documents (as defined in the Loan Agreement), to which reference is made for a statement of all of the terms and conditions thereof. All payments shall be made in accordance with the Loan Agreement. All terms defined in the Loan Agreement shall have the same definitions when used herein, unless otherwise defined herein. An Event of Default under the Loan Agreement shall constitute an Event of Default under this Promissory Note.

Borrower waives presentment and demand for payment, notice of dishonor, protest and notice of protest under the UCC or any applicable law. Borrower agrees to make all payments under this Promissory Note without setoff, recoupment or deduction and regardless of any counterclaim or defense. This Promissory Note has been negotiated and delivered to Lender and is payable in the State of Missouri. This Promissory Note shall be governed by and construed and enforced in accordance with, the laws of the State of Missouri, excluding any conflicts of law rules or principles that would cause the application of the laws of any other jurisdiction.

BORROWER FOR ITSELF AND
ON BEHALF OF ITS SUBSIDIARIES:

CORINDUS, INC.

By: _____
Title: _____

EXHIBIT C

NAME, LOCATIONS, AND OTHER INFORMATION FOR BORROWER

1. Borrower represents and warrants to Lender that Borrower's current name and organizational status as of the Closing Date is as follows:

Name: Corindus, Inc.

Type of organization: Corporation

State of organization: Delaware

Organization file number:

2. Borrower represents and warrants to Lender that for five (5) years prior to the Closing Date, Borrower did not do business under any other name or organization or form except the following:

Name:

Used during dates of:

Type of Organization:

State of organization:

Organization file Number:

Borrower's fiscal year ends on _____

Borrower's federal employer tax identification number is: _____

3. Borrower represents and warrants to Lender that its chief executive office is located at _____.

EXHIBIT D

BORROWER'S PATENTS, TRADEMARKS, COPYRIGHTS AND LICENSES

[ATTACHED]

EXHIBIT E

BORROWER'S DEPOSIT ACCOUNTS AND INVESTMENT ACCOUNTS

EXHIBIT F
COMPLIANCE CERTIFICATE

Steward Capital Holdings, LP (as "Lender")
3900 S. Overland Avenue
Springfield, MO 65807

Reference is made to that certain Loan and Security Agreement dated June __, 2014 and all ancillary documents entered into in connection with such Loan and Security Agreement all as may be amended from time to time, (hereinafter referred to collectively as the "Loan Agreement") by and among Steward Capital Holdings, LP (the "Lender") and Corindus, Inc. (the "Company") as Borrower. All capitalized terms not defined herein shall have the same meaning as defined in the Loan Agreement.

The undersigned is an Officer of the Company, knowledgeable of all Company financial matters, and is authorized to provide certification of information regarding the Company; hereby certifies that in accordance with the terms and conditions of the Loan Agreement, the Company is in compliance for the period ending _____ of all covenants, conditions and terms and hereby reaffirms that all representations and warranties contained therein are true and correct on and as of the date of this Compliance Certificate with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date, after giving effect in all cases to any standard(s) of materiality contained in the Loan Agreement as to such representations and warranties. Attached are the required documents supporting the above certification. The undersigned further certifies that these are prepared in accordance with GAAP (except for the absence of footnotes with respect to unaudited financial statement and subject to normal year-end adjustments) and are consistent from one period to the next except as explained below.

REPORTING REQUIREMENT	REQUIRED	CHECK IF ATTACHED
Interim Financial Statements	Monthly within 45 days	
Interim Financial Statements	Quarterly within 45 days	
Audited Financial Statements	FYE within 120 days	

Very Truly Yours,

CORINDUS, INC.

By: _____

Name: _____

Its: _____

EXHIBIT G

FORM OF JOINDER AGREEMENT

This Joinder Agreement (the “Joinder Agreement”) is made and dated as of [], 20[], and is entered into by and between _____, a _____ corporation (“Subsidiary”), and Steward Capital Holdings, LP (as “Lender”).

RECITALS

A. Subsidiary’s Affiliate, Corindus, Inc. (“Company”) has entered into that certain Loan and Security Agreement dated June __, 2014, Lender as such agreement may be amended (the “Loan Agreement”), together with the other agreements executed and delivered in connection therewith;

B. Subsidiary acknowledges and agrees that it will benefit both directly and indirectly from Company’s execution of the Loan Agreement and the other agreements executed and delivered in connection therewith;

AGREEMENT

NOW THEREFORE, Subsidiary and Lender agree as follows:

1. The recitals set forth above are incorporated into and made part of this Joinder Agreement. Capitalized terms not defined herein shall have the meaning provided in the Loan Agreement.
 2. By signing this Joinder Agreement, Subsidiary shall be bound by the terms and conditions of the Loan Agreement the same as if it were the Borrower (as defined in the Loan Agreement) under the Loan Agreement, mutatis mutandis, provided however, that (a) with respect to (i) Section 5.1 of the Loan Agreement, Subsidiary represents that it is an entity duly organized, legally existing and in good standing under the laws of [], (b) Lender shall not have any duties, responsibilities or obligations to Subsidiary arising under or related to the Loan Agreement or the other agreements executed and delivered in connection therewith, (c) that if Subsidiary is covered by Company’s insurance, Subsidiary shall not be required to maintain separate insurance or comply with the provisions of Sections 6.1 and 6.2 of the Loan Agreement, and (d) that as long as Company satisfies the requirements of Section 7.1 of the Loan Agreement, Subsidiary shall not have to provide Lender separate Financial Statements. To the extent that Lender has any duties, responsibilities or obligations arising under or related to the Loan Agreement or the other agreements executed and delivered in connection therewith, those duties, responsibilities or obligations shall flow only to Company and not to Subsidiary or any other Person or entity. By way of example (and not an exclusive list): (i) Lender’s providing notice to Company in accordance with the Loan Agreement or as otherwise agreed among Company, Lender shall be deemed provided to Subsidiary; (ii) a Lender’s providing an Advance to Company shall be deemed an Advance to Subsidiary; and (iii) Subsidiary shall have no right to request an Advance or make any other demand on Lender.
 3. Subsidiary agrees not to certificate its equity securities without Lender’s prior written consent, which consent may be conditioned on the delivery of such equity securities to Lender in order to perfect Lender’s security interest in such equity securities.
-

4. Subsidiary acknowledges that it benefits, both directly and indirectly, from the Loan Agreement, and hereby waives, for itself and on behalf on any and all successors in interest (including without limitation any assignee for the benefit of creditors, receiver, bankruptcy trustee or itself as debtor-in-possession under any bankruptcy proceeding) to the fullest extent provided by law, any and all claims, rights or defenses to the enforcement of this Joinder Agreement on the basis that (a) it failed to receive adequate consideration for the execution and delivery of this Joinder Agreement or (b) its obligations under this Joinder Agreement are avoidable as a fraudulent conveyance.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

[SIGNATURE PAGE TO JOINDER AGREEMENT]

SUBSIDIARY:

By: _____

Name: _____

Title: _____

Address:

Telephone: _____

Facsimile: _____

LENDER:

Steward Capital Holdings, LP.

By: _____

Name: Donald P. Johns

Title: Vice President/CFO

Address:

[_____]
[_____]

Facsimile: [_____]

Telephone: [_____]

EXHIBIT H
ACH DEBIT AUTHORIZATION AGREEMENT

[]
[]
[]
[]

Re: Loan and Security Agreement dated June __, 2014 between Corindus, Inc.
("Borrower"), Steward Capital Holdings, LP, as lender (the "Agreement")

In connection with the above referenced Agreement, the Borrower hereby authorizes the Company to initiate debit entries for the periodic payments due under the Agreement to the Borrower's account indicated below. The Borrower authorizes the depository institution named below to debit to such account.

DEPOSITORY NAME	BRANCH
CITY	STATE AND ZIP CODE
TRANSIT/ABA NUMBER	ACCOUNT NUMBER

This authority will remain in full force and effect so long as any amounts are due under the Agreement.

(Borrower)(Please Print)

By: _____

Date: _____

THIS WARRANT, AND THE SECURITIES ISSUABLE UPON THE EXERCISE OF THIS WARRANT, HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY STATE SECURITIES LAWS. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL (WHICH MAY BE COMPANY COUNSEL) REASONABLY SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE ACT, OR ANY APPLICABLE STATE SECURITIES LAWS.

WARRANT AGREEMENT

To Purchase Shares of Preferred Stock of

CORINDUS, INC.

Dated as of June 11, 2014 (the "Effective Date")

WHEREAS, CORINDUS, INC., a Delaware corporation, has entered into a Loan and Security Agreement of even date herewith (the "Loan Agreement") with STEWARD CAPITAL HOLDINGS, LP, a Delaware limited partnership (the "Warranholder");

WHEREAS, the Company (as defined below) desires to grant to Warranholder, in consideration for, among other things, the financial accommodations provided for in the Loan Agreement, the right to purchase shares of Preferred Stock (as defined below) pursuant to this Warrant Agreement (the "Agreement");

NOW, THEREFORE, in consideration of the Warranholder executing and delivering the Loan Agreement and providing the financial accommodations contemplated therein, and in consideration of the mutual covenants and agreements contained herein, the Company and Warranholder agree as follows:

SECTION 1. GRANT OF THE RIGHT TO PURCHASE PREFERRED STOCK.

For value received, the Company hereby grants to the Warranholder, and the Warranholder is entitled, upon the terms and subject to the conditions hereinafter set forth, to subscribe for and purchase, from the Company, an aggregate number of fully paid and non-assessable shares of the Preferred Stock equal to the quotient derived by dividing (a) the Warrant Coverage (as defined below) by (b) the Exercise Price (defined below). The Exercise Price of such shares is subject to adjustment as provided in Section 8. As used herein, the following terms shall have the following meanings:

"Act" means the Securities Act of 1933, as amended.

"Company" means Corindus, Inc., a Delaware corporation, and any successor or surviving entity that assumes the obligations of the Company under this Agreement pursuant to Section 8(a).

"Charter" means the Company's Articles of Incorporation, Certificate of Incorporation or other constitutional document, as may be amended from time to time.

"Common Stock" means the Company's common stock, \$0.01 par value per share;

"Exercise Price" means \$35.21 per share, subject to adjustment pursuant to Section 8;

"Initial Public Offering" means the initial underwritten public offering of the Company's Common Stock pursuant to a registration statement under the Act, which public offering has been declared effective by the Securities and Exchange Commission ("SEC");

"Merger Event" means any sale, lease or other transfer of all or substantially all assets of the Company or any merger or consolidation involving the Company in which the Company or an affiliate is not the surviving entity, or in which the outstanding shares of the Company's capital stock are otherwise converted into or exchanged for shares of preferred stock, other securities or property of another entity that is not an affiliate of the Company;

“Preferred Stock” means the Series E Preferred Stock of the Company, and, to the extent provided in Sections 8(a) and (b), any other stock into or for which such Preferred Stock may be converted or exchanged; provided that upon and after the occurrence of an event which results in the automatic or voluntary conversion, redemption or retirement of all (but not less than all) of the outstanding shares of such Preferred Stock, resulting from the consummation of an Initial Public Offering of the Common Stock in which such a conversion occurs, or a Merger Event from which the Company emerges as a public company and in which such a conversion occurs, then from and after the date upon which such outstanding shares are so converted, redeemed or retired, “Preferred Stock” shall mean the Common Stock; and

“Purchase Price” means, with respect to any exercise of this Agreement, an amount equal to the Exercise Price as of the relevant time multiplied by the number of shares of Preferred Stock requested to be exercised under this Agreement pursuant to such exercise.

“Rights Agreements” means collectively, (i) that certain Third Amended and Restated Investors’ Rights Agreement between the Company and certain of its stockholders, dated as of October 12, 2012, as amended to date (the “Investors’ Rights Agreement”), (ii) that certain Third Amended and Restated Voting Agreement between the Company and certain of its stockholders, dated as of October 12, 2012, as amended to date (the “Voting Agreement”), and (iii) that certain Third Amended and Restated Right of First Refusal and Co-Sale Agreement between the Company and certain of its stockholders, dated as of October 12, 2012, as amended to date (the “ROFR Agreement”).

“Warrant Coverage” means either (a) \$250,000 if Company draws only Tranche A under the Loan Agreement, or (b) \$500,000 if Company draws both Tranche A and Tranche B under the Loan Agreement (as “Tranche A” and “Tranche B” are each defined under the Loan Agreement). .

SECTION 2. TERM OF THE AGREEMENT.

Except as otherwise provided for herein, the term of this Agreement and the right to purchase Preferred Stock as granted herein (the “Warrant”) shall commence on the Effective Date and shall be exercisable for a period ending upon the earlier to occur of (i) ten (10) years from the Effective Date; or (ii) five (5) years after the Initial Public Offering.

SECTION 3. EXERCISE OF THE PURCHASE RIGHTS.

(a) **Exercise.** The purchase rights set forth in this Agreement are exercisable by the Warrantholder, in whole or in part, at any time, or from time to time, prior to the expiration of the term set forth in Section 2, by tendering to the Company at its principal office a notice of exercise in the form attached hereto as Exhibit I (the “Notice of Exercise”), duly completed and executed. Promptly upon receipt of the Notice of Exercise and the payment of the Purchase Price in accordance with the terms set forth below, and in no event later than three (3) days thereafter, the Company shall issue to the Warrantholder a certificate for the number of shares of Preferred Stock purchased and shall execute the acknowledgment of exercise in the form attached hereto as Exhibit II (the “Acknowledgment of Exercise”) indicating the number of shares which remain subject to future purchases, if any.

The Purchase Price may be paid at the Warrantholder’s election either (i) by cash or check, or (ii) by surrender of all or a portion of the Warrant for shares of Preferred Stock to be exercised under this Agreement and, if applicable, an amended Agreement representing the remaining number of shares purchasable hereunder, as determined below (“Net Issuance”). If the Warrantholder elects the Net Issuance method, the Company will issue Preferred Stock in accordance with the following formula:

$$X = Y(A-B)$$
$$A$$

Where: X = the number of shares of Preferred Stock to be issued to the Warrantholder.

Y = the number of shares of Preferred Stock requested to be exercised under this Agreement.

A = the fair market value of one (1) share of Preferred Stock at the time of issuance of such shares of Preferred Stock.

B = the Exercise Price.

For purposes of the above calculation, current fair market value of Preferred Stock shall mean with respect to each share of Preferred Stock:

(i) if the exercise is in connection with an Initial Public Offering, and if the Company's Registration Statement relating to such Initial Public Offering has been declared effective by the SEC, then the fair market value per share shall be the product of (x) the initial "Price to Public" of the Common Stock specified in the final prospectus with respect to the offering and (y) the number of shares of Common Stock into which each share of Preferred Stock is convertible at the time of such exercise;

(ii) if the exercise is after, and not in connection with an Initial Public Offering, or if the Common Stock is otherwise traded on a securities exchange or over-the-counter and not in connection with an Initial Public Offering, and:

(A) if the Common Stock is traded on a securities exchange, the fair market value shall be deemed to be the product of (x) the average of the closing prices over a five (5) day period ending three days before the day the current fair market value of the securities is being determined and (y) the number of shares of Common Stock into which each share of Preferred Stock is convertible at the time of such exercise; or

(B) if the Common Stock is traded over-the-counter, the fair market value shall be deemed to be the product of (x) the average of the closing bid and asked prices quoted on the NASDAQ system (or similar system) over the five (5) day period ending three days before the day the current fair market value of the securities is being determined and (y) the number of shares of Common Stock into which each share of Preferred Stock is convertible at the time of such exercise;

(iii) if at any time the Common Stock is not listed on any securities exchange or quoted in the NASDAQ National Market or the over-the-counter market, the current fair market value of Preferred Stock shall be the product of (x) the price per share most recently determined by the Board of Directors of the Company to represent such fair market value per share, as determined in good faith by its Board of Directors (provided, that if the Board of Directors has not made such a determination within the six-month period prior to the date of exercise, then the Board of Directors shall provide, or cause to be provided to, the Warrantholder notice of a determination of such fair market value per share within 15 days after the date of exercise) and (y) the number of shares of Common Stock into which each share of Preferred Stock is convertible at the time of such exercise, unless the Company shall become subject to a Merger Event, in which case the fair market value of Preferred Stock shall be deemed to be the per share value received by the holders of the Company's Preferred Stock on a common equivalent basis pursuant to such Merger Event.

Upon partial exercise by either cash or Net Issuance, the Company shall promptly issue an amended Agreement representing the remaining number of shares purchasable hereunder. All other terms and conditions of such amended Agreement shall be identical to those contained herein, including, but not limited to the Effective Date hereof.

(b) Exercise Prior to Expiration. To the extent this Agreement is not previously exercised as to all Preferred Stock subject hereto, and if the fair market value of one share of the Preferred Stock is greater than the Exercise Price then in effect, this Agreement shall be deemed automatically exercised pursuant to Section 3(a) (even if not surrendered) immediately before its expiration, the consideration for which shall be, at the Warrantholder's election, upon written notice to the Warrantholder, (i) by cash or check or (ii) Net Issuance. For purposes of such automatic exercise, the fair market value of one share of the Preferred Stock upon such expiration shall be determined pursuant to Section 3(a). To the extent this Agreement or any portion thereof is deemed automatically exercised pursuant to this Section 3(b), the Company agrees to promptly notify the Warrantholder of the number of shares of Preferred Stock, if any, the Warrantholder is to receive by reason of such automatic exercise.

(c) Exercise Date. Each exercise of this Agreement shall be deemed to have been effected immediately prior to the close of business on the day on which this Agreement shall have been surrendered to the Company as provided in subsection (a) above.

(d) Rights Agreements. As a condition precedent to the exercise of this Agreement, the Warrantholder must become a party to the Voting Agreement as an "Investor" thereunder and become a party to the ROFR Agreement as an "Investor" and a "Stockholder" thereunder and therefore be bound by and subject to all terms and provisions of the Voting Agreement applicable to an "Investor" and the ROFR Agreement applicable to an "Investor" and a "Stockholder"; provided, however that a Warrantholder that is already a party to the Voting Agreement as an "Investor" or the ROFR Agreement as an "Investor" and a "Stockholder" shall not be required to enter into the Voting Agreement or the ROFR Agreement, as the case may be, again. Upon the exercise of this Agreement, the Warrantholder may elect, in the Warrantholder's sole discretion, to become, and the Company shall use reasonable commercial efforts to cause the Warrantholder to become, party to the Investors' Rights Agreement as an "Investor" and a "Holder" and therefore be bound by and subject and entitled to all terms and provisions of the Investors' Rights Agreement applicable to an "Investor."

SECTION 4. RESERVATION OF SHARES.

During the term of this Agreement the Company will at all times have authorized and reserved a sufficient number of shares of its Series E Preferred Stock to provide for the exercise of the rights to purchase Series E Preferred Stock as provided for herein, and shall have authorized and reserved a sufficient number of shares of its Common Stock to provide for the conversion of the shares of Series E Preferred Stock issuable hereunder.

SECTION 5. NO FRACTIONAL SHARES OR SCRIP.

No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Agreement, but in lieu of such fractional shares the Company shall make a cash payment therefor upon the basis of the then fair market value of one share of Preferred Stock.

SECTION 6. NO RIGHTS AS STOCKHOLDER.

This Agreement does not entitle the Warrantholder to any voting rights or other rights as a stockholder of the Company prior to the exercise of this Agreement.

SECTION 7. WARRANTHOLDER REGISTRY.

The Company shall maintain a registry showing the name and address of the registered holder of this Agreement. Warrantholder's initial address, for purposes of such registry, is set forth below Warrantholder's signature on this Agreement. Warrantholder may change such address by giving written notice of such changed address to the Company.

SECTION 8. ADJUSTMENT RIGHTS.

The Exercise Price and the number of shares of Preferred Stock purchasable hereunder are subject to adjustment, as follows:

(a) Merger Event. If at any time there shall be Merger Event, then, as a part of such Merger Event, lawful provision shall be made so that the Warrantholder shall thereafter be entitled to receive, upon exercise of this Agreement, the number of shares of preferred stock or other securities or property (collectively, "Reference Property") that the Warrantholder would have received in connection with such Merger Event if Warrantholder had exercised this Agreement immediately prior to the Merger Event. In any such case, appropriate adjustment (as determined in good faith by the Company's Board of Directors) shall be made in the application of the provisions of this Agreement with respect to the rights and interests of the Warrantholder after the Merger Event to the extent that the provisions of this Agreement (including adjustments of the Exercise Price and adjustments to ensure that the provisions of this Section 8 shall thereafter be applicable, as nearly as possible, to the purchase rights under this Agreement in relation to any Reference Property thereafter acquirable upon exercise of such purchase rights) shall continue to be applicable in their entirety, and to the greatest extent possible. Without limiting the foregoing, in connection with any Merger Event, upon the closing thereof, the successor or surviving entity shall assume the obligations of this Agreement; provided that the foregoing assumption requirement shall not apply if (i) the consideration to be paid for or in respect of the outstanding shares of Preferred Stock in such Merger Event consists solely of cash and/or readily marketable securities, and (ii) the value of such consideration (as determined at closing in accordance with the definitive executed transaction documents) to be paid for or in respect of each outstanding share of Preferred Stock is at least three (3) times the Exercise Price in effect as of immediately prior to the closing of such Merger Event. In connection with a Merger Event and upon Warrantholder's written election to the Company, the Company shall cause this Warrant Agreement to be exchanged for the consideration that Warrantholder would have received if Warrantholder had chosen to exercise its right to have shares issued pursuant to the Net Issuance provisions of this Warrant Agreement without actually exercising such right, acquiring such shares and exchanging such shares for such consideration. The provisions of this Section 8(a) shall similarly apply to successive Merger Events.

(b) Reclassification of Shares. Except for Merger Events subject to Section 8(a), and subject to Section 8(f), if the Company at any time shall, by combination, reclassification, exchange or subdivision of securities or otherwise, change any of the securities as to which purchase rights under this Agreement exist into the same or a different number of securities of any other class or classes, this Agreement shall thereafter represent the right to acquire such number and kind of securities as would have been issuable as the result of such change with respect to the securities which were subject to the purchase rights under this Agreement immediately prior to such combination, reclassification, exchange, subdivision or other change. The provisions of this Section 8(b) shall similarly apply to successive combination, reclassification, exchange, subdivision or other change.

(c) Subdivision or Combination of Shares. If the Company at any time shall combine or subdivide its Preferred Stock, (i) in the case of a subdivision, the Exercise Price shall be proportionately decreased and the number of shares of Preferred Stock issuable hereunder shall be proportionately increased, or (ii) in the case of a combination, the Exercise Price shall be proportionately increased and the number of shares of Preferred Stock issuable hereunder shall be proportionately decreased.

(d) Stock Dividends. If the Company at any time while this Agreement is outstanding and unexpired shall:

(i) pay a dividend with respect to the Preferred Stock payable in Preferred Stock, then the Exercise Price shall be adjusted, from and after the date of determination of stockholders entitled to receive such dividend or distribution, to that price determined by multiplying the Exercise Price in effect immediately prior to such date of determination by a fraction (A) the numerator of which shall be the total number of shares of Preferred Stock outstanding immediately prior to such dividend or distribution, and (B) the denominator of which shall be the total number of shares of Preferred Stock outstanding immediately after such dividend or distribution; or

(ii) make any other distribution with respect to Preferred Stock (or stock into which the Preferred Stock is convertible), except any distribution specifically provided for in any other clause of this Section 8, then, in each such case, provision shall be made by the Company such that the Warrantholder shall receive upon exercise or conversion of this Warrant a proportionate share of any such distribution as though it were the holder of the Preferred Stock (or other stock for which the Preferred Stock is convertible) as of the record date fixed for the determination of the stockholders of the Company entitled to receive such distribution.

(e) Antidilution Rights. Additional antidilution rights applicable to the Preferred Stock purchasable hereunder are as set forth in the Charter and shall be applicable with respect to the Preferred Stock issuable hereunder. The Company shall promptly provide the Warrantholder with any restatement, amendment, modification or waiver of the Charter; provided, that no such amendment, modification or waiver shall impair or reduce the antidilution rights applicable to the Preferred Stock as of the date hereof unless such amendment, modification or waiver affects the rights of Warrantholder with respect to the Preferred Stock in the same manner as it affects all other holders of Preferred Stock. The Company shall provide Warrantholder with prior written notice of any issuance of its stock or other equity security to occur after the Effective Date of this Agreement, which notice shall include (a) the price at which such stock or security is to be sold, (b) the number of shares to be issued, and (c) such other information as necessary for Warrantholder to determine if a dilutive event has occurred. For the avoidance of doubt, there shall be no duplicate anti-dilution adjustment pursuant to this subsection (e), the forgoing subsection (d) and the Charter.

(f) Notice of Adjustments. If: (i) the Company shall declare any dividend or distribution upon its stock, whether in stock, cash, property or other securities; (ii) there shall be any Merger Event; (iii) there shall be an Initial Public Offering; (iv) the Company shall sell, lease, license or otherwise transfer all or substantially all of its assets; or (v) there shall be any voluntary dissolution, liquidation or winding up of the Company; then, in connection with each such event, the Company shall send to the Warrantholder: (A) at least ten (10) days' prior written notice of the date on which the books of the Company shall close or a record shall be taken for such dividend, distribution, subscription rights (specifying the date on which the holders of Preferred Stock shall be entitled thereto) or for determining rights to vote in respect of such Merger Event, dissolution, liquidation or winding up; (B) in the case of any such Merger Event, sale, lease, license or other transfer of all or substantially all assets, dissolution, liquidation or winding up, at least ten (10) days' prior written notice of the date when the same shall take place (and specifying the date on which the holders of Preferred Stock shall be entitled to exchange their Preferred Stock for securities or other property deliverable upon such Merger Event, dissolution, liquidation or winding up); and (C) in the case of an Initial Public Offering, the Company shall give the Warrantholder at least ten (10) days' written notice prior to the effective date thereof.

Each such written notice shall set forth, in reasonable detail, (i) the event requiring the notice, and (ii) if any adjustment is required to be made, (A) the amount of such adjustment, (B) the method by which such adjustment was calculated, (C) the adjusted Exercise Price (if the Exercise Price has been adjusted), and (D) the number of shares subject to purchase hereunder after giving effect to such adjustment, and shall be given in accordance with Section 12(g) below.

(g) Timely Notice. Failure to timely provide such notice required by subsection (f) above shall entitle Warrantholder to retain the benefit of the applicable notice period notwithstanding anything to the contrary contained in any insufficient notice received by Warrantholder. For purposes of this subsection (g), and notwithstanding anything to the contrary in Section 12(g), the notice period shall begin on the date Warrantholder actually receives a written notice containing all the information required to be provided in such subsection (g).

SECTION 9. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE COMPANY.

(a) **Reservation of Preferred Stock**. The Preferred Stock issuable upon exercise of the Warranholder's rights has been duly and validly reserved and, when issued in accordance with the provisions of this Agreement, will be validly issued, fully paid and non-assessable, and will be free of any taxes, liens, charges or encumbrances of any nature whatsoever (other than net income taxes imposed by law upon the Warranholder or consensual encumbrances entered into by the Warranholder); provided, that the Preferred Stock issuable pursuant to this Agreement may be subject to restrictions on transfer under state and/or federal securities laws. The Company has made available to the Warranholder true, correct and complete copies of its Charter and current bylaws. The issuance of certificates for shares of Preferred Stock upon exercise of this Agreement shall be made without charge to the Warranholder for any issuance tax in respect thereof, or other cost incurred by the Company in connection with such exercise and the related issuance of shares of Preferred Stock, except to the extent of net income taxes imposed by law upon the Warranholder; provided, that the Company shall not be required to pay any tax which may be payable in respect of any transfer and the issuance and delivery of any certificate in a name other than that of the Warranholder.

(b) **Due Authority**. The execution and delivery by the Company of this Agreement and the performance of all obligations of the Company hereunder, including the issuance to Warranholder of the right to acquire the shares of Preferred Stock and the Common Stock into which it may be converted, have been duly authorized by all necessary corporate action on the part of the Company. This Agreement: (1) does not violate the Company's Charter or current bylaws; (2) does not contravene any law or governmental rule, regulation or order applicable to it; and (3) does not and will not contravene any provision of, or constitute a default under, any indenture, mortgage, contract or other instrument to which it is a party or by which it is bound. This Agreement constitutes a legal, valid and binding agreement of the Company, enforceable in accordance with its terms, subject as to enforcement of remedies to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting generally the enforcement of creditors' rights and subject to a court's discretionary authority with respect to the granting of a decree ordering specific performance or other equitable remedies.

(c) **Consents and Approvals**. No consent or approval of, giving of notice to, registration with, or taking of any other action in respect of any state, federal or other governmental authority or agency is required with respect to the execution, delivery and performance by the Company of its obligations under this Agreement, except for the filing of notices pursuant to Regulation D under the Act and any filing required by applicable state securities law (or an exemption therefrom), which filings will be effective by the time required thereby.

(d) **Issued Securities**. All issued and outstanding shares of Common Stock, Preferred Stock or any other securities of the Company have been duly authorized and validly issued and are fully paid and nonassessable. All outstanding shares of Common Stock, Preferred Stock and any other securities were issued in full compliance with all federal and state securities laws. In addition, as of the date immediately preceding the date of this Agreement:

(i) The authorized capital of the Company consists of (A) 3,548,850 shares of Common Stock, of which 122,669 shares are issued and outstanding, and (B) 942,174 shares of Preferred Stock, of which 897,185 shares are issued and outstanding and are convertible into 897,185 shares of Common Stock at \$31.8413 per share.

(ii) The Company has reserved 375,734 shares of Common Stock for issuance under its Stock Option Plan(s), under which 354,071 options are outstanding. Except as set forth on Schedule I attached hereto, there are no other options, warrants, conversion privileges or other rights presently outstanding to purchase or otherwise acquire any authorized but unissued shares of the Company's capital stock or other securities of the Company. Except as set forth on Schedule II attached hereto, the Company has no outstanding loans to any employee, officer or director of the Company.

(iii) Other than as set forth in the Investors' Rights Agreement and in accordance with the Company's Charter, no stockholder of the Company has preemptive rights to purchase new issuances of the Company's capital stock.

(e) Registration Rights. The Company agrees that the shares of Common Stock issued and issuable upon conversion of the shares of Preferred Stock issued and issuable upon exercise of this Warrant, and, at all times (if any) when the Preferred Stock shall be Common Stock, the shares of Preferred Stock issued and issuable upon exercise of this Warrant, shall have the "Piggyback," and S-3 registration rights pursuant to and as set forth in the Investors' Rights Agreement on a pari passu basis with the holders of outstanding shares of Preferred Stock who are parties thereto. The provisions set forth in the Investors' Rights Agreement or similar agreement relating to such registration rights in effect as of the Effective Date may not be amended, modified or waived without the prior written consent of the Warrantholder unless such amendment, modification or waiver affects the rights associated with the shares of Preferred Stock issued and issuable upon exercise hereof in the same manner as such amendment, modification, or waiver affects the rights associated with all outstanding shares of Preferred Stock whose holders are parties thereto.

(f) Other Commitments to Register Securities. Except as set forth in this Agreement or the Investors' Rights Agreement, the Company is not, pursuant to the terms of any other agreement currently in existence, under any obligation to register under the Act any of its presently outstanding securities or any of its securities which may hereafter be issued.

(g) Exempt Transaction. Subject to the accuracy of the Warrantholder's representations in Section 10, the issuance of the Preferred Stock upon exercise of this Agreement, and the issuance of the Common Stock upon conversion of the Preferred Stock, will each constitute a transaction exempt from (i) the registration requirements of Section 5 of the Act, in reliance upon Section 4(2) thereof, and (ii) the qualification requirements of the applicable state securities laws.

(h) Compliance with Rule 144. If the Warrantholder proposes to sell Preferred Stock issuable upon the exercise of this Agreement, or the Common Stock into which it is convertible, in compliance with Rule 144 promulgated by the SEC, then, upon Warrantholder's written request to the Company, the Company shall furnish to the Warrantholder, within ten days after receipt of such request, a written statement confirming the Company's compliance with the filing requirements of the SEC as set forth in such Rule, as such Rule may be amended from time to time.

(i) Information Rights. During the term of this Warrant, Warrantholder shall be entitled to the information rights contained in Section 7.1 of the Loan Agreement, and Section 7.1 of the Loan Agreement is hereby incorporated into this Agreement by this reference as though fully set forth herein, provided, however, that the Company shall not be required to deliver a Compliance Certificate once all Indebtedness (as defined in the Loan Agreement) owed by the Company to Warrantholder has been repaid.

SECTION 10. REPRESENTATIONS AND COVENANTS OF THE WARRANTHOLDER.

This Agreement has been entered into by the Company in reliance upon the following representations and covenants of the Warrantholder:

(a) Investment Purpose. The acquisition of this Agreement, the right to acquire Preferred Stock, and the issuance of the Common Stock upon conversion of the Preferred Stock, is being acquired for investment purposes only, and not with a view to the sale or distribution of any part thereof, and the Warrantholder has no present intention of selling or engaging in any public distribution of such rights or the Preferred Stock or the Common Stock upon conversion of the Preferred Stock, except pursuant to an effective registration statement or an exemption from the registration requirements of the Act.

(b) Private Issue. The Warrantholder understands (i) that the Agreement, the Preferred Stock issuable upon exercise of this Agreement, and the issuance of the Common Stock upon conversion of the Preferred Stock, are not registered under the Act or qualified under applicable state securities laws on the ground that the issuance contemplated by this Agreement will be exempt from the registration and qualifications requirements thereof, and (ii) that the Company's reliance on such exemption is predicated on the representations set forth in this Section 10.

(c) Financial Risk. The Warrantholder has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment, and has the ability to bear the economic risks of its investment.

(d) Investigation and Information. The Warrantholder has been granted the opportunity to make a thorough investigation of the proposed activities of the Company, has been furnished with all materials relating to the Company and its proposed activities that it has requested and has been afforded the opportunity to obtain any additional information necessary to verify the accuracy of any representations made or information conveyed to it. All questions posed and inquiries made by Warrantholder or its representative(s) concerning the Company and its proposed business activities were answered to its satisfaction. In making its decision to invest in the Company, Warrantholder has relied upon independent investigations made by Warrantholder and by his, her or its professional advisors. Warrantholder has also been afforded the opportunity to obtain any additional nonproprietary information, to the extent the Company possesses that information or can acquire it without unreasonable effort or expense, and has the right to furnish it to Warrantholder, necessary to verify the accuracy of any representation or information contained in this Agreement.

(e) Risk of No Registration. The Warrantholder understands that if the Company does not register with the SEC pursuant to Section 12 of the Securities Exchange Act of 1934 (the "1934 Act"), or file reports pursuant to Section 15(d) of the 1934 Act, or if a registration statement covering the securities under the Act is not in effect when it desires to sell (i) the rights to purchase Preferred Stock, including Common Stock upon conversion of the Preferred Stock, pursuant to this Agreement or (ii) the Preferred Stock issuable upon exercise of the right to purchase, including Common Stock upon conversion of the Preferred Stock, it may be required to hold such securities for an indefinite period. The Warrantholder also understands that any sale of (A) its rights hereunder to purchase Preferred Stock, including Common Stock upon conversion of the Preferred Stock, or (B) Preferred Stock issued or issuable hereunder, including Common Stock upon conversion of the Preferred Stock, which might be made by it in reliance upon Rule 144 under the Act may be made only in accordance with the terms and conditions of that Rule.

(f) Accredited Investor. Warrantholder is an "accredited investor" within the meaning of the Securities and Exchange Rule 501 of Regulation D, as presently in effect.

(g) Compliance with Securities Act. Warrantholder, by acceptance hereof, agrees that this Agreement, the Preferred Stock and the shares of Common Stock issuable upon conversion of the Preferred Stock (unless registered under the Act) shall be stamped or imprinted with a legend in substantially the following form:

"THE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL (WHICH MAY BE COMPANY COUNSEL) REASONABLY SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY APPLICABLE STATE SECURITIES LAWS."

as well as any legend required by any Rights Agreement, if applicable.

(h) Agreement in Connection with Public Offering. The Warrantholder agrees, in connection with the Initial Public Offering, that it shall be subject to the same “Market Stand-Off” provisions set out in the Rights Agreement (as the same may be amended from time to time) as are applicable to the “Investors” and “Holders” thereunder.

SECTION 11. TRANSFERS.

Subject to compliance with applicable federal and state securities laws, this Agreement and all rights hereunder are transferable, in whole or in part, without charge to the holder hereof (except for transfer taxes) upon surrender of this Agreement properly endorsed. Each taker and holder of this Agreement, by taking or holding the same, consents and agrees that this Agreement, when endorsed in blank, shall be deemed negotiable, and that the holder hereof, when this Agreement shall have been so endorsed and its transfer recorded on the Company’s books, shall be treated by the Company and all other persons dealing with this Agreement as the absolute owner hereof for any purpose and as the person entitled to exercise the rights represented by this Agreement. The transfer of this Agreement shall be recorded on the books of the Company upon receipt by the Company of a notice of transfer in the form attached hereto as Exhibit III (the “Transfer Notice”), at its principal offices and the payment to the Company of all transfer taxes and other governmental charges imposed on such transfer. Until the Company receives such Transfer Notice, the Company may treat the registered owner hereof as the owner for all purposes.

SECTION 12. MISCELLANEOUS.

(a) Effective Date. The provisions of this Agreement shall be construed and shall be given effect in all respects as if it had been executed and delivered by the Company on the date hereof. This Agreement shall be binding upon any successors or assigns of the Company.

(b) Remedies. In the event of any default hereunder, the non-defaulting party may proceed to protect and enforce its rights either by suit in equity and/or by action at law, including but not limited to an action for damages as a result of any such default, and/or an action for specific performance for any default where Warrantholder will not have an adequate remedy at law and where damages will not be readily ascertainable. The Company expressly agrees that it shall not oppose an application by the Warrantholder or any other person entitled to the benefit of this Agreement requiring specific performance of any or all provisions hereof or enjoining the Company from continuing to commit any such breach of this Agreement.

(c) No Impairment of Rights. The Company will not, by amendment of its Charter or through any other means, avoid or seek to avoid the observance or performance of any of the terms of this Agreement, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate in order to protect the rights of the Warrantholder against impairment.

(d) Additional Documents. The Company, upon execution of this Agreement, shall provide the Warrantholder with certified resolutions with respect to the representations, warranties and covenants set forth in Sections 9(a) through 9(d), 9(f) and 9(g). The Company shall also supply documentation reasonably necessary to evaluate whether to exercise (in cash or a net issuance basis) this Warrant, including without limitation, (i) any merger/purchase/asset sale agreement and related documents and estimated payout allocations to each of the respective stockholders, warrant and option holders in connection with a Merger Event, (ii) the most recent capitalization tables, 409A valuations (if any), and board determination of share value (including any waterfall or per share allocations provided to the share/unitholders), and (iii) most recent articles of incorporation or organization (as applicable).

(e) Attorney's Fees. In any litigation, arbitration or court proceeding between the Company and the Warranholder relating hereto, the prevailing party shall be entitled to reasonable attorneys' fees and expenses and all costs of proceedings incurred in enforcing this Agreement. For the purposes of this Section 12(e), attorneys' fees shall include without limitation fees reasonably incurred in connection with the following: (i) contempt proceedings; (ii) discovery; (iii) any motion, proceeding or other activity of any kind in connection with an insolvency proceeding; (iv) garnishment, levy, and debtor and third party examinations; and (v) post-judgment motions and proceedings of any kind, including without limitation any activity taken to collect or enforce any judgment.

(f) Severability. In the event any one or more of the provisions of this Agreement shall for any reason be held invalid, illegal or unenforceable, the remaining provisions of this Agreement shall be unimpaired, and the invalid, illegal or unenforceable provision shall be replaced by a mutually acceptable valid, legal and enforceable provision, which comes closest to the intention of the parties underlying the invalid, illegal or unenforceable provision.

(g) Notices. Except as otherwise provided herein, any notice, demand, request, consent, approval, declaration, service of process or other communication that is required, contemplated, or permitted under this Agreement or with respect to the subject matter hereof shall be in writing, and shall be deemed to have been validly served, given, delivered, and received upon the earlier of: (i) the day of transmission by facsimile or hand delivery if transmission or delivery occurs on a business day at or before 5:00 pm in the time zone of the recipient, or, if transmission or delivery occurs on a non-business day or after such time, the first business day thereafter, or the first business day after deposit with an overnight express service or overnight mail delivery service; or (ii) the third calendar day after deposit in the United States mails, with proper first class postage prepaid, and shall be addressed to the party to be notified as follows:

If to Warranholder:

STEWARD CAPITAL HOLDINGS, LP

Attention : Donald P. Johns, CFO

3900 S. Overland Avenue

Springfield, MO 65807

Facsimile: 417-831-9998

Telephone: 417-520-2707

If to the Company:

CORINDUS, INC.

Attention: David Long, Chief Financial Officer

309 Waverly Oaks Rd., Suite 105

Waltham, MA 02452

Facsimile: 805-653-3355

Telephone: 508-653-3335, ext 228

or to such other address as each party may designate for itself by like notice.

(h) Entire Agreement; Amendments. This Agreement constitute the entire agreement and understanding of the parties hereto in respect of the subject matter hereof, and supersede and replace in their entirety any prior proposals, term sheets, letters, negotiations or other documents or agreements, whether written or oral, with respect to the subject matter hereof . None of the terms of this Agreement may be amended except by an instrument executed by each of the parties hereto.

(i) Headings. The various headings in this Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Agreement or any provisions hereof.

(j) **No Strict Construction**. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

(k) **No Waiver**. No omission or delay by Warrantholder at any time to enforce any right or remedy reserved to it, or to require performance of any of the terms, covenants or provisions hereof by the Company at any time designated, shall be a waiver of any such right or remedy to which Warrantholder is entitled, nor shall it in any way affect the right of Warrantholder to enforce such provisions thereafter.

(l) **Survival**. All agreements, representations and warranties contained in this Agreement or in any document delivered pursuant hereto shall be for the benefit of Warrantholder and shall survive the execution and delivery of this Agreement and the expiration or other termination of this Agreement.

(m) **Governing Law**. This Agreement has been negotiated and delivered to Warrantholder in the State of Missouri, and shall have been accepted by Warrantholder in the State of Missouri. Delivery of Preferred Stock to Warrantholder by the Company under this Agreement is due in the State of Missouri. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Missouri, excluding conflict of laws principles that would cause the application of laws of any other jurisdiction.

(n) **Consent to Jurisdiction and Venue**. All judicial proceedings arising in or under or related to this Agreement may be brought in any state or federal court of competent jurisdiction located in the State of Missouri. By execution and delivery of this Agreement, each party hereto generally and unconditionally: (a) consents to personal jurisdiction in the State of Delaware; (b) waives any objection as to jurisdiction or venue in the State of Delaware; (c) agrees not to assert any defense based on lack of jurisdiction or venue in the aforesaid courts; and (d) irrevocably agrees to be bound by any judgment rendered thereby in connection with this Agreement. Service of process on any party hereto in any action arising out of or relating to this Agreement shall be effective if given in accordance with the requirements for notice set forth in Section 12(g), and shall be deemed effective and received as set forth in Section 12(g). Nothing herein shall affect the right to serve process in any other manner permitted by law or shall limit the right of either party to bring proceedings in the courts of any other jurisdiction.

(o) **Mutual Waiver of Jury Trial**. Because disputes arising in connection with complex financial transactions are most quickly and economically resolved by an experienced and expert person and the parties wish applicable state and federal laws to apply (rather than arbitration rules), the parties desire that their disputes be resolved by a judge applying such applicable laws. EACH OF THE COMPANY AND WARRANTHOLDER SPECIFICALLY WAIVES ANY RIGHT IT MAY HAVE TO TRIAL BY JURY OF ANY CAUSE OF ACTION, CLAIM, CROSS-CLAIM, COUNTERCLAIM, THIRD PARTY CLAIM OR ANY OTHER CLAIM WITH RESPECT TO THIS AGREEMENT (COLLECTIVELY, "CLAIMS") ASSERTED BY THE COMPANY AGAINST WARRANTHOLDER OR ITS ASSIGNEE OR BY WARRANTHOLDER OR ITS ASSIGNEE AGAINST THE COMPANY. This waiver extends to all such Claims, including Claims that involve Persons other than Company and Warrantholder; Claims that arise out of or are in any way connected to the relationship between the Company and Warrantholder; and any Claims for damages, breach of contract, specific performance, or any equitable or legal relief of any kind, arising out of this Agreement.

(p) **Prejudgment Relief**. In the event Claims are to be resolved by arbitration, either party may seek from a court of competent jurisdiction identified in Section 12(n), any prejudgment order, writ or other relief and have such prejudgment order, writ or other relief enforced to the fullest extent permitted by law notwithstanding that all Claims are otherwise subject to resolution by judicial reference.

(q) Counterparts. This Agreement and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts, and by different parties hereto in separate counterparts, each of which when so delivered shall be deemed an original, but all of which counterparts shall constitute but one and the same instrument.

(r) Loan Agreement. This Agreement is the “Warrant” issued pursuant to the Loan Agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by its officers thereunto duly authorized as of the Effective Date.

COMPANY:

CORINDUS, INC.

By: _____

Name: _____

Title: _____

WARRANTHOLDER:

STEWARD CAPITAL HOLDINGS, LP

By: _____

Name: Donald P. Johns

Title: Vice President/CFO

EXHIBIT I

NOTICE OF EXERCISE

To: CORINDUS, INC.

- (1) The undersigned Warrantholder hereby elects to purchase [_____] shares of the Series [__] Preferred Stock of Corindus, Inc., pursuant to the terms of the Agreement dated the [__] day of June, 2014 (the “Agreement”) between Corindus, Inc. and the Warrantholder, and [CASH PAYMENT: tenders herewith payment of the Purchase Price in full, together with all applicable transfer taxes, if any.] [NET ISSUANCE: elects pursuant to Section 3(a) of the Agreement to effect a Net Issuance.]
- (2) Please issue a certificate or certificates representing said shares of Series [__] Preferred Stock in the name of the undersigned or in such other name as is specified below.
- (3) The undersigned Warrantholder hereby represents that it is acquiring such shares for its own account, for investment purposes only, and not with a view to, or for sale in connection with, any distribution of any part thereof. The undersigned further represents and confirms that the representations and warranties of the Warrantholder set forth in Section 10 of the attached Agreement are true and correct as of the date hereof.

(Name)

(Address)

WARRANTHOLDER:

EXHIBIT II

ACKNOWLEDGMENT OF EXERCISE

The undersigned officer of Corindus, Inc., hereby acknowledges receipt of the “Notice of Exercise” from [Warranholder] to purchase [_____] shares of the Series [__] Preferred Stock of Corindus, Inc., pursuant to the terms of the Agreement, and further acknowledges that [_____] shares remain subject to purchase under the terms of the Agreement.

COMPANY:

CORINDUS, INC.

By: _____

Title: _____

Date: _____

EXHIBIT III

TRANSFER NOTICE

(To transfer or assign the foregoing Agreement execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Agreement and all rights evidenced thereby are hereby transferred and assigned to

(Please Print)

whose address is _____

Dated: _____

Holder's Signature: _____

Holder's Address: _____

Signature Guaranteed: _____

NOTE: The signature to this Transfer Notice must correspond with the name as it appears on the face of the Agreement, without alteration or enlargement or any change whatever. Officers of corporations and those acting in a fiduciary or other representative capacity should file proper evidence of authority to assign the foregoing Agreement.

SCHEDULE I
OPTIONS AND WARRANTS

SCHEDULE II

LOANS

INTELLECTUAL PROPERTY LOAN AGREEMENT

This INTELLECTUAL PROPERTY LOAN AGREEMENT (“**IP Security Agreement**”), dated as of June 11, 2014, is made by the CORINDUS, INC., a Delaware corporation and CORINDUS SECURITY CORPORATION, a Delaware corporation (collectively, the “**Grantors**”) in favor of STEWARD CAPITAL HOLDINGS, LP, a Delaware limited partnership, and its successors and assigns (together with its successors and assigns, the “**Lender**”).

WHEREAS, Grantors have entered into a Loan and Security Agreement dated as of [DATE] (the “**Loan Agreement**”), with the Lender.

WHEREAS, under the terms of the Loan Agreement, the Grantors have granted to the Lender a security interest in, among other property, certain intellectual property of the Grantors, and have agreed to execute and deliver this IP Security Agreement, for recording with national, federal and state government authorities, including, but not limited to, the United States Patent and Trademark Office and the United States Copyright Office.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor agrees with the Lender as follows:

1. **Grant of Security**. Each Grantor hereby pledges and grants to the Lender for the ratable benefit of the Secured Parties a security interest in and to all of the right, title and interest of such Grantor in, to and under the following, wherever located, and whether now existing or hereafter arising or acquired from time to time (the “**IP Collateral**”):

(a) the patents and patent applications set forth in Schedule 1 hereto and all reissues, divisions, continuations, continuations-in-part, renewals, extensions and reexaminations thereof and amendments thereto (the “**Patents**”);

(b) the trademark registrations and applications set forth in Schedule 2 hereto, together with the goodwill connected with the use of and symbolized thereby and all extensions and renewals thereof (the “**Trademarks**”), excluding only United States intent-to-use trademark applications to the extent that, and solely during the period in which, the grant, attachment or enforcement of a security interest therein would, under applicable federal law, impair the registrability of such applications or the validity or enforceability of registrations issuing from such applications;

(c) the copyright registrations, applications and copyright registrations and applications exclusively licensed to each Grantor set forth in Schedule 3 hereto, and all extensions and renewals thereof (the “**Copyrights**”);

(d) all rights of any kind whatsoever of such Grantor accruing under any of the foregoing provided by applicable law of any jurisdiction, by international treaties and conventions and otherwise throughout the world;

(e) any and all royalties, fees, income, payments and other proceeds now or hereafter due or payable with respect to any and all of the foregoing; and

(f) any and all claims and causes of action, with respect to any of the foregoing, whether occurring before, on or after the date hereof, including all rights to and claims for damages, restitution and injunctive and other legal and equitable relief for past, present and future infringement, dilution, misappropriation, violation, misuse, breach or default, with the right but no obligation to sue for such legal and equitable relief and to collect, or otherwise recover, any such damages.

2. Recordation. Each Grantor authorizes the Commissioner for Patents, the Commissioner for Trademarks and the Register of Copyrights and any other government officials to record and register this IP Security Agreement upon request by the Lender.

3. Loan Documents. This IP Security Agreement has been entered into pursuant to and in conjunction with the Loan Agreement, which is hereby incorporated by reference. The provisions of the Loan Agreement shall supersede and control over any conflicting or inconsistent provision herein. The rights and remedies of the Lender with respect to the IP Collateral are as provided by the Loan Agreement and related documents, and nothing in this IP Security Agreement shall be deemed to limit such rights and remedies.

4. Execution in Counterparts. This IP Security Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page to this IP Security Agreement by facsimile or in electronic (i.e., "pdf" or "tif" format) shall be effective as delivery of a manually executed counterpart of this IP Security Agreement.

5. Successors and Assigns. This IP Security Agreement will be binding on and shall inure to the benefit of the parties hereto and their respective successors and assigns.

6. Governing Law. This IP Security Agreement and any claim, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this IP Security Agreement and the transactions contemplated hereby and thereby shall be governed by, and construed in accordance with, the laws of the United States and the State of Missouri, without giving effect to any choice or conflict of law provision or rule (whether of the State of Missouri or any other jurisdiction).

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, each Grantor has caused this IP Security Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

CORINDUS, INC.

Signature: _____

Print Name: _____

Title: _____

CORINDUS SECURITY CORPORATION

Signature: _____

Print Name: _____

Title: _____

Accepted in _____:

LENDER:

STEWARD CAPITAL HOLDINGS, LP

By:

_____ [Name]

SCHEDULES

SCHEDULE 1

PATENTS AND PATENT APPLICATIONS

SCHEDULE 2

TRADEMARK REGISTRATIONS AND APPLICATIONS

SCHEDULE 3

COPYRIGHT REGISTRATIONS AND APPLICATIONS

INTEREST TRANSFER AGREEMENT

This INTEREST TRANSFER AGREEMENT (the "Agreement") dated August 12, 2014, is entered into by and between Corindus, Inc., a Delaware corporation (the "Transferor"), and Your Internet Defender Inc., a Nevada corporation (the "Transferee").

WITNESSETH

WHEREAS, the Transferor is the owner of 100% of the issued and outstanding shares of Corindus Security Corporation, a Delaware corporation ("Corindus Security").

WHEREAS, the Transferor desires to transfer, as of immediately after, but contingent upon, the Closing (as defined in that certain Securities Exchange and Acquisition Agreement, dated as of August 5, 2014, by and between the Transferor and the Transferee) (the "Effective Time"), all of its ownership interest in Corindus Security (the "Interest") to the Transferee and the Transferee desires to accept such Interest as of the Effective Time on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement, and intending to be legally bound by the terms and conditions of this Agreement, the parties hereto agree as follows:

Section 1. Agreement to Transfer and Assign; Delivery and Acceptance.

1.1 On the terms and subject to the conditions set forth herein, (i) the Transferor shall transfer, assign, set over and otherwise convey the Interest to the Transferee as of the Effective Time and (ii) as of the Effective Time, the Transferee shall accept, assume, take over and succeed to all of the Transferor's rights and title to the Interest, and the Transferee covenants and agrees to discharge, perform and comply with, and to be bound by, all the terms, conditions, provisions, obligations, covenants and duties of the Transferor in the Interest. At the Effective Time, or as soon as practicable thereafter, Transferor shall transfer all of the Transferor's rights and title to the Interest to Transferee by delivery of the certificate(s) representing the Interest, duly endorsed or together with duly executed transfer powers, in form and substance satisfactory to Transferee.

1.2 At the Effective Time, or as soon as practicable thereafter, Transferee shall pay to Transferor One Dollar (\$1) as the purchase price for the Interest.

1.3 This Agreement shall be effective immediately after the Closing, but contingent upon the Closing.

Section 2. Representations; Warranties and Covenants.

2.1. The Transferor represents and warrants to the Transferee that:

(a) **Organization; Powers.** The Transferor has obtained all requisite corporate authority to assign the Interest and has the power and authority to execute, deliver and perform its obligations under this Agreement;

(b) **Enforceability.** This Agreement has been duly authorized, executed and delivered by the Transferor and constitutes the legal, valid and binding obligations of the Transferor enforceable against the Transferor in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and subject to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law);

(c) Title and Ownership. The Transferor is the sole legal and beneficial owner of the Interest and has full power and lawful authority to transfer, convey and assign to the Transferee all of the Transferor's rights, title and interest in and to the Interest in the manner contemplated hereby. The provisions of this Agreement, including the delivery by the Transferor to the Transferee of the certificate(s) representing the Interest, duly endorsed or together with duly executed transfer powers, shall be effective to convey to, and vest in, the Transferee ownership of the Interest and the Transferee shall be entitled to exercise all rights as the sole owner of such Interest. After giving effect to the consummation of the transactions contemplated hereby, neither the Transferor nor any person claiming under or through the Transferor shall have any valid claim to or interest in the Interest; and

(d) Liens. The Interest is free from all liens. Upon execution of this Agreement and the delivery by the Transferor to the Transferee of the certificate(s) representing the Interest, duly endorsed or together with duly executed transfer powers, legal title to the Interest and all rights and benefits under the Interest shall pass to the Transferee as of the Effective Time.

2.2. The Transferee represents and warrants to the Transferor that:

(a) Organization: Powers. The Transferee has the power and authority to execute, deliver and perform its obligations under this Agreement; and

(b) Enforceability. This Agreement has been duly authorized, executed and delivered by the Transferee and constitutes the legal, valid and binding obligations of the Transferee enforceable against the Transferee in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditor's rights generally and subject to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

2.3. All representations, warranties, covenants and agreements of the parties contained herein shall survive the execution and delivery of this Agreement and the closing hereunder.

Section 3. Notices.

Any notice or communication under this Agreement shall be sufficiently given if in writing and mailed by first-class mail, postage prepaid, or delivered in person or by facsimile, email or overnight air courier guaranteeing next day delivery, addressed as on file.

Section 4. Amendment.

Neither this Agreement nor any of the terms hereof may be terminated, amended, supplemented, waived or modified, except by an instrument in writing signed by the Transferee and the Transferor.

Section 5. Successors and Assigns.

All covenants in this Agreement made by or on behalf of the parties hereto shall bind and inure to the benefit of the respective successors and assigns of the parties hereto whether so expressed or not.

Section 6. Counterparts.

This Agreement may be executed in counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute but one Agreement.

Section 7. Choice of Law.

This Agreement shall be governed in accordance with the laws of the State of Delaware. All disputes under this Agreement shall be resolved by litigation in the courts of the State of Delaware including the federal courts therein and the parties all consent to the jurisdiction of such courts, agree to accept service of process by mail, and hereby waive any jurisdictional or venue defenses otherwise available to it.

Section 8. Severability.

Any provision of this Agreement that may be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof so long as the economic or legal substance for the transactions contemplated thereby is not affected in any manner adverse to any party. Any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the date first above written.

TRANSFEROR:

Corindus, Inc.

By: /s/ David M. Handler
David M. Handler
Chief Executive Officer

TRANSFeree:

Your Internet Defender Inc.

By: /s/ David W. Long
David W. Long
Chief Financial Officer

THIS WARRANT, AND THE SECURITIES ISSUABLE UPON THE EXERCISE OF THIS WARRANT, HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY STATE SECURITIES LAWS. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL (WHICH MAY BE COMPANY COUNSEL) REASONABLY SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE ACT, OR ANY APPLICABLE STATE SECURITIES LAWS.

WARRANT AGREEMENT

To Purchase Shares of Common Stock of

CORINDUS VASCULAR ROBOTICS, INC.

Dated as of August 12, 2014 (the "Effective Date")

WHEREAS, CORINDUS, INC., a Delaware corporation (the "Predecessor Company"), entered into a Loan and Security Agreement dated as of June 11, 2014 (the "Loan Agreement") with STEWARD CAPITAL HOLDINGS, LP, a Delaware limited partnership (the "Warrantholder");

WHEREAS, the Predecessor Company issued to Warrantholder that certain Warrant to Purchase Shares of Preferred Stock of the Company, dated June 11, 2014 (the "Prior Warrant");

WHEREAS, the Predecessor Company and the Company entered into a Securities Exchange and Acquisition Agreement dated August 5, 2014 whereby the Company agreed to acquire 100% of the issued and outstanding shares of common stock and preferred stock of the Predecessor Company and rights to acquire shares of common stock and preferred stock of the Predecessor Company, including the Prior Warrant, through an acquisition in exchange for the issuance of shares and rights to acquire shares of the Company's Common Stock; and

WHEREAS, the Company and the Warrantholder desire to amend and restate the Prior Warrant as set forth in this Warrant Agreement (the "Agreement") to reflect the right to purchase shares of Common Stock of the Company.

NOW, THEREFORE, the parties hereby agree as follows:

SECTION 1.

GRANT OF THE RIGHT TO PURCHASE COMMON STOCK

For value received, the Company hereby grants to the Warrantholder, and the Warrantholder is entitled, upon the terms and subject to the conditions hereinafter set forth, to subscribe for and purchase, from the Company, an aggregate number of fully paid and non-assessable shares of Common Stock equal to the quotient derived by dividing (a) the Warrant Coverage (as defined below) by (b) the Exercise Price (defined below). The Exercise Price of such shares is subject to adjustment as provided in Section 8. This Agreement is issued in substitution of and replacement for the Prior Warrant. As used herein, the following terms shall have the following meanings:

“Act” means the Securities Act of 1933, as amended;

“Company” means Corindus Vascular Robotics, Inc., a Delaware corporation, and any successor or surviving entity that assumes the obligations of the Company under this Agreement pursuant to Section 8(a);

“Charter” means the Company’s Articles of Incorporation, Certificate of Incorporation or other constitutional document, as may be amended from time to time;

“Common Stock” means the Company’s common stock, \$0.0001 par value per share;

“Exercise Price” means \$1.4083 per share, subject to adjustment pursuant to Section 8;

“Initial Public Offering” means the initial underwritten public offering of the Company’s Common Stock pursuant to a registration statement under the Act, which public offering has been declared effective by the Securities and Exchange Commission (“SEC”);

“Merger Event” means any sale, lease or other transfer of all or substantially all assets of the Company or any merger or consolidation involving the Company in which the Company or an affiliate is not the surviving entity, or in which the outstanding shares of the Company’s capital stock are otherwise converted into or exchanged for shares of preferred stock, other securities or property of another entity that is not an affiliate of the Company;

“Purchase Price” means, with respect to any exercise of this Agreement, an amount equal to the Exercise Price as of the relevant time multiplied by the number of shares of Common Stock requested to be exercised under this Agreement pursuant to such exercise.

“Warrant Coverage” means either (a) \$250,000 if Company draws only Tranche A under the Loan Agreement, or (b) \$500,000 if Company draws both Tranche A and Tranche B under the Loan Agreement (as “Tranche A” and “Tranche B” are each defined under the Loan Agreement).

SECTION 2.

TERM OF THE AGREEMENT

Except as otherwise provided for herein, the term of this Agreement and the right to purchase Common Stock as granted herein (the “Warrant”) shall commence on the Effective Date and shall be exercisable for a period ending upon the earlier to occur of (i) June 11, 2024; or (ii) five (5) years after the Initial Public Offering.

SECTION 3.

EXERCISE OF THE PURCHASE RIGHTS

(a) Exercise. The purchase rights set forth in this Agreement are exercisable by the Warrantholder, in whole or in part, at any time, or from time to time, prior to the expiration of the term set forth in Section 2, by tendering to the Company at its principal office a notice of exercise in the form attached hereto as Exhibit I(the “Notice of Exercise”), duly completed and executed. Promptly upon receipt of the Notice of Exercise and the payment of the Purchase Price in accordance with the terms set forth below, and in no event later than three (3) days thereafter, the Company shall issue to the Warrantholder a certificate for the number of shares of Common Stock purchased and shall execute the acknowledgment of exercise in the form attached hereto as Exhibit II(the “Acknowledgment of Exercise”) indicating the number of shares which remain subject to future purchases, if any.

The Purchase Price may be paid at the Warrantholder’s election either (i) by cash or check, or (ii) by surrender of all or a portion of the Warrant for shares of Common Stock to be exercised under this Agreement and, if applicable, an amended Agreement representing the remaining number of shares purchasable hereunder, as determined below (“Net Issuance”). If the Warrantholder elects the Net Issuance method, the Company will issue Common Stock in accordance with the following formula:

$$X = \frac{Y(A-B)}{A}$$

Where:

X = the number of shares of Common Stock to be issued to the Warrantholder.

Y = the number of shares of Common Stock requested to be exercised under this Agreement.

A = the fair market value of one (1) share of Common Stock at the time of issuance of such shares of Common Stock,

B = the Exercise Price.

For purposes of the above calculation, current fair market value of Common Stock shall mean with respect to each share of Common Stock:

(i) if the exercise is in connection with an Initial Public Offering, and if the Company’s Registration Statement relating to such Initial Public Offering has been declared effective by the SEC, then the fair market value per share shall be the initial “Price to Public” of the Common Stock specified in the final prospectus with respect to the offering;

(ii) if the exercise is after, and not in connection with an Initial Public Offering, or if the Common Stock is otherwise traded on a securities exchange or over-the-counter and not in connection with an Initial Public Offering, and:

(A) if the Common Stock is traded on a securities exchange, the fair market value shall be deemed to be the average of the closing prices over a five (5) day period ending three days before the day the current fair market value of the securities is being determined; or

(B) if the Common Stock is traded over-the-counter, the fair market value shall be deemed to be the average of the closing bid and asked prices quoted on the NASDAQ system (or similar system) over the five (5) day period ending three days before the day the current fair market value of the securities is being determined;

(iii) if at any time the Common Stock is not listed on any securities exchange or quoted in the NASDAQ National Market or the over-the-counter market, the current fair market value of Common Stock shall be the price per share most recently determined by the Board of Directors of the Company to represent such fair market value per share, as determined in good faith by its Board of Directors (provided, that if the Board of Directors has not made such a determination within the six-month period prior to the date of exercise, then the Board of Directors shall provide, or cause to be provided to, the Warrantholder notice of a determination of such fair market value per share within 15 days after the date of exercise), unless the Company shall become subject to a Merger Event, in which case the fair market value of Common Stock shall be deemed to be the per share value received by the holders of the Company's Common Stock pursuant to such Merger Event.

Upon partial exercise by either cash or Net Issuance, the Company shall promptly issue an amended Agreement representing the remaining number of shares purchasable hereunder. All other terms and conditions of such amended Agreement shall be identical to those contained herein, including, but not limited to the Effective Date hereof.

(b) Exercise Prior to Expiration. To the extent this Agreement is not previously exercised as to all Common Stock subject hereto, and if the fair market value of one share of the Common Stock is greater than the Exercise Price then in effect, this Agreement shall be deemed automatically exercised pursuant to Section 3(a) (even if not surrendered) immediately before its expiration, the consideration for which shall be, at the Warrantholder's election, upon written notice to the Warrantholder, (i) by cash or check or (ii) Net Issuance. For purposes of such automatic exercise, the fair market value of one share of the Common Stock upon such expiration shall be determined pursuant to Section 3(a). To the extent this Agreement or any portion thereof is deemed automatically exercised pursuant to this Section 3(b), the Company agrees to promptly notify the Warrantholder of the number of shares of Common Stock, if any, the Warrantholder is to receive by reason of such automatic exercise.

(c) Exercise Date. Each exercise of this Agreement shall be deemed to have been effected immediately prior to the close of business on the day on which this Agreement shall have been surrendered to the Company as provided in subsection (a) above.

SECTION 4.

RESERVATION OF SHARES

During the term of this Agreement the Company will at all times have authorized and reserved a sufficient number of shares of its Common Stock to provide for the exercise of the rights to purchase Common Stock as provided for herein.

SECTION 5.

NO FRACTIONAL SHARES OR SCRIP

No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Agreement, but in lieu of such fractional shares the Company shall make a cash payment therefor upon the basis of the then fair market value of one share of Common Stock.

SECTION 6.

NO RIGHTS AS STOCKHOLDER

This Agreement does not entitle the Warrantholder to any voting rights or other rights as a stockholder of the Company prior to the exercise of this Agreement.

SECTION 7.

WARRANTHOLDER REGISTRY.

The Company shall maintain a registry showing the name and address of the registered holder of this Agreement. Warrantholder's initial address, for purposes of such registry, is set forth below Warrantholder's signature on this Agreement. Warrantholder may change such address by giving written notice of such changed address to the Company.

SECTION 8.

ADJUSTMENT RIGHTS

The Exercise Price and the number of shares of Common Stock purchasable hereunder are subject to adjustment, as follows:

(a) **Merger Event**. If at any time there shall be Merger Event, then, as a part of such Merger Event, lawful provision shall be made so that the Warranholder shall thereafter be entitled to receive, upon exercise of this Agreement, the number of shares of common stock or other securities or property (collectively, “Reference Property”) that the Warranholder would have received in connection with such Merger Event if Warranholder had exercised this Agreement immediately prior to the Merger Event. In any such case, appropriate adjustment (as determined in good faith by the Company’s Board of Directors) shall be made in the application of the provisions of this Agreement with respect to the rights and interests of the Warranholder after the Merger Event to the extent that the provisions of this Agreement (including adjustments of the Exercise Price and adjustments to ensure that the provisions of this Section 8 shall thereafter be applicable, as nearly as possible, to the purchase rights under this Agreement in relation to any Reference Property thereafter acquirable upon exercise of such purchase rights) shall continue to be applicable in their entirety, and to the greatest extent possible. Without limiting the foregoing, in connection with any Merger Event, upon the closing thereof, the successor or surviving entity shall assume the obligations of this Agreement; provided that the foregoing assumption requirement shall not apply if (i) the consideration to be paid for or in respect of the outstanding shares of Common Stock in such Merger Event consists solely of cash and/or readily marketable securities, and (ii) the value of such consideration (as determined at closing in accordance with the definitive executed transaction documents) to be paid for or in respect of each outstanding share of Common Stock is at least three (3) times the Exercise Price in effect as of immediately prior to the closing of such Merger Event. In connection with a Merger Event and upon Warranholder’s written election to the Company, the Company shall cause this Warrant Agreement to be exchanged for the consideration that Warranholder would have received if Warranholder had chosen to exercise its right to have shares issued pursuant to the Net Issuance provisions of this Warrant Agreement without actually exercising such right, acquiring such shares and exchanging such shares for such consideration. The provisions of this Section 8(a) shall similarly apply to successive Merger Events.

(b) **Reclassification of Shares**. Except for Merger Events subject to Section 8(a), and subject to Section 8(f), if the Company at any time shall, by combination, reclassification, exchange or subdivision of securities or otherwise, change any of the securities as to which purchase rights under this Agreement exist into the same or a different number of securities of any other class or classes, this Agreement shall thereafter represent the right to acquire such number and kind of securities as would have been issuable as the result of such change with respect to the securities which were subject to the purchase rights under this Agreement immediately prior to such combination, reclassification, exchange, subdivision or other change. The provisions of this Section 8(b) shall similarly apply to successive combination, reclassification, exchange, subdivision or other change.

(c) **Subdivision or Combination of Shares**. If the Company at any time shall combine or subdivide its Common Stock, (i) in the case of a subdivision, the Exercise Price shall be proportionately decreased and the number of shares of Common Stock issuable hereunder shall be proportionately increased, or (ii) in the case of a combination, the Exercise Price shall be proportionately increased and the number of shares of Common Stock issuable hereunder shall be proportionately decreased.

(d) **Stock Dividends**. If the Company at any time while this Agreement is outstanding and unexpired shall:

(i) pay a dividend with respect to the Common Stock payable in Common Stock, then the Exercise Price shall be adjusted, from and after the date of determination of stockholders entitled to receive such dividend or distribution, to that price determined by multiplying the Exercise Price in effect immediately prior to such date of determination by a fraction (A) the numerator of which shall be the total number of shares of Common Stock outstanding immediately prior to such dividend or distribution, and (B) the denominator of which shall be the total number of shares of Common Stock outstanding immediately after such dividend or distribution; or

(ii) make any other distribution with respect to Common Stock (or stock into which the Common Stock is convertible), except any distribution specifically provided for in any other clause of this Section 8, then, in each such case, provision shall be made by the Company such that the Warrantholder shall receive upon exercise or conversion of this Warrant a proportionate share of any such distribution as though it were the holder of the Common Stock (or other stock for which the Common Stock is convertible) as of the record date fixed for the determination of the stockholders of the Company entitled to receive such distribution.

(e) [Intentionally Deleted]

(f) Notice of Adjustments. If: (i) the Company shall declare any dividend or distribution upon its stock, whether in stock, cash, property or other securities; (ii) there shall be any Merger Event; (iii) there shall be an Initial Public Offering; (iv) the Company shall sell, lease, license or otherwise transfer all or substantially all of its assets; or (v) there shall be any voluntary dissolution, liquidation or winding up of the Company; then, in connection with each such event, the Company shall send to the Warrantholder: (A) at least ten (10) days' prior written notice of the date on which the books of the Company shall close or a record shall be taken for such dividend, distribution, subscription rights (specifying the date on which the holders of Common Stock shall be entitled thereto) or for determining rights to vote in respect of such Merger Event, dissolution, liquidation or winding up; (B) in the case of any such Merger Event, sale, lease, license or other transfer of all or substantially all assets, dissolution, liquidation or winding up, at least ten (10) days' prior written notice of the date when the same shall take place (and specifying the date on which the holders of Common Stock shall be entitled to exchange their Common Stock for securities or other property deliverable upon such Merger Event, dissolution, liquidation or winding up); and (C) in the case of an Initial Public Offering, the Company shall give the Warrantholder at least ten (10) days' written notice prior to the effective date thereof.

Each such written notice shall set forth, in reasonable detail, (i) the event requiring the notice, and (ii) if any adjustment is required to be made, (A) the amount of such adjustment, (B) the method by which such adjustment was calculated, (C) the adjusted Exercise Price (if the Exercise Price has been adjusted), and (D) the number of shares subject to purchase hereunder after giving effect to such adjustment, and shall be given in accordance with Section 12(g) below.

(g) Timely Notice. Failure to timely provide such notice required by subsection (f) above shall entitle Warrantholder to retain the benefit of the applicable notice period notwithstanding anything to the contrary contained in any insufficient notice received by Warrantholder. For purposes of this subsection (g), and notwithstanding anything to the contrary in Section 12(g), the notice period shall begin on the date Warrantholder actually receives a written notice containing all the information required to be provided in such subsection (g).

SECTION 9.

REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE COMPANY

(a) **Reservation of Common Stock**. The Common Stock issuable upon exercise of the Warrantholder's rights has been duly and validly reserved and, when issued in accordance with the provisions of this Agreement, will be validly issued, fully paid and non-assessable, and will be free of any taxes, liens, charges or encumbrances of any nature whatsoever (other than net income taxes imposed by law upon the Warrantholder or consensual encumbrances entered into by the Warrantholder); provided, that the Common Stock issuable pursuant to this Agreement may be subject to restrictions on transfer under state and/or federal securities laws. The Company has made available to the Warrantholder true, correct and complete copies of its Charter and current bylaws. The issuance of certificates for shares of Common Stock upon exercise of this Agreement shall be made without charge to the Warrantholder for any issuance tax in respect thereof, or other cost incurred by the Company in connection with such exercise and the related issuance of shares of Common Stock, except to the extent of net income taxes imposed by law upon the Warrantholder; provided, that the Company shall not be required to pay any tax which may be payable in respect of any transfer and the issuance and delivery of any certificate in a name other than that of the Warrantholder.

(b) **Due Authority**. The execution and delivery by the Company of this Agreement and the performance of all obligations of the Company hereunder, including the issuance to Warrantholder of the right to acquire the shares of Common Stock, have been duly authorized by all necessary corporate action on the part of the Company. This Agreement: (1) does not violate the Company's Charter or current bylaws; (2) does not contravene any law or governmental rule, regulation or order applicable to it; and (3) does not and will not contravene any provision of, or constitute a default under, any indenture, mortgage, contract or other instrument to which it is a party or by which it is bound. This Agreement constitutes a legal, valid and binding agreement of the Company, enforceable in accordance with its terms, subject as to enforcement of remedies to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting generally the enforcement of creditors' rights and subject to a court's discretionary authority with respect to the granting of a decree ordering specific performance or other equitable remedies.

(c) **Consents and Approvals**. No consent or approval of, giving of notice to, registration with, or taking of any other action in respect of any state, federal or other governmental authority or agency is required with respect to the execution, delivery and performance by the Company of its obligations under this Agreement, except for the filing of notices pursuant to Regulation D under the Act and any filing required by applicable state securities law (or an exemption therefrom), which filings will be effective by the time required thereby.

Issued Securities. All issued and outstanding shares of Common Stock or any other securities of the Company have been duly authorized and validly issued and are fully paid and nonassessable. All outstanding shares of Common Stock and any other securities were issued in full compliance with all federal and state securities laws. In addition, as of the date immediately preceding the date of this Agreement:

(i) The authorized capital of the Company consists of 150,000,000 shares of Common Stock, of which 95,216,587 shares are issued and outstanding.

(ii) The Company has reserved 9,035,016 shares of Common Stock for issuance under its Stock Option Plan(s), under which 9,035,016 options are outstanding. Except as set forth on Schedule I attached hereto, there are no other options, warrants, conversion privileges or other rights presently outstanding to purchase or otherwise acquire any authorized but unissued shares of the Company's capital stock or other securities of the Company. Except as set forth on Schedule II attached hereto, the Company has no outstanding loans to any employee, officer or director of the Company.

(iii) Other than in accordance with the Company's Charter, no stockholder of the Company has preemptive rights to purchase new issuances of the Company's capital stock.

(d) [Intentionally Deleted]

(e) **Other Commitments to Register Securities.** Except as set forth in this Agreement or as set forth on Schedule III attached hereto, the Company is not, pursuant to the terms of any other agreement currently in existence, under any obligation to register under the Act any of its presently outstanding securities or any of its securities which may hereafter be issued.

(f) **Exempt Transaction.** Subject to the accuracy of the Warranholder's representations in Section 10, the issuance of the Common Stock upon exercise of this Agreement will constitute a transaction exempt from (i) the registration requirements of Section 5 of the Act, in reliance upon Section 4(2) thereof, and (ii) the qualification requirements of the applicable state securities laws.

(g) **Compliance with Rule 144.** If the Warranholder proposes to sell Common Stock issuable upon the exercise of this Agreement in compliance with Rule 144 promulgated by the SEC, then, upon Warranholder's written request to the Company, the Company shall furnish to the Warranholder, within ten days after receipt of such request, a written statement confirming the Company's compliance with the filing requirements of the SEC as set forth in such Rule, as such Rule may be amended from time to time.

(h) **Information Rights.** During the term of this Warrant, Warranholder shall be entitled to the information rights contained in Section 7.1 of the Loan Agreement, and Section 7.1 of the Loan Agreement is hereby incorporated into this Agreement by this reference as though fully set forth herein, provided, however, that the Company shall not be required to deliver a Compliance Certificate once all Indebtedness (as defined in the Loan Agreement) owed by the Company to Warranholder has been repaid.

SECTION 10.

REPRESENTATIONS AND COVENANTS OF THE WARRANTHOLDER

This Agreement has been entered into by the Company in reliance upon the following representations and covenants of the Warrantholder:

- (a) Investment Purpose. The acquisition of this Agreement and the right to acquire Common Stock is being acquired for investment purposes only, and not with a view to the sale or distribution of any part thereof, and the Warrantholder has no present intention of selling or engaging in any public distribution of such rights or the Common Stock, except pursuant to an effective registration statement or an exemption from the registration requirements of the Act.
- (b) Private Issue. The Warrantholder understands (i) that the Agreement and the Common Stock issuable upon exercise of this Agreement are not registered under the Act or qualified under applicable state securities laws on the ground that the issuance contemplated by this Agreement will be exempt from the registration and qualifications requirements thereof, and (ii) that the Company's reliance on such exemption is predicated on the representations set forth in this Section 10.
- (c) Financial Risk. The Warrantholder has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment, and has the ability to bear the economic risks of its investment.
- (d) Investigation and Information. The Warrantholder has been granted the opportunity to make a thorough investigation of the proposed activities of the Company, has been furnished with all materials relating to the Company and its proposed activities that it has requested and has been afforded the opportunity to obtain any additional information necessary to verify the accuracy of any representations made or information conveyed to it. All questions posed and inquiries made by Warrantholder or its representative(s) concerning the Company and its proposed business activities were answered to its satisfaction. In making its decision to invest in the Company, Warrantholder has relied upon independent investigations made by Warrantholder and by his, her or its professional advisors. Warrantholder has also been afforded the opportunity to obtain any additional nonproprietary information, to the extent the Company possesses that information or can acquire it without unreasonable effort or expense, and has the right to furnish it to Warrantholder, necessary to verify the accuracy of any representation or information contained in this Agreement.
- (e) Risk of No Registration. The Warrantholder understands that if the Company does not register with the SEC pursuant to Section 12 of the Securities Exchange Act of 1934 (the "1934 Act"), or file reports pursuant to Section 15(d) of the 1934 Act, or if a registration statement covering the securities under the Act is not in effect when it desires to sell (i) the rights to purchase Common Stock pursuant to this Agreement or (ii) the Common Stock issuable upon exercise of the right to purchase, it may be required to hold such securities for an indefinite period. The Warrantholder also understands that any sale of (A) its rights hereunder to purchase Common Stock, or (B) Common Stock issued or issuable hereunder, which might be made by it in reliance upon Rule 144 under the Act may be made only in accordance with the terms and conditions of that Rule.

(f) Accredited Investor. Warranholder is an “accredited investor” within the meaning of the Securities and Exchange Rule 501 of Regulation D, as presently in effect.

(g) Compliance with Securities Act. Warranholder, by acceptance hereof, agrees that this Agreement and the Common Stock (unless registered under the Act) shall be stamped or imprinted with a legend in substantially the following form:

“THE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL (WHICH MAY BE COMPANY COUNSEL) REASONABLY SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY APPLICABLE STATE SECURITIES LAWS.”

(h) Agreement in Connection with Public Offering. In connection with the execution of this Agreement, the Warranholder shall execute a lock up agreement with the Company reasonably acceptable to the Company.

SECTION 11.

TRANSFERS

Subject to compliance with applicable federal and state securities laws, this Agreement and all rights hereunder are transferable, in whole or in part, without charge to the holder hereof (except for transfer taxes) upon surrender of this Agreement properly endorsed. Each taker and holder of this Agreement, by taking or holding the same, consents and agrees that this Agreement, when endorsed in blank, shall be deemed negotiable, and that the holder hereof, when this Agreement shall have been so endorsed and its transfer recorded on the Company’s books, shall be treated by the Company and all other persons dealing with this Agreement as the absolute owner hereof for any purpose and as the person entitled to exercise the rights represented by this Agreement. The transfer of this Agreement shall be recorded on the books of the Company upon receipt by the Company of a notice of transfer in the form attached hereto as Exhibit III (the “Transfer Notice”), at its principal offices and the payment to the Company of all transfer taxes and other governmental charges imposed on such transfer. Until the Company receives such Transfer Notice, the Company may treat the registered owner hereof as the owner for all purposes.

SECTION 12.

MISCELLANEOUS

(a) Effective Date. The provisions of this Agreement shall be construed and shall be given effect in all respects as if it had been executed and delivered by the Company on the date hereof. This Agreement shall be binding upon any successors or assigns of the Company.

(b) Remedies. In the event of any default hereunder, the non-defaulting party may proceed to protect and enforce its rights either by suit in equity and/or by action at law, including but not limited to an action for damages as a result of any such default, and/or an action for specific performance for any default where Warranholder will not have an adequate remedy at law and where damages will not be readily ascertainable. The Company expressly agrees that it shall not oppose an application by the Warranholder or any other person entitled to the benefit of this Agreement requiring specific performance of any or all provisions hereof or enjoining the Company from continuing to commit any such breach of this Agreement.

(c) No Impairment of Rights. The Company will not, by amendment of its Charter or through any other means, avoid or seek to avoid the observance or performance of any of the terms of this Agreement, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate in order to protect the rights of the Warranholder against impairment.

(d) Additional Documents. The Company, upon execution of this Agreement, shall provide the Warranholder with certified resolutions with respect to the representations, warranties and covenants set forth in Sections 9(a) through 9(d), 9(f) and 9(g). The Company shall also supply documentation reasonably necessary to evaluate whether to exercise (in cash or a net issuance basis) this Warrant, including without limitation, (i) any merger/purchase/asset sale agreement and related documents and estimated payout allocations to each of the respective stockholders, warrant and option holders in connection with a Merger Event, (ii) the most recent capitalization tables, 409A valuations (if any), and board determination of share value (including any waterfall or per share allocations provided to the share/unitholders), and (iii) most recent articles of incorporation or organization (as applicable).

(e) Attorney's Fees. In any litigation, arbitration or court proceeding between the Company and the Warranholder relating hereto, the prevailing party shall be entitled to reasonable attorneys' fees and expenses and all costs of proceedings incurred in enforcing this Agreement. For the purposes of this Section 12(e), attorneys' fees shall include without limitation fees reasonably incurred in connection with the following: (1) contempt proceedings; (ii) discovery; (iii) any motion, proceeding or other activity of any kind in connection with an insolvency proceeding; (iv) garnishment, levy, and debtor and third party examinations; and (v) post-judgment motions and proceedings of any kind, including without limitation any activity taken to collect or enforce any judgment.

(f) Severability. In the event any one or more of the provisions of this Agreement shall for any reason be held invalid, illegal or unenforceable, the remaining provisions of this Agreement shall be unimpaired, and the invalid, illegal or unenforceable provision shall be replaced by a mutually acceptable valid, legal and enforceable provision, which comes closest to the intention of the parties underlying the invalid, illegal or unenforceable provision.

(g) Notices. Except as otherwise provided herein, any notice, demand, request, consent, approval, declaration, service of process or other communication that is required, contemplated, or permitted under this Agreement or with respect to the subject matter hereof shall be in writing, and shall be deemed to have been validly served, given, delivered, and received upon the earlier of: (i) the day of transmission by facsimile or hand delivery if transmission or delivery occurs on a business day at or before 5:00 pm in the time zone of the recipient, or, if transmission or delivery occurs on a non-business day or after such time, the first business day thereafter or the first business day after deposit with an overnight express service or overnight mail delivery service; or (ii) the third calendar day after deposit in the United States mails, with proper first class postage prepaid, and shall be addressed to the party to be notified as follows:

If to Warranholder:

STEWARD CAPITAL HOLDINGS, LP
Attention: Donald P. Johns, CFO
3900 S. Overland Avenue
Springfield, MO 65807
Facsimile: 417-831-9998
Telephone: 417-520-2707

If to the Company:

CORINDUS VASCULAR ROBOTICS, INC.
Attention: David Long, Chief Financial Officer
309 Waverly Oaks Rd., Suite 105
Waltham, MA 02452
Facsimile: 805-653-3355
Telephone: 508-653-3335, Ext. 228

or to such other address as each party may designate for itself by like notice.

(h) Amendment and Restatement of Prior Warrant; Entire Agreement; Amendments. This Agreement amends and restates in its entirety the Prior Warrant. This Agreement constitute the entire agreement and understanding of the parties hereto in respect of the subject matter hereof, and supersede and replace in their entirety any prior proposals, term sheets, letters, negotiations or other documents or agreements, whether written or oral, with respect to the subject matter hereof. None of the terms of this Agreement may be amended except by an instrument executed by each of the parties hereto.

(i) Headings. The various headings in this Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Agreement or any provisions hereof.

(j) No Strict Construction. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

(k) No Waiver. No omission or delay by Warrantholder at any time to enforce any right or remedy reserved to it, or to require performance of any of the terms, covenants or provisions hereof by the Company at any time designated, shall be a waiver of any such right or remedy to which Warrantholder is entitled, nor shall it in any way affect the right of Warrantholder to enforce such provisions thereafter.

(l) Survival. All agreements, representations and warranties contained in this Agreement or in any document delivered pursuant hereto shall be for the benefit of Warrantholder and shall survive the execution and delivery of this Agreement and the expiration or other termination of this Agreement.

(m) Governing Law. This Agreement has been negotiated and delivered to Warrantholder in the State of Missouri, and shall have been accepted by Warrantholder in the State of Missouri. Delivery of Common Stock to Warrantholder by the Company under this Agreement is due in the State of Missouri. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Missouri, excluding conflict of laws principles that would cause the application of laws of any other jurisdiction.

(n) Consent to Jurisdiction and Venue. All judicial proceedings arising in or under or related to this Agreement may be brought in any state or federal court of competent jurisdiction located in the State of Missouri. By execution and delivery of this Agreement, each party hereto generally and unconditionally: (a) consents to personal jurisdiction in the State of Delaware; (b) waives any objection as to jurisdiction or venue in the State of Delaware; (c) agrees not to assert any defense based on lack of jurisdiction or venue in the aforesaid courts; and (d) irrevocably agrees to be bound by any judgment rendered thereby in connection with this Agreement. Service of process on any party hereto in any action arising out of or relating to this Agreement shall be effective if given in accordance with the requirements for notice set forth in Section 12(g), and shall be deemed effective and received as set forth in Section 12(g). Nothing herein shall affect the right to serve process in any other manner permitted by law or shall limit the right of either party to bring proceedings in the courts of any other jurisdiction.

(o) Mutual Waiver of Jury Trial. Because disputes arising in connection with complex financial transactions are most quickly and economically resolved by an experienced and expert person and the parties wish applicable state and federal laws to apply (rather than arbitration rules), the parties desire that their disputes be resolved by a judge applying such applicable laws. EACH OF THE COMPANY AND WARRANTHOLDER SPECIFICALLY WAIVES ANY RIGHT IT MAY HAVE TO TRIAL BY JURY OF ANY CAUSE OF ACTION, CLAIM, CROSS-CLAIM, COUNTERCLAIM, THIRD PARTY CLAIM OR ANY OTHER CLAIM WITH RESPECT TO THIS AGREEMENT (COLLECTIVELY, "CLAIMS") ASSERTED BY THE COMPANY AGAINST WARRANTHOLDER OR ITS ASSIGNEE OR BY WARRANTHOLDER OR ITS ASSIGNEE AGAINST THE COMPANY. This waiver extends to all such Claims, including Claims that involve Persons other than Company and Warrantholder; Claims that arise out of or are in any way connected to the relationship between the Company and Warrantholder; and any Claims for damages, breach of contract, specific performance, or any equitable or legal relief of any kind, arising out of this Agreement.

(p) Prejudgment Relief. In the event Claims are to be resolved by arbitration, either party may seek from a court of competent jurisdiction identified in Section 12(n), any prejudgment order, writ or other relief and have such prejudgment order, writ or other relief enforced to the fullest extent permitted by law notwithstanding that all Claims are otherwise subject to resolution by judicial reference.

(q) Counterparts. This Agreement and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts, and by different parties hereto in separate counterparts, each of which when so delivered shall be deemed an original, but all of which counterparts shall constitute but one and the same instrument.

(r) Loan Agreement. This Agreement is the "Warrant" issued pursuant to the Loan Agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by its officers thereunto duly authorized as of the Effective Date.

COMPANY:

CORINDUS VASCULAR ROBOTICS, INC.

By: /s/ David M. Handler
Name: David M. Handler
Title: Chief Executive Officer

WARRANTHOLDER:

STEWARD CAPITAL HOLDINGS, LP

By: /s/ Donald P. Johns
Name: Donald P. Johns
Title: Vice President/CFO

EXHIBIT I

NOTICE OF EXERCISE

To: CORINDUS VASCULAR ROBOTICS, INC.

- (1) The undersigned Warranholder hereby elects to purchase [] shares of the Common Stock of Corindus Vascular Robotics, Inc., pursuant to the terms of the Agreement dated the [__] day of June, 2014 (the “Agreement”) between Corindus Vascular Robotics, Inc. and the Warranholder, and [CASH PAYMENT; tenders herewith payment of the Purchase Price in full, together with all applicable transfer taxes, if any.] [NET ISSUANCE: elects pursuant to Section 3(a) of the Agreement to effect a Net Issuance.]
- (2) Please issue a certificate or certificates representing said shares of Common Stock in the name of the undersigned or in such other name as is specified below.
- (3) The undersigned Warranholder hereby represents that it is acquiring such shares for its own account, for investment purposes only, and not with a view to, or for sale in connection with, any distribution of any part thereof. The undersigned further represents and confirms that the representations and warranties of the Warranholder set forth in Section 10 of the attached Agreement are true and correct as of the date hereof.

(Name)

(Address)

WARRANHOLDER:

EXHIBIT II

ACKNOWLEDGMENT OF EXERCISE

The undersigned officer of Corindus Vascular Robotics, Inc. hereby acknowledges receipt of the "Notice of Exercise" from [Warranholder] to purchase [_____] shares of the Common Stock of Corindus Vascular Robotics, Inc., pursuant to the terms of the Agreement, and further acknowledges that [_____] shares remain subject to purchase under the terms of the Agreement.

COMPANY:

CORINDUS VASCULAR ROBOTICS, INC.

By: _____
Name: _____
Title: _____

EXHIBIT III
TRANSFER NOTICE

(To transfer or assign the foregoing Agreement execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Agreement and all rights evidenced thereby are hereby transferred and assigned to

(Please Print)

whose address is _____

Dated: _____

Holder's Signature: _____

Holders Address: _____

Signature Guaranteed: _____

NOTE: The signature to this Transfer Notice must correspond with the name as it appears on the face of the Agreement, without alteration or enlargement or any change whatever. Officers of corporations and those acting in a fiduciary or other representative capacity should file proper evidence of authority to assign the foregoing Agreement.

SCHEDULE I
OPTIONS AND WARRANTS

- 20 -

SCHEDULE II

LOANS

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SCHEDULE III
REGISTRATION RIGHTS

- 22 -

Warrant

To: NARKIS GRYP Ltd. (the “**Holder**”)

Date: August 12, 2014

WARRANT

to Purchase Common Stock

(“**Common Stock**”)

of **Corindus Vascular Robotics, Inc.**

Subject to the terms and conditions set forth below

VOID AFTER 24:00 p.m. Eastern Time

On the last day of the Warrant Period (defined below).

(issued in replacement of the Warrant issued October 11, 2010)

WHEREAS, Corindus, Inc., (the “**Predecessor Company**”) issued to the Holder that certain Warrant to Purchase Series A Preferred Stock, dated October 11, 2010 (the “**Prior Warrant**”);

WHEREAS, the Predecessor Company and Corindus Vascular Robotics, Inc. (the “**Company**”) entered into a Securities Exchange and Acquisition Agreement dated August 5, 2014 whereby the Company agreed to acquire 100% of the issued and outstanding shares of common stock and preferred stock of the Predecessor Company and rights to acquire shares of common stock and preferred stock of the Predecessor Company, including the Prior Warrant, through an acquisition in exchange for the issuance of shares and rights to acquire shares of the Company’s Common Stock; and

WHEREAS, the Company and the Holder desire to amend and restate the Prior Warrant as set forth in this Warrant to reflect the right to purchase shares of Common Stock of the Company.

NOW, THEREFORE, the parties hereby agree as follows:

This is to certify that the Holder is entitled to purchase, subject to the provisions of this Warrant, from the Company, at any time from the date hereof, and terminating upon May 31, 2017 (the “**Warrant Period**”), up to 124,160 fully paid and non-assessable shares of Common Stock, par value of \$0.0001 per share (the “**Warrant Shares**” or “**Shares**”) of the Company at an exercise price of USD\$0.7648 per Warrant Share, all subject to adjustments for anti-dilution, sub-division, split, combination or recapitalization, pursuant to the Certificate of Incorporation of the Company, as amended from time to time (the “**Exercise Price**”, and “**Certificate**”, respectively). This Warrant is issued in substitution of and replacement for the Prior Warrant.

1. Exercise of Warrant

- 1.1** **Exercise**. Subject to the provisions hereof, this Warrant may be exercised, in whole or in part, on one or more occasions at any time during the Warrant Period. Notice of exercise of this Warrant (i) in connection with an IPO (as defined below), may be made conditional upon closing of such public offering, (ii) in connection with a Sale (as defined below), may be made conditional upon closing of such Sale, (iii) in connection with a Merger (as defined below), may be made conditional upon closing of such Merger, and (iv) in connection with a Distribution (as defined below), may be made conditional upon completion of such Distribution.

The term “ **IPO** ” means an initial public offering of the shares of the Company.

The term “ **Sale** ” means the sale of all or substantially all of the assets of the Company.

The term “ **Merger** ” means a merger in which the shareholders of the Company, immediately after the merger, do not own a majority of the outstanding shares of the surviving corporation.

The term “ **Distribution** ” means distribution of cash dividend.

- 1.2** **Exercise for Cash**. This Warrant shall be exercised by presentation and surrender hereof at the principal office of the Company, accompanied by (i) a written notice of exercise, and (ii) payment to the Company, for the account of the Company, of the Exercise Price for the number of Warrant Shares specified in such notice. The Exercise Price for the number of Warrant Shares specified in the notice shall be available in good funds, in U.S. dollars.

- 1.3** **Exercise on Net Issuance Basis**. In lieu of cash payment to the Company as set forth in Section 1.2 above, the Holder may convert this Warrant (“ **Conversion Right** ”) in whole or in part into the number of shares of Common Stock of the Company each calculated pursuant to the following formula, by surrendering this Warrant to the Company at the principal office of the Company, accompanied by a written notice of exercise, specifying the number of shares of Common Stock into which the Holder desires to convert this Warrant (namely, the number of shares of Common Stock obtainable upon conversion of the Warrant Shares to which the Holder is entitled upon exercise of this Warrant):

$$X = \frac{Y(A - B)}{A}$$

wherein –

X equals the number of shares of Common Stock to be issued to the Holder;

Y equals the number of shares of Common Stock obtainable upon conversion of the Warrant Shares to which the Holder is entitled upon exercise of this Warrant (as adjusted to the date of such calculation, but excluding those shares already issued under this Warrant);

B equals the Exercise Price in effect at the time of exercise pursuant to this formula; and

A equals the fair market value of one share of Common Stock of the Company.

Fair market value shall be determined as follows:

With reference to the exercise of this Warrant, in whole or in part, in connection with the IPO, fair market value shall mean the price to the public in the IPO of one share of Common Stock, less the underwriter's commission;

With reference to the exercise of this Warrant, in whole or in part, in connection with a Sale or a Merger, the fair market value of a share of Common Stock shall be as calculated by the auditors of the Company, based on the total consideration to be received by the Company (for its stock or assets, as the case may be), taking into account the number of shares calculated on a fully diluted basis (including the Warrant Shares to be issued pursuant to this Warrant), and taking into account the rights attached to the Warrant Shares pursuant to the Certificate.

If the Common Stock of the Company is traded on a securities exchange or through the Nasdaq National Market, the fair market value shall be deemed to be the average of the closing prices of the securities on such quotation system over the thirty (30) day period ending three (3) days prior to the date of the exercise notice.

If there is no active public market, the fair market value shall be as determined by an independent public accountant retained by the Holder in consultation with the Board of Directors of the Company.

- 1.4** **Partial Exercise, Etc.** If this Warrant should be 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 shares purchasable hereunder.
- 1.5** **Issuance of the Warrant Shares.** Upon presentation and surrender of the notice of exercise accompanied by the payment of the Exercise Price (if applicable) pursuant to Section 1.2 or Section 1.3, the Company shall issue promptly to the Holder the shares to which the Holder is entitled thereto, duly authorized, validly issued, fully paid, non-assessable and free and clear of all liens, pledges, security interests, charges, encumbrances, equities or claims and not subject to any preemptive rights and/or restrictions on sale or transfer. Upon receipt by the Company of the notice of exercise (and the Exercise Price, if applicable), the Holder shall be deemed to be the Holder of the shares issuable upon such exercise, notwithstanding that the share transfer books of the Company shall then be closed and that certificates representing such shares shall not then be actually delivered to the Holder. The Company shall pay all taxes (including stamp duty) and other charges that may be payable in connection with the issuance of this Warrant and with the issuance of the Warrant Shares and the preparation and delivery of share certificates pursuant to this Section 1 in the name of the Holder, but shall not pay any taxes payable by the Holder by virtue of the holding, issuance, exercise or sale of this Warrant by the Holder.

No fractions of Shares shall be issued in connection with the exercise of this Warrant, and the number of Shares issued shall be rounded down to the nearest whole number.

2. Reservation of Shares: Preservation of Rights of Holder

The Company hereby agrees that at all times it will maintain and reserve, free from preemptive rights, such number of authorized but unissued Warrant Shares so that this Warrant may be exercised without additional authorization of Warrant Shares after giving effect to all other options, warrants, convertible securities and other rights to acquire shares of the Company. The Company further agrees that it will not, by amendment of its Certificate or through reorganization, consolidation, merger, dissolution or sale of assets, or by any other voluntary act, avoid or seek to avoid the observance or performance of any of the covenants, stipulations or conditions to be observed or performed buyer by the Company, or the provisions contained in the Certificate relating to the rights of the holders of the Warrant Shares.

3. Adjustment

The number of 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 provided in this Section 3 if any of the mentioned below occurs prior to the end of the Warrant Period:

- 3.1 Rights Offer** : If the Company's stockholders are offered any securities whatsoever by a rights issue, neither the Exercise Price nor the quantity of Warrant Shares will be adjusted, provided that the Company shall offer identical rights on the same terms and conditions to the Holder, as if the Holder had exercised this Warrant in full immediately prior to the date of conferring the right to participate in the rights issue.
- 3.2 Consolidation and Division** : If the Company consolidates any securities as to which purchase rights exist under this Warrant into shares of greater nominal value, or subdivides them into shares of lesser nominal value, the number of Warrant Shares to be allotted on exercise of this Warrant after such consolidation or subdivision will be reduced or increased, as the case may be, such increase or decrease, as the case may be, to become effective immediately after the opening of business on the day following the day upon which such subdivision or consolidation becomes effective, and in each case the Exercise Price shall be adjusted appropriately. The Holder will not be entitled to receive a fraction of a Warrant Share.
- 3.3 Bonus Shares** : In the event of a distribution of bonus shares, this Warrant shall represent the right to acquire, in addition to the number of Warrant Shares indicated in the caption of this Warrant, and without payment of any additional consideration therefor, the amount of such bonus shares to which the Holder hereof would have been entitled had this Warrant been exercised prior to the distribution of the bonus shares.

3.4

Merger or Reorganization etc : If at any time while this Warrant, or any portion thereof, is outstanding and unexpired there shall be (i) a reorganization (other than a consolidation, reclassification, exchange or subdivision of shares otherwise provided for herein), (ii) a merger or consolidation of the Company with or into another corporation in which the Company is not the surviving entity, or a merger in which the Company is the surviving entity but the issued and outstanding share capital of the Company's immediately prior to the merger are converted by virtue of the merger into the property, whether in the form of securities, cash, or otherwise, or (iii) a sale or transfer of the Company's properties and assets as, or substantially as, an entirety to any other person; then, as a part of such reorganization, merger, consolidation, sale or transfer, lawful provision shall be made so that the holder of this Warrant shall thereafter be entitled to receive upon exercise of this Warrant, during the period specified herein and upon payment of the Exercise Price then in effect (subject to Section 1.3), the number of shares or other securities or property of the successor corporation resulting from such reorganization, merger, consolidation, sale or transfer that a holder of the shares deliverable upon exercise of this Warrant would have been entitled to receive in such reorganization, consolidation, merger, sale or transfer if this Warrant had been exercised immediately before such reorganization, merger, consolidation, sale or transfer, all subject to further adjustment as provided in this Section. If the per-share consideration payable to the Holder hereof for shares in connection with any such transaction is in a form other than cash or marketable securities, then the value of such consideration shall be determined in good faith by the Company's auditors.

Upon the occurrence of any transaction referred to in Section 5 of the Amended and Restated Voting Agreement dated November 18, 2009 between the Predecessor Company and the various entities party thereto (the "**Voting Agreement**"), the Board of Directors of the Company may issue to the Holder hereof a 30 day written notice under which the Warrant shall expire if not exercised immediately prior to the closing of such transaction and subject to the consummation of said transaction. To avoid any doubt, shares acquired as a result of the exercise of the Warrant shall become part of the Sale of the Company (as defined in the Voting Agreement).

3.5

Cash Dividend : In the event of a Distribution, the Exercise Price would be reduced by the full amount of the cash dividend per share. If due to such a Distribution the Exercise Price is expected to be reduced to zero, the Holder shall be granted prior written notice, no less than fifteen (15) days prior to the Distribution, describing the terms of the Distribution. Notice of exercise of this Warrant in connection with the Distribution may be conditional upon actual completion of such Distribution to the shareholders as per the Company's notice, in which event the Holder shall not be deemed to have exercised the Warrant until immediately prior to the Distribution. The amount of the Distribution per share to Holder shall be equal to the amount of the cash dividend per share minus the Exercise Price (prior to the adjustment hereof).

3.6 **Exercise Price** : Upon any adjustment in the number of Warrant Shares purchasable hereunder, the Exercise Price shall be proportionately increased or decreased, as the case may be, in a manner that is the inverse of the manner in which the number of Warrant Shares purchasable hereunder shall be adjusted.

3.7 **Notices** : Whenever the number of Warrant Shares for which this Warrant is exercisable, is adjusted as provided in this Section 2, the Company shall promptly compute such adjustment and mail to the Holder at the last address provided to the Company in writing, a certificate signed by a principal financial officer of the Company, setting forth the number of Warrant Shares 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. Exchange or Loss 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 reasonably 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. Any such new Warrant executed and delivered shall constitute an additional contractual obligation on the part of the Company, whether or not the Warrant so lost, stolen, destroyed or mutilated, shall be at any time enforceable by anyone.

5. Share Swap

The Company undertakes not to enter into any share swap agreement or arrangement (such as a merger, reorganization, or sale of all, or substantially all, of the Company's shares) (" **Share Swap** "), unless the other Company to such a Share Swap agreement undertakes to allot to the Holder, upon, and subject to, the exercise of this Warrant, such securities as were swapped for the shares of the Company, as though the Holder had held the Warrant Shares on the record date of the Share Swap.

6. Rights of the Holder

6.1 Without limiting the foregoing or any remedies available to the Holder, the Holder will be entitled to specific performance of the obligations hereunder and injunctive relief against actual or threatened violations of the obligations of any person subject to this Warrant.

6.2 The Holder shall not, by virtue hereof, and except as provided herein, be entitled to any rights of a shareholder in the Company, until and to the extent the Warrant shall have been exercised as provided herein.

7. [Intentionally Deleted]

8. Transfer of Warrant

8.1 This Warrant may not be sold, transferred, assigned or hypothecated by the Holder.

8.2 The terms and provisions of this warrant shall inure to the benefit of, and be binding upon, the Company and the Holder hereof and their respective successors and assigns.

9. Representations and Warranties

The Company represents and warrants to the Holder as follows:

9.1 This Warrant has been duly authorized and executed by the Company and is a valid and binding obligation of the Company enforceable in accordance with its terms.

9.2 The execution and delivery of this Warrant are not, and the issuance of the Shares upon exercise of the Warrant in accordance with the terms hereof, will not be inconsistent with the Certificate, do not and will not contravene any law, governmental rule or regulation, judgment or order applicable to the Company and, except for the consents already obtained by the Company, do not and will not conflict with or contravene any provisions of, or constitute a default under, any indenture, mortgage, contract or other instrument to which the Company is a party or by which it is bound or require the consent or approval of, the giving the notice to, the registration with or taking of any action in respect of or by any governmental authority.

9.3 The Company covenants and agrees that all shares which may be issued upon the exercise of the Warrant evidenced hereby will be duly authorized, validly issued, fully paid and non-assessable (subject to payment of the Exercise Price thereof, if applicable). The Company shall at all times reserve and keep available for issuance upon the exercise of the Warrant, such number of its authorized but un-issued shares as will from time to time be sufficient to permit the exercise of all outstanding Warrants.

10. Termination

This Warrant and the rights conferred hereby shall terminate at the aforementioned time on the last day of the Warrant Period.

11. Governing Law

This Warrant shall be governed by, and interpreted in accordance with, the laws of the State of Delaware, without giving effect to the rules respecting conflict of law.

12. Notices

Unless otherwise provided, any notice required or permitted under this Warrant shall be given in writing, with a duplicate copy sent via email and shall be deemed effectively given upon personal delivery to the party to be notified or 7 (seven) days after deposit with a Post Office, for dispatch by registered or certified mail, postage prepaid and addressed to the Holder at the address set forth in the Company's books and to the Company at the address of its principal offices. With respect to Holders located outside Israel, such notice shall be deemed effectively given upon personal delivery to the party to be notified, 10 (ten) business days after deposit with a Post Office for dispatch by registered or certified airmail, or when given by telex, telecopier, facsimile or other form of rapid written communication, the day sent, provided that confirming copies are sent by such airmail.

13. Amendment and Restatement of Prior Warrant; Amendments

This Warrant amends and restates in its entirety the Prior Warrant. Any term of this Warrant may only be amended with the written consent of (i) the Company and (ii) the Holder.

DATED: August 12, 2014

Corindus Vascular Robotics, Inc.

By: /s/ David M. Handler
Name: David M. Handler
Title: Chief Executive Officer

DATED: August 12, 2014

NARKIS GRYP Ltd.

By: /s/ Dalia Prashkar
Name: Dalia Prashkar
Title: Owner

THIS WARRANT, THE SECURITIES ISSUABLE UPON THE EXERCISE HEREOF AND THE SECURITIES, IF ANY, ISSUABLE UPON THE CONVERSION OF SUCH SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF A REGISTRATION STATEMENT IN EFFECT WITH RESPECT TO SUCH SECURITIES, OR DELIVERY OF AN OPINION OF COUNSEL IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE COMPANY THAT SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION IS IN COMPLIANCE WITH THE ACT OR UNLESS SOLD IN FULL COMPLIANCE WITH RULE 144 UNDER THE ACT.

No. 2014-1

For the purchase of 4,728,191 shares of
Common Stock

WARRANT TO PURCHASE
COMMON STOCK
OF
CORINDUS VASCULAR ROBOTICS, INC.

WHEREAS, Corindus, Inc., (the "Predecessor Company") issued to Koninklijke Philips Electronics N.V. (the "Holder") that certain Warrant to Purchase Series D Preferred Stock, dated January 21, 2011 (the "Prior Warrant");

WHEREAS, the Predecessor Company and Corindus Vascular Robotics, Inc. (the "Company") entered into a Securities Exchange and Acquisition Agreement dated August 5, 2014 whereby the Company agreed to acquire 100% of the issued and outstanding shares of common stock and preferred stock of the Predecessor Company and rights to acquire shares of common stock and preferred stock of the Predecessor Company, including the Prior Warrant, through an acquisition in exchange for the issuance of shares and rights to acquire shares of the Company's Common Stock; and

WHEREAS, the Company and the Holder desire to amend and restate the Prior Warrant as set forth in this Warrant to reflect the right to purchase shares of Common Stock of the Company.

NOW, THEREFORE, the parties hereby agree as follows:

The Company, for value received, hereby certifies that the Holder is entitled, subject to the terms set forth below, to purchase from the Company, at any time or from time to time on or after the date hereof and prior to 5:00 p.m. Eastern Time on October 11, 2017, Four Million Seven Hundred Twenty-Eight Thousand One Hundred Ninety-One (4,728,191) shares of Common Stock, par value \$0.0001 per share, of the Company (the "Common Stock"), at a purchase price per share equal to the Purchase Price (as defined below), as adjusted upon the occurrence of certain events as set forth in Section 2 of this Warrant. This Warrant is issued in substitution of and replacement for the Prior Warrant.

" Purchase Price " shall mean \$1.06 per share.

" Warrant Stock " shall mean the shares of stock issuable upon exercise of this Warrant.

1. **Exercise.**

1.1 **Manner of Exercise; Payment in Cash.** This Warrant may be exercised by the Holder, in whole or in part, by surrendering this Warrant, with the purchase form appended hereto as Exhibit A (the "**Purchase Form**") duly executed by the Holder, at the principal office of the Company, or at such other place as the Company may designate, accompanied by payment in full of the Purchase Price payable in respect of the number of shares of Warrant Stock purchased upon such exercise. Payment of the Purchase Price shall be in cash, by certified or official bank check payable to the order of the Company or by wire transfer of immediately available funds.

1.2 **Effectiveness.** Each exercise of this Warrant shall be deemed to have been effected immediately prior to the close of business on the day on which this Warrant shall have been surrendered to the Company as provided in Section 1.1 above; provided that any exercise of this Warrant on the day of the closing of the sale of shares of Common Stock in a firm commitment underwritten public offering pursuant to an effective registration statement under the Securities Act (the "**IPO**"), shall be deemed to have been effected immediately prior to such closing and conversion. At such time, the person or persons in whose name or names any certificates for Warrant Stock shall be issuable upon such exercise as provided in Section 1.3 below shall be deemed to have become the holder or holders of record of the Warrant Stock represented by such certificates.

1.3 **Delivery of Certificates.** As soon as practicable after the exercise of this Warrant in full or in part, and in any event within ten (10) days thereafter, the Company at its sole expense will cause to be issued in the name of, and delivered to, the Holder, or, subject to the terms and conditions hereof, as such Holder (upon payment by such Holder of any applicable transfer taxes) may direct:

(a) A certificate or certificates for the number of full shares of Warrant Stock to which such Holder shall be entitled upon such exercise plus, in lieu of any fractional share to which such Holder would otherwise be entitled, cash in an amount determined pursuant to Section 1.4 hereof, and

(b) In case such exercise is in part only, a new warrant or warrants (dated the date hereof) of like tenor, calling in the aggregate on the face or faces thereof for the number of shares of Warrant Stock (without giving effect to any adjustment therein) equal to the number of such shares called for on the face of this Warrant minus the number of such shares purchased by the Holder upon such exercise as provided in Section 1.1 above.

1.4 **Fractional Shares.** The Company shall not be required upon the exercise of this Warrant to issue any fractional shares, but shall make an adjustment therefor in cash on the basis of the fair market value of the Warrant Stock reasonably determined by the Board of Directors of the Company (and, in the case of a conversion of this Warrant, in accordance with Section 1.5(c)).

1.5 Right to Convert Warrant into Stock: Net Issuance

(a) Right to Convert. In addition to and without limiting the rights of the Holder under the terms of this Warrant, the Holder shall have the right to convert this Warrant or any portion thereof (the “**Conversion Right**”) into shares of Warrant Stock as provided in this Section 1.5 at any time or from time to time during the term of this Warrant. Upon exercise of the Conversion Right with respect to a particular number of shares subject to this Warrant (the “**Converted Warrant Shares**”), the Company shall deliver to the Holder (without payment by the Holder of any Purchase Price or any cash or other consideration) that number of shares of fully paid and nonassessable Warrant Stock determined according to the following formula:

$$X = \frac{Y(A-B)}{A}$$

Where: X = the number of shares of Warrant Stock that shall be issued to the Holder;

Y = the number of shares of Warrant Stock for which this Warrant is being exercised (which shall include both the number of shares of Warrant Stock issued to the Holder and the number of shares of Warrant Stock subject to the portion of the Warrant being cancelled in payment of the Purchase Price);

A = the fair market value (as defined below) of one share of Warrant Stock; and

B = the Purchase Price then in effect.

No fractional shares shall be issuable upon exercise of the Conversion Right, and, if the number of shares to be issued determined in accordance with the foregoing formula is other than a whole number, the Company shall pay to the Holder an amount in cash equal to the fair market value of the resulting fractional share of the Conversation Date (as herein defined).

(b) Method of Exercise. The Conversion Right may be exercised by the Holder by the surrender of this Warrant at the principal office of the Company together with the Purchase Form duly completed and executed and indicating the number of shares subject to this Warrant which are being surrendered (referred to in Section 1.5(a) hereof as the Converted Warrant Shares) in exercise of the Conversion Right. Such conversion shall be effective upon receipt by the Company of this Warrant together with the aforesaid written statement, or on such later date as is specified therein (the “**Conversion Date**”). Certificates for the shares issuable upon exercise of the Conversion Right and, if applicable, a new Warrant evidencing the balance of the shares remaining subject to this Warrant, shall be issued as of the Conversion Date and shall be delivered to the Holder within ten (10) days following the Conversion Date.

(c) Determination of Fair Market Value. For purposes of this Section 1.5, "fair market value" of a share of Warrant Stock as of a particular date (the "Determination Date") shall mean:

(A) In the event of the closing of the IPO, then the fair market value per share of Warrant Stock shall be equal to the fair market value of the Company's Common Stock on the Determination Date. For purposes of making this calculation, the fair market value of the Company's Common Stock shall be determined as follows:

(1) If the Company's Common Stock is traded on an exchange, then the average closing price per share of Common Stock for the ten (10) trading day period immediately prior to the Determination Date;

(2) If the Company's Common Stock is not traded on an exchange, then the average of the last bid and asked prices per share of Common Stock for the twenty (20) trading day period immediately prior to the Determination Date; or

(3) If the Determination Date is the date of the closing of the IPO, then the initial public offering price (before deducting commissions, discounts or expenses) at which the Common Stock is sold in the IPO;

(4) In the event that the Determination Date is the date of a liquidation, dissolution or winding up, or any event deemed to be a liquidation, dissolution or winding up with respect to the Warrant Stock under the Company's Certificate of Incorporation (as amended from time to time), then the fair market value per share of the Warrant Stock shall be determined by aggregating all amounts to be payable per share to holders of the Warrant Stock in the event of such liquidation, dissolution or winding up, plus all other amounts to be payable per share in respect of the Warrant Stock in liquidation, assuming for the purposes of this subsection that all of the shares of Warrant Stock issuable upon exercise of all of the Warrants are outstanding at the Determination Date; or

(5) In all other cases, the fair market value per share of the Warrant Stock shall be determined in good faith by the Company's Board of Directors upon review of relevant factors.

1.6 Automatic Exercise. Immediately before the expiration of this Warrant, to the extent this Warrant is not previously exercised, and if the fair market value of one share of the Common Stock subject to this Warrant is greater than the Purchase Price then in effect as adjusted pursuant to this Warrant, then this Warrant shall be deemed automatically exercised and converted pursuant to Section 1.5 above, even if not surrendered.

2. Certain Adjustments. The Purchase Price and the number of shares of Warrant Stock deliverable upon exercise of the Warrant shall be subject to adjustment from time to time as follows:

2.1 Split, Subdivision or Combination of Shares. If the Company at any time while this Warrant, or any portion hereof, remains outstanding and unexpired shall split, subdivide or combine the securities as to which purchase rights under this Warrant exist, the number of shares of Warrant Stock issuable on exercise of this Warrant shall be (i) proportionately increased and the Purchase Price proportionately decreased in the case of a split or subdivision and (ii) proportionately decreased and the Purchase Price proportionately increased in the case of a combination.

2.2 Reclassification. If the Company, at any time while this Warrant, or any portion hereof, remains outstanding and unexpired, by reclassification or otherwise, shall change any of the securities as to which purchase rights under this Warrant exist into the same or a different number of securities of any other class or classes, this Warrant shall thereafter represent the right to acquire such number and kind of securities as would have been issuable as the result of such change with respect to the securities that were subject to the purchase rights under this Warrant immediately prior to such reclassification or other change.

2.3 Dividends or Other Distributions. If while this Warrant, or any portion hereof, remains outstanding and unexpired, the holders of the securities as to which purchase rights under this Warrant exist at the time shall have received, or, on or after the record date fixed for the determination of eligible stockholders, shall have become entitled to receive, without payment therefor, other or additional stock or other securities or property (other than cash) of the Company by way of dividend, then and in each case, this Warrant shall represent the right to acquire, in addition to the number of shares of the security receivable upon exercise of this Warrant, and without payment of any additional consideration therefor, the amount of such other or additional stock or other securities or property (other than cash) of the Company that such holder would hold on the date of such exercise had it been the holder of record of the security receivable upon exercise of this Warrant on the date hereof and had thereafter, during the period from the date hereof to and including the date of such event, retained such shares and/or all other additional stock available by it as aforesaid during such period.

2.4 Merger, Consolidation or Sale of Assets. If there shall be a merger or consolidation of the Company with or into another corporation (other than a merger or reorganization involving only a change in the state of incorporation of the Company or the acquisition by the Company of other businesses where the Company survives as a going concern), or the sale of all or substantially all of the Company's capital stock or assets to any other person or entity, then as a part of such transaction, provision shall be made so that the Holder shall thereafter be entitled to receive the number of shares of stock or other securities or property of the Company, or of the successor corporation resulting from the merger, consolidation or sale, to which the Holder would have been entitled if the Holder had exercised its rights pursuant to this Warrant immediately prior thereto. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 2 to the end that the provisions of this Section 2 shall be applicable after that event in as nearly equivalent a manner as may be practicable.

2.5 Certificate of Adjustment. When any adjustment is required to be made in the Purchase Price, the Company shall promptly, but in any event not later than fifteen (15) days thereafter, mail to the Holder a certificate setting forth the Purchase Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment. Such certificate shall also set forth the kind and amount of stock or other securities or property into which this Warrant shall be exercisable following the occurrence of any of the events specified in this Section 2. The Company shall, as promptly as reasonably practicable after the written request at any time of the Holder (but in any event not later than fifteen (15) days thereafter), furnish or cause to be furnished to the Holder a certificate setting forth (i) the Purchase Price then in effect and (ii) the number of shares of Warrant Stock and the amount, if any, of other securities, cash or property which then would be received upon the exercise of this Warrant.

3. Stock Fully Paid; Reservation of Stock; Listing. All shares of Common Stock issuable that may be issued upon the exercise of the rights represented by this Warrant will, upon issuance, be fully paid and nonassessable, and free from all taxes, liens and charges with respect to the issue thereof. The Company agrees that the Company will at all times have authorized and in reserve, and will keep available, solely for issuance or delivery upon the exercise of this Warrant, the shares of the Common Stock and other securities and properties as from time to time shall be receivable upon the exercise of this Warrant, free and clear of all restrictions on sale or transfer and free and clear of all preemptive rights and rights of first refusal in each case other than those created or consented to by the Holder.

4. Exchange or Replacement of Warrants. Upon the surrender by the Holder, properly endorsed, to the Company at the principal office of the Company, the Company will issue and deliver to or upon the order of the Holder, at the Company's expense, a new Warrant or Warrants of like tenor, in the name of the Holder or as the Holder may direct, calling in the aggregate on the face or faces thereof for the number of shares of Warrant Stock (or other securities, cash and/or property) then issuable upon exercise of this Warrant. Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and (in the case of loss, theft or destruction) upon delivery of an indemnity agreement in an amount reasonably satisfactory to the Company, or (in the case of mutilation) upon surrender and cancellation of this Warrant, the Company will issue, in lieu thereof, a new Warrant of like tenor.

5. No Impairment. The Company will not, by amendment of its charter 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 of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the Holder against impairment.

6. Notices of Record Date, etc. In the event:

(a) the Company shall take a record of the holders of its Common Stock (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 to receive any right to subscribe for or purchase any shares of stock of any class or any other securities, or to receive any other right; or

(b) of any capital reorganization of the Company, any reclassification of the Common Stock (or other stock or securities at the time deliverable upon the exercise of this Warrant), any consolidation or merger of the Company with or into another corporation, or any transfer of all or substantially all of the assets of the Company; or

(c) of the voluntary or involuntary dissolution, liquidation or winding-up of the Company,

then, and in each such case, the Company will send or cause to be sent to the Holder a notice specifying, as the case may be, (i) the record date for such dividend, distribution or right, and the amount and character of such dividend, distribution or right, or (ii) the effective date on which such reorganization, reclassification, consolidation, merger, transfer, 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 Common Stock (or such other stock or securities at the time deliverable upon the exercise of this Warrant) shall be entitled to exchange their shares of Common Stock (or such other stock or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up. Such notice shall be sent at least ten (10) days prior to the record date or effective date for the event specified in such notice.

7. No Rights as Stockholder. Until the exercise of this Warrant, the Holder shall not have or exercise any rights by virtue hereof as a stockholder of the Company. Notwithstanding the foregoing, in the event (i) the Company effects a split of the Warrant Stock by means of a stock dividend and the Purchase Price of and the number of shares of Warrant Stock are adjusted as of the date of the distribution of the dividend (rather than as of the record date for such dividend), and (ii) the Holder exercises this Warrant between the record date and the distribution date for such stock dividend, the Holder shall be entitled to receive, on the distribution date, the stock dividend with respect to the shares of Warrant Stock acquired upon such exercise, notwithstanding the fact that such shares were not outstanding as of the close of business on the record date for such stock dividend.

8. Notices. All notices, requests and other communications hereunder shall be in writing, shall be either (i) delivered by hand, (ii) made by telecopy or facsimile transmission, (iii) sent by overnight courier, or (iv) sent by registered mail, postage prepaid, return receipt requested. In the case of notices from the Company to the Holder, they shall be sent to the address furnished to the Company in writing by the last Holder who shall have furnished an address to the Company in writing. All notices from the Holder to the Company shall be delivered to the Company at its principal office, the address of which is CORINDUS VASCULAR ROBOTICS, INC., 309 Waverley Oaks Road, Waltham, MA 02452 , Attn: President, Facsimile No.: (508) 653-3355, or such other address as the Company shall so notify the Holder, with a copy to McDermott Will & Emery LLP, 28 State Street, Boston, MA 02109, Facsimile No.: 617-321-4697, Attention: Richard B. Smith. If the Company should at any time change the location of its principal office to a place other than as set forth above, it shall give prompt written notice to the Holder and thereafter all references in this Warrant to the location of its principal office at the particular time shall be as so specified in such notice. All notices, requests and other communications hereunder shall be deemed to have been given (i) by hand, at the time of the delivery thereof to the receiving party at the address of such party described above, (ii) if made by telecopy or facsimile transmission, at the time that receipt thereof has been acknowledged by electronic confirmation or otherwise, (iii) if sent by overnight courier, on the next business day following the day such notices is delivered to the courier service, or (iv) if sent by registered mail, on the fifth business day following the day such mailing is made.

9. Amendment and Restate of Prior Warrant; Waivers and Modifications. This Warrant amends and restates in its entirety the Prior Warrant. Any term or provision of this Warrant may be waived only by written document executed by the party entitled to the benefits of such terms or provisions. The terms and provisions of this Warrant may be modified or amended only by written agreement executed by the parties hereto.

10. Headings. The headings in this Warrant are for convenience of reference only and shall in no way modify or affect the meaning or construction of any of the terms or provisions of this Warrant.

11. Governing Law. This Warrant will be governed by and construed in accordance with and governed by the laws of the State of Delaware, without giving effect to the conflict of law principles thereof.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have caused this Warrant to Purchase Common Stock to be duly executed as of August 12, 2014.

COMPANY:

CORINDUS VASCULAR ROBOTICS, INC.

By: /s/ David M. Handler

Name: David M. Handler

Title: President and CEO

HOLDER:

KONINKLIJKE PHILIPS ELECTRONICS N.V.

By: /s/ Michiel Thierry

Name: Michiel Thierry

Title: Senior Vice President Group Legal

EXHIBIT A

PURCHASE FORM

To: _____

The undersigned pursuant to the provisions set forth in the attached Warrant (No. D2014-1), hereby irrevocably elects to (check one):

- (A) purchase ____ shares of the Common Stock, par value \$0.0001 per share, of CORINDUS VASCULAR ROBOTICS, INC. (the " **Common Stock** "), covered by such Warrant and herewith makes payment of \$ _____, representing the full purchase price for such shares at the price per share provided for in such Warrant;
- (B) convert ____ Converted Warrant Shares into that number of shares of fully paid and nonassessable shares of Common Stock, determined pursuant to the provisions of Section 1.5 of the Warrant; or
- (C) purchase the maximum number of shares of Warrant Stock covered by such Warrant by converting the appropriate number of Converted Warrant Shares pursuant to the provisions of Section 1.5 of the Warrant.

The Common Stock for which the Warrant may be exercised or converted shall be known herein as the "Warrant Stock."

The undersigned is aware that the Warrant Stock has not been and will not be registered under the Securities Act of 1933, as amended (the " **Securities Act** ") or any state securities laws. The undersigned understands that reliance by the Company on exemptions under the Securities Act is predicated in part upon the truth and accuracy of the statements of the undersigned in this Purchase Form.

The undersigned represents and warrants that (1) it has been furnished with all information which it deems necessary to evaluate the merits and risks of the purchase of the Warrant Stock, (2) it has had the opportunity to ask questions concerning the Warrant Stock and the Company and all questions posed have been answered to its satisfaction, (3) it has been given the opportunity to obtain any additional information it deems necessary to verify the accuracy of any information obtained concerning the Warrant Stock and the Company and (4) it has such knowledge and experience in financial and business matters that it is able to evaluate the merits and risks of purchasing the Warrant Stock and to make an informed investment decision relating thereto.

The undersigned hereby represents and warrant that it is purchasing the Warrant Stock for its own account for investment and not with a view to the sale or distribution of all or any part of the Warrant Stock.

The undersigned understands that because the Warrant Stock has not been registered under the Securities Act, it must continue to bear the economic risk of the investment for an indefinite period of time and the Warrant Stock cannot be sold unless it is subsequently registered under applicable federal and state securities laws or an exemption from such registration is available.

The undersigned has considered the federal and state income tax implications of the exercise of the Warrant and the purchase and subsequent sale of the Warrant Stock.

Dated: _____

SPIN-OUT AGREEMENT

THIS SPIN-OUT AGREEMENT (this “*Agreement*”) is entered into as of August 12, 2014 by and between Lisa Grossman, an individual (the “*Buyer*”), and Your Internet Defender Inc., a Nevada corporation (the “*Seller*”).

RECITALS

WHEREAS, Seller is an online information management company engaged in the business of providing specialized services and solutions in the areas of online reputation management and organic search engine optimization (the “*Business*”).

WHEREAS, Seller entered into that certain Securities Exchange and Acquisition Agreement (the “*Securities Exchange Agreement*”), dated as of August 5, 2014, between Seller and Corindus, Inc., a Delaware corporation (“*Corindus*”), pursuant to which Seller acquired 100% of the outstanding capital stock of Corindus and Corindus Security Corporation (the “*Corindus Shares*”).

WHEREAS, the execution and delivery of this Agreement is required in connection with the Securities Exchange Agreement, and the consummation of the assignment, assumption, purchase and sale transaction contemplated by this Agreement is also a condition to the completion of the transactions contemplated by the Securities Exchange Agreement.

WHEREAS, Buyer desires to buy all of Seller’s assets excluding the Corindus Shares (the “*Assets*”), and to assume, as between Seller and Buyer, all responsibility for any debts, obligations and liabilities of Seller, on the terms and subject to the conditions specified in this Agreement.

WHEREAS, Seller desires to sell and transfer the Assets to the Buyer, on the terms and subject to the conditions specified in this Agreement.

NOW, THEREFORE, in consideration of the premises and the covenants, promises and agreements herein set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending legally to be bound, agree as follows:

1. Sale and Purchase of Assets .1.1 Sale of Assets and Assignment of Contracts .

(a) Assets of Seller. On the terms and subject to the conditions of this Agreement and for the consideration set forth herein, Seller hereby sells, conveys, assigns, transfers and delivers to Buyer, and Buyer hereby purchases and acquires from Seller, all of the assets and properties of Seller, including, without limitation, those assets of Seller identified in Exhibit A (but excluding the Corindus Shares) (together with the Contracts, the “*Assets*”).

(b) **Contracts**. Seller hereby assigns and delegates, and the Buyer hereby assumes, all rights to and duties under the contracts of Seller listed on Exhibit B and currently used by Seller to operate the Assets (collectively, the “**Contracts**”).

1.2 **Purchase Price**. Subject to the other terms and conditions of this Agreement, and in full consideration for the Assets, Buyer shall cancel Seller’s indebtedness to Buyer in the aggregate principal amount of \$248,831.59 (plus accrued and unpaid interest if any) pursuant to the promissory note dated June 30, 2014 (the “**Promissory Note**”) and Buyer shall assume all Liabilities (as such term is defined below) of Seller pursuant to Section 1.3 hereof (collectively, the “**Purchase Price**”).

1.3 **Assignment and Assumption of Liabilities**. In connection with the purchase and sale of the Assets pursuant to this Agreement, Seller hereby assigns to Buyer, and Buyer hereby assumes and agrees to pay, honor and discharge, and to indemnify Seller and Seller’s affiliates against, all debts, adverse claims, liabilities, judgments and obligations, including tax obligations, of Seller as of the date hereof whether accrued, contingent or otherwise and whether known or unknown, including those arising under any law (including common law) or any rule or regulation of any governmental authority or imposed by any court or any arbitrator in a binding arbitration resulting from, arising out of or relating to the assets, activities, operations, actions or omissions of Seller, or products manufactured or sold thereby or services provided thereby, or under contracts, agreements (whether written or oral), leases, commitments or undertakings thereof (collectively, “**Liabilities**”).

1.4 **Seller’s Deliveries**. On the date hereof, Seller shall deliver or cause to be delivered to Buyer (a) a Bill of Sale, attached hereto as Exhibit C, for the Assets; (b) an Assignment of Contracts, attached hereto as Exhibit D; and (c) an Assignment of Intellectual Property, attached hereto as Exhibit E.

1.5 **Buyer’s Deliveries**. On the date hereof, Buyer shall deliver or cause to be delivered to Seller against delivery of the Bill of Sale (a) the original Promissory Note annotated by the Seller as “Paid in Full” and (b) such other documents and instruments as shall be reasonably requested by the Seller to effect the transactions contemplated hereby. To the extent not already in Seller’s possession, the Buyer shall transfer to Seller all of the existing corporate books and records in the possession of Buyer relating to Seller, including, but not limited to, all corporate minute books, stock ledgers, certificates and corporate seals of Seller and all agreements, litigation files, real property files, personnel files and filings with governmental agencies.

2. **Representations and Warranties of Seller**. Seller hereby represents and warrants to Buyer that:

2.1 **Organization and Authority**. Seller (a) is a corporation duly organized, validly existing and in good standing under the laws of the State of Nevada, (b) has all necessary corporate power to own and lease its properties and to enter into and perform this Agreement.

2.2 Authority Relating to this Agreement. The execution and delivery of this Agreement and the performance hereunder by Seller have been duly authorized by all necessary corporate action on the part of Seller and, assuming execution of this Agreement by Buyer, this Agreement will constitute a legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, subject as to enforcement (a) to bankruptcy, insolvency, reorganization, arrangement, moratorium and other laws of general applicability relating to or affecting creditors' rights and (b) to general principles of equity, whether such enforcement is considered in a proceeding in equity or at law.

2.3 Change of Name. Seller shall take such corporate action as is necessary to change the Seller's name as soon as reasonably practicable after the date hereof. Promptly after the name change, Seller shall notify Buyer, whereupon, Buyer shall be free to utilize the name "Your Internet Defender" free of any claims from Seller.

2.4 Use of Websites and Intellectual Property. Seller shall immediately cease using the websites, www.yourinternetdefender.com and www.YIDefender.com (collectively, the "Websites") and shall deliver to Buyer such information and authorizations held by Seller as shall be reasonably necessary for Buyer's utilization of the Websites. Buyer shall refrain from using the name "Your Internet Defender" until such time as Seller has changed its name.

2.5 Liabilities. The Seller incurred no Liabilities between July 1, 2014 and the date hereof.

3. Representations and Warranties of Buyer. Buyer hereby represents and warrants to Seller that:

3.1 Authority Relating to this Agreement. Buyer has the legal capacity and full power and authority to execute and deliver this Agreement and to perform Buyer's obligations hereunder. This Agreement constitutes the valid and legally binding obligation of Buyer, enforceable against Buyer in accordance with its terms, subject as to enforcement (a) to bankruptcy, insolvency, reorganization, arrangement, moratorium and other laws of general applicability relating to or affecting creditors' rights and (b) to general principles of equity, whether such enforcement is considered in a proceeding in equity or at law.

3.2 Compliance. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby by Buyer will result in the breach of any term or provision of, or constitute a default under, or violate any agreement, indenture, instrument, order, law or regulation to which Buyer is a party or by which Buyer is bound.

3.3 Liabilities. Following the date hereof, Seller will have no liability for any of the Assets or the Business or any Liabilities, or the business or activities of Seller prior to the date hereof, and, there are no outstanding guaranties, performance or payment bonds, letters of credit or other contingent contractual obligations that have been undertaken by Seller directly or indirectly in relation to Assets or the Business, or the business of Seller prior to the date hereof.

4. Other Agreement.

4.1 Access to Information; Cooperation .

(a) Buyer shall afford to Seller and its authorized accountants, counsel and other designated representatives, reasonable access (and including using reasonable efforts to give access to persons or firms possessing information) and duplicating rights during normal business hours to allow records, books, contracts, instruments, computer data and other data and information (collectively, “ **Information** ”) within the possession or control of Buyer or its affiliates insofar as such access is reasonably required by Seller. Information may be requested under this Section 4.1(a), for, without limitation, audit, accounting, claims, litigation and tax purposes, as well as for purposes of fulfilling disclosure and reporting obligations and performing this Agreement and the transactions contemplated hereby. No files, books or records relating to the Assets, the Business or the Liabilities existing on the date hereof shall be destroyed by Buyer after the date hereof but prior to the expiration of any period during which such files, books or records are required to be maintained and preserved by applicable law without giving Seller at least 30 days’ prior written notice, during which time Seller shall have the right to examine and to remove any such files, books and records prior to their destruction.

(b) Buyer and her respective affiliates, employees and agents shall each hold in strict confidence all Information concerning the Seller in their possession or furnished by the Seller or Seller’s representative pursuant to this Agreement with the same degree of care as Buyer utilizes as to Buyer’s own confidential information (except to the extent that such Information is (i) in the public domain through no fault of Seller or (ii) later lawfully acquired from any other source by Buyer), and Buyer shall not release or disclose such Information to any other person, except Buyer’s auditors, attorneys, financial advisors, bankers, other consultants and advisors or persons to whom such party has a valid obligation to disclose such Information, unless compelled to disclose such Information by judicial or administrative process or, as advised by its counsel, by other requirements of law.

(c) Buyer shall use her best efforts to forward promptly to the Seller all notices, claims, correspondence and other materials which are received and determined to pertain to the Seller.

4.2 Guarantees, Surety Bonds and Letter of Credit Obligations. In the event that Seller is obligated for any debts, obligations or liabilities related to the Assets or the Business or any Liabilities or the business or activities of Seller prior to the date hereof by virtue of any outstanding guarantee, performance or surety bond or letter of credit provided or arranged by Seller on or prior to the date hereof, Buyer shall use her best efforts to cause to be issued replacements of such bonds, letters of credit and guarantees and to obtain any amendments, novations, releases and approvals necessary to release and discharge fully Seller from any liability thereunder. Buyer shall be responsible for, and shall indemnify, hold harmless and defend Seller from and against, any costs or losses incurred by Seller arising from such bonds, letters of credit and guarantees and any liabilities arising therefrom and shall reimburse Seller for any payments that Seller may be required to pay pursuant to enforcement of its obligations relating to such bonds, letters of credit and guarantees.

4.3 **Insurance**. Buyer acknowledges that any insurance coverage and bonds provided by Seller for the Business will terminate with respect to any insured damages resulting from matters occurring subsequent to the date hereof.

4.4 **Employment Matters**. Effective on the date hereof, Seller shall terminate the Employees. Buyer shall have the right, but not the obligation, to offer employment to the Employees, at the salary levels and on other terms and conditions to be determined in Buyer's sole discretion. Seller shall have no liability for, and Buyer shall assume all liability for, any employee plans, programs, agreements, arrangements and methods of contribution or compensation, accrued wages (including salaries and commissions), severance pay, sick leave or other benefits, of any type or nature on account of Seller's employment of or termination of such Employees. "**Employees**" shall mean all employees of the Seller with responsibility for operating the Assets or in any way involved in the business of the Seller prior to the date hereof.

4.5 **Agreements Regarding Taxes**.

(a) **Returns for Periods Through the Pre-Closing Date**. Seller will include the income and loss of the Business on Seller's federal and state income tax returns for all periods through the date hereof and pay any federal and state income taxes attributable to such income. Seller and Buyer agree to allocate income, gain, loss, deductions and credits between the period up to the date hereof (the "**Pre-Closing Period**") and the period from and after the date hereof (the "**Post-Closing Period**") based on a closing of the books of the Business. Buyer agrees to indemnify Seller for any additional tax owed by Seller (including tax owed by Seller due to this indemnification payment) resulting from any transaction engaged in by the Seller during the Pre-Closing Period or on the date hereof before Buyer's purchase of the Assets.

(b) **Audits**. In the event that after the date hereof any tax authority informs Buyer of any notice of proposed audit, claim, assessment or other dispute concerning an amount of taxes which pertain to Seller, or to the Business, during the period prior to the date hereof, Buyer must promptly notify Seller of the same within 15 calendar days of the date of the notice from the tax authority. To the extent of any conflict or inconsistency, the provisions of this Section 4.5 shall control over the provisions of Section 5.1 below.

(c) **Cooperation on Tax Matters**. Buyer and Seller shall cooperate fully, as and to the extent reasonably requested by any party, in connection with the filing of tax returns pursuant to this Section 4.5 and any audit, litigation or other 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, litigation or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. Buyer shall (i) retain all books and records with respect to tax matters pertinent to the Business and Seller relating to any taxable period beginning before the date hereof until the expiration of the statute of limitations (and, to the extent notified by Seller, any extensions thereof) of the respective taxable periods, and abide by all record retention agreements entered into with any taxing authority, and (ii) give Seller reasonable written notice prior to transferring, destroying or discarding any such books and records and, if Seller so requests, Buyer agrees to allow Seller to take possession of such books and records.

4.6 **As Is; No other Representations and Warranties**. Except with respect to the representations and warranties contained in Section 2, Buyer is acquiring the Assets AS IS, WHERE IS. SELLER MAKES NO OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AND SELLER DISCLAIMS THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT THERETO. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES SET FORTH IN SECTION 2, NONE OF THE SELLER OR ITS AFFILIATES OR ANY OTHER PERSON MAKES ANY REPRESENTATION OR WARRANTY, WRITTEN OR ORAL, STATUTORY, EXPRESS OR IMPLIED, WITH RESPECT TO THE ASSETS OR THE OPERATIONS, LIABILITIES, CONDITION (FINANCIAL OR OTHERWISE) OR PROSPECTS OF THE BUSINESS.

5. **Indemnity; Release**.

5.1 **Buyer's Indemnity**. Buyer shall indemnify and hold harmless Seller from and against any and all losses, costs, expenses, liabilities, obligations, claims, demands, causes of action, suits, settlements and judgments of every nature, including the costs and expenses associated therewith and reasonable attorneys' and witness fees incurred (" **Seller's Damages** " and when used together with or in the alternative to Buyer's Damages, " **Damages** "), which arise out of:

- (a) the breach by Buyer of any representation or warranty made by Buyer pursuant to this Agreement;
- (b) any breach or nonfulfillment of any covenant or agreement (including any other agreement of Buyer to indemnity set forth in this Agreement) on the part of Buyer under this Agreement;
- (c) the Assets, the Business or any Liability or any other debt, liability or obligation of the Seller prior to the date hereof;
- (d) the conduct and operations of the business of Seller prior to the date hereof;
- (e) the conduct and operations of the business of Seller pertaining to the Assets, the Liabilities or the Business whether before or after the date hereof;
- (e) any federal or state income tax payable by Seller and attributable to the transaction contemplated by this Agreement or to the business of Seller prior to the date hereof; and
- (f) claims of any type or nature relating to the retention, or alleged retention by Buyer, or any of Buyer's affiliates or agents, of any broker or finder in connection with the transactions contemplated by this Agreement.

5.2 **Seller's Indemnity**. Seller shall indemnify and hold harmless Buyer from and against any and all losses, costs, expenses, liabilities, obligations, claims, demands, causes of action, suits, settlements and judgments of every nature, including the costs and expenses associated therewith and reasonable attorneys' and witness fees incurred (" **Buyer's Damages** "), which arise out of the breach by Seller of any representation or warranty made by Seller pursuant to this Agreement.

5.3 **Release**. The Buyer, on behalf of Buyer and Buyer's heirs, personal representatives, successors and assigns (collectively, the "Releasors"), hereby forever fully and irrevocably releases and discharges the Seller and each of its Subsidiaries, and each of their respective predecessors, successors, direct or indirect subsidiaries, directors, officers, employees, agents and other representatives (collectively, the "Released Parties"), from any and all actions, suits, claims, demands, debts, agreements, obligations, promises, judgments and liabilities of any kind whatsoever in law or equity and causes of action of every kind and nature or otherwise (including, claims for damages, costs, expenses, and attorneys', brokers' and accountants' fees and expenses) arising out of or related to events, facts, conditions or circumstances existing or arising prior to or after the date hereof, which the Releasors can, shall or may have against the Released Parties, whether known or unknown, suspected or unsuspected, anticipated or unanticipated (collectively, the "Released Claims"). The Releasors irrevocably agree to refrain from instituting any suit, action or proceeding of any kind, in any court or before any tribunal, against any Released Party based upon, arising out of, or relating to any Released Claim, participating, assisting or cooperating in any such suit, action or proceeding or encouraging or soliciting any third party to institute any such suit, action or proceeding. Notwithstanding the preceding sentences of this Section 5.3, "Released Claims" does not include, and the provisions of this Section 5.3 shall not release or otherwise diminish, the obligations of either party hereto set forth in or arising under any provisions of this Agreement.

5.4 **Notice**. In the event that either party hereto suffers Damages, such party making a claim for indemnification ("Indemnitee") shall within 60 days of discovering or incurring such Damages give the other party hereto ("Indemnitor") written notice thereof ("Notice of Claim"). The Notice of Claim shall state in reasonable detail the nature of the claim, the specific provisions in this Agreement alleged to have been breached and the amount of the claim for indemnification representing the Indemnitee's good faith estimate of the Damages. The Indemnitor shall have 30 days from receipt of the Notice of Claim to accept or reject the claim for indemnification. The Indemnitee shall be deemed to have waived its right to indemnification for any Damages for which notice is not given in a timely manner as set forth herein if and to the extent that the Indemnitor can show that such failure to give timely notice has materially prejudiced the Indemnitor's ability to defend or otherwise respond to such claim.

6. Miscellaneous.

6.1 **Assignment**. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto.

6.2 **Allocation of Purchase Price**. Seller and Buyer shall mutually agree that the allocation of the Purchase Price among the various items included in the Assets being transferred by Seller to Buyer shall be as follows: If there is a balance in Accounts Receivable at the time of Closing, that amount will be allocated to Accounts Receivable with the balance of the Purchase Price allocated to Intangible Assets. If there is no balance in Account Receivable at the time of Closing, then the entire Purchase Price will be allocated to Intangible Assets. Buyer and Seller shall file all tax returns and reports in a manner consistent with such allocation.

6.3 Transfer Taxes. Any sales, use or other transfer taxes arising out of or incurred in connection with the transactions contemplated by this Agreement, including, without limitation, Nevada and New York state sales taxes, shall be paid by the Buyer.

6.4 Transaction Expenses. Buyer shall pay all of her expenses incurred in connection with the transactions contemplated hereby, and the Seller shall pay all of its expenses incurred in connection with the transactions contemplated hereby (including in each case all of the fees and expenses of all advisers used in the transactions contemplated hereby, such as accounting and legal services).

6.5 Notices. All notices and other communications hereunder will be in writing and will be deemed given if delivered by hand, mailed by registered or certified mail (return receipt requested), sent by facsimile or sent by Federal Express or other recognized overnight courier to either party hereto at the following addresses (or at such other address for such party as will be specified by like notice):

If to Buyer: Lisa Grossman
20 E. Sunrise Highway, Suite 101
Valley Stream, NY 11581
Facsimile: (516) 256-3003
Phone: (516) 303-8199

If to Seller at: Your Internet Defender Inc.
c/o Corindus Vascular Robotics
309 Waverley Oaks Road
Suite 105
Waltham, MA 02452
Facsimile: (508) 653-3355
Phone: (800) 605-9635
Attn: Chief Executive Officer

with a copy to: McDermott Will & Emery LLP
28 State Street
Boston, MA 02109
Facsimile: (617) 535-3876
Phone: (617) 535-3876
Attn: Richard B. Smith

The above addresses may be changed at any time by notice given as provided above; provided, that any such notice of change of address by a party hereto will be effective only upon receipt by the other party hereto. All notices, requests or instructions given in accordance herewith will be deemed received on the date of delivery, if hand delivered, on the date of receipt, if transmitted by facsimile, three days after the date of mailing, if mailed by registered or certified mail return receipt requested and one day after the date of sending if sent by Federal Express or other recognized overnight courier.

6.6 Entire Agreement and Amendment. This Agreement constitutes the entire agreement of the parties hereto and supersedes any and all prior negotiations, correspondence, understandings and agreements between the parties hereto with respect to the subject matter hereof. This Agreement may only be amended by written instrument signed by both parties hereto.

6.7 Governing Law; Jurisdiction and Venue. This agreement, and any matter or dispute arising hereunder or in connection with this Agreement, will be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts without giving effect to conflict of laws principles thereof. Each party hereto irrevocably consents to the exclusive jurisdiction of any state courts of the Commonwealth of Massachusetts and any federal court located in the Commonwealth of Massachusetts, as well as to the jurisdiction of all courts to which an appeal may be taken from such courts, for the purpose of any suit, action or other proceeding arising out of, or in connection with, this agreement or any of the transactions contemplated hereby. Each party hereby expressly waives any and all rights to bring any suit, action or other proceeding in or before any court or tribunal other than those located in the Commonwealth of Massachusetts. In addition, each party consents to the service of process by personal service or any other manner in which notices may be delivered hereunder in accordance with this agreement.

6.8 Severability. If any provision of this Agreement is held to be unenforceable for any reason, it shall be adjusted rather than voided, if possible, in order to achieve the intent of the parties to the extent possible. If any event, all other provisions of this Agreement shall be deemed valid and enforceable to the fullest extent practicable.

6.9 Headings. The headings appearing at the beginning of sections contained herein have been inserted for the convenience of the parties hereto and shall not be used to determine the construction or interpretation of this Agreement.

6.10 Counterparts. This Agreement may be executed and delivered (including by facsimile transmission) in counterparts, both of which will be considered one and the same agreement.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Spin-Out Agreement to be executed as of the date first written above.

BUYER:

/s/ Lisa Grossman
Lisa Grossman

SELLER:

YOUR INTERNET DEFENDER INC.

By: /s/ David M. Handler
David M. Handler
Chief Executive Officer

TABLE OF EXHIBITS

- Exhibit A Description of Assets Sold
Exhibit B Contracts Assigned
Exhibit C Form of Bill of Sale (including an attached Exhibit A)
Exhibit D Form of Assignment of Contracts (including an attached Exhibit A)
Exhibit E Form of Assignment of Intellectual Property (including an attached Exhibit A)
-

EXHIBIT A TO SPIN-OUT AGREEMENT

DESCRIPTION OF ASSETS SOLD

Two websites: www.yourinternetdefender.com and www.YIDefender.com

Customer accounts currently being serviced (Track Data, New York Heath Care, Inc. and a few smaller accounts) and those serviced in the past.

An SaaS application referred to as SEO Nexus. Nexus is software which allows individual web owners to manage and automate the process of organic Google optimization, social networking and online marketing across numerous web properties through a centralized cloud-based interface, operating on a hub-and-spoke basis.

The fully amortized tracking/operating system and related database.

All rights to the name “Your Internet Defender” after Name Change.

EXHIBIT B TO SPIN-OUT AGREEMENT

CONTRACTS ASSIGNED

Service Agreement with Track Data

Service Agreement with New York Health Care, Inc.

All service agreements with smaller accounts

EXHIBIT C TO SPIN-OUT AGREEMENT

BILL OF SALE

THIS BILL OF SALE (“*Bill of Sale*”) is delivered as of August 12, 2014, from Your Internet Defender Inc., a Nevada corporation (“*Seller*”), to Lisa Grossman (“*Buyer*”).

Seller and Buyer have entered into a Spin-Out Agreement dated as of August 12, 2014 (the “*Agreement*”), providing for the sale by Seller to Buyer of the assets described on Exhibit A attached hereto on the date hereof.

NOW, THEREFORE, for good and valuable consideration, Seller does hereby sell, convey, assign, transfer and deliver good title in and to the assets which are listed on Exhibit A attached hereto, as they exist on the date hereof.

IN WITNESS WHEREOF, this Bill of Sale has been duly executed as of the day and year first above written.

SELLER:

YOUR INTERNET DEFENDER INC.

By: /s/ David M. Handler
David M. Handler
Chief Executive Officer

Acknowledged and Agreed:

BUYER:

/s/ Lisa Grossman
Lisa Grossman

EXHIBIT A to BILL OF SALE

DESCRIPTION OF ASSETS SOLD

Two websites: www.yourinternetdefender.com and www.YIDefender.com

Customer accounts being serviced now (Track Data, New York Heath Care, Inc. and a few smaller accounts) and those serviced in the past.

An SaaS application referred to as SEO Nexus. Nexus is software which allows individual web owners to manage and automate the process of organic Google optimization, social networking and online marketing across numerous web properties through a centralized cloud-based interface, operating on a hub-and-spoke basis.

The fully amortized tracking/operating system and related database.

All rights to the name "Your Internet Defender" after Name Change.

EXHIBIT D TO SPIN-OUT AGREEMENT

ASSIGNMENT OF CONTRACTS

THIS ASSIGNMENT OF CONTRACTS ("Assignment of Contracts") is delivered as of August 12, 2014, from Your Internet Defender Inc., a Nevada corporation ("Seller"), to Lisa Grossman ("Buyer").

WHEREAS, Seller and Buyer have entered into a Spin-Out Agreement dated as of August 12, 2014 (the "Agreement"), providing for the sale by Seller to Buyer of certain Contracts listed on the attached Exhibit A, attached hereto and incorporated herein by reference (the "Contracts"); and

WHEREAS, Buyer wishes to assume all rights and liabilities associated with such Contracts and to release Seller therefrom.

NOW THEREFORE in consideration of the premises and the mutual agreements and covenants herein contained, the parties hereto hereby covenant and agree as follows:

1. The Seller does hereby assign all of its right, title and interest in and to the Contracts to the Buyer, including but not limited to its right to all accounts receivable thereunder and any and all deposits or other funds held or accruing under the terms of the Contracts.

2. The Buyer does hereby certify that it has reviewed the Contracts. Buyer hereby assumes all of the obligations and liabilities of Seller under the Contracts and agrees to be bound by all of the terms and conditions of the Contracts. Buyer hereby affirms all of the Contracts, acknowledgements, representations, covenants, warranties, assumptions and indemnities of Seller under the Contracts. Buyer hereby confirms that all Contracts, acknowledgements, representations, covenants, warranties, assumptions and indemnities made by Seller in the Contracts are also made by Buyer to same extent as if Buyer had signed the Contracts.

3. The Contracts, are hereby ratified and confirmed, and all the terms, provisions and conditions of the Contracts shall remain in full force and effect and shall be binding upon and inure to the benefit of the parties hereto.

4. The Seller and Buyer agree to cooperate with each other to ensure that the Contracts are adequately transferred to the Buyer.

IN WITNESS WHEREOF, this *Assignment of Contracts* has been duly executed as of the day and year first above written.

SELLER:

YOUR INTERNET DEFENDER INC.

By: /s/ David M. Handler

David M. Handler
Chief Executive Officer

Acknowledged and Agreed:

BUYER:

/s/ Lisa Grossman

Lisa Grossman

EXHIBIT A TO ASSIGNMENT OF CONTRACTS

Service Agreement with Track Data

Service Agreement with New York Health Care, Inc.

All service agreements with smaller accounts

EXHIBIT E TO SPIN-OUT AGREEMENT

ASSIGNMENT OF INTELLECTUAL PROPERTY

THIS ASSIGNMENT OF INTELLECTUAL PROPERTY (“*Assignment of IP*”) is delivered as of August 12, 2014, from Your Internet Defender Inc., a Nevada corporation (“*Seller*”), to Lisa Grossman (“*Buyer*”).

WHEREAS, Seller and Buyer have entered into a Spin-Out Agreement dated as of August 12, 2014 (the “*Agreement*”), providing for the sale by Seller to Buyer of the Seller’s Intellectual Property, including, but not limited to, the items listed on the attached Exhibit “A” all of their intellectual property relating to the development of the websites www.yourinternetdefender.com and www.YIDefender.com (the “Websites”) to Buyer; and

AND WHEREAS, Buyer wishes to receive the intellectual property and assume all liabilities associated with such intellectual property; and

NOW THEREFORE in consideration of the premises and the mutual agreements and covenants herein contained, the parties hereto hereby covenant and agree as follows:

Definitions

1.01 In this Agreement the following definitions shall apply:

- a) “Documents” shall mean file memoranda, notes, records, charts and other documents made, received, held or used by the Seller in respect to the IP, as defined herein.
- b) “IP” shall mean the Websites, all concepts, source code, domain names, discoveries, designs, inventions, developments and improvements made, invented, authored, written, registered or discovered, solely, jointly or partly by the Seller relating to the Websites and all intellectual property rights attaching thereto, including, for greater certainty any trade secrets, patents, trade-marks and copyrights.

Article 2 - Assignment

2.01 The Seller hereby irrevocably sells, assigns and transfers, and agrees to sell, assign, and transfer exclusively to Buyer, all of its right, title and interest in and to the Documents and the IP.

2.02 The Seller hereby irrevocably waives all moral rights or similar rights that it may have in the Documents or the IP in favour of Buyer to the extent they cannot be assigned to Buyer.

Article 3 - General Provisions

- 3.01 This Agreement shall inure to the benefit of and be binding upon the assigns of the parties.
- 3.02 This Assignment shall be governed by and construed in accordance of the laws of the state of Massachusetts.

IN WITNESS WHEREOF, this *Assignment* of *IP* has been duly executed as of the day and year first above written.

SELLER:

YOUR INTERNET DEFENDER INC.

By: /s/ David M. Handler
David M. Handler
Chief Executive Officer

Acknowledged and Agreed:

BUYER:

/s/ Lisa Grossman
Lisa Grossman

EXHIBIT A TO ASSIGNMENT OF INTELLECTUAL PROPERTY

Two websites: www.yourinternetdefender.com and www.YIDefender.com

An SaaS application referred to as SEO Nexus. Nexus is software which allows individual web owners to manage and automate the process of organic Google optimization, social networking and online marketing across numerous web properties through a centralized cloud-based interface, operating on a hub-and-spoke basis.

The fully amortized tracking/operating system and related database.

COMMON STOCK REPURCHASE AGREEMENT

This COMMON STOCK REPURCHASE AGREEMENT (this "Agreement") is made as of August 12, 2014, by and between Your Internet Defender Inc., a Nevada corporation ("Company"), and the undersigned shareholders, Susan Coyne and Teresa Bray ("Shareholders").

WHEREAS, Company entered into that certain Securities Exchange and Acquisition Agreement (the "Securities Exchange Agreement"), dated as of August 5, 2014, between Company and Corindus, Inc., a Delaware corporation ("Corindus"), pursuant to which, among other things, Company acquired 100% of the outstanding capital stock of Corindus (the "Transactions").

WHEREAS, the execution and delivery of this Agreement is required in connection with the Securities Exchange Agreement, and the repurchase of the common stock, par value \$0.0001 per share, of Company (the "Common Stock") contemplated by this Agreement is also a condition to the completion of the Transactions.

WHEREAS, Shareholders desire to sell the number of shares set forth beside each of their names on the signature page hereof and Company desires to repurchase from Shareholders an aggregate of 31,143,700 shares of Common Stock (the "Shares").

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1

REPURCHASE OF SHARES

1.1 Purchase and Sale. Shareholders hereby sell to Company the Shares, free and clear of any and all claims, liens, pledges, options, charges, security interests, encumbrances or other rights of third parties, and Company hereby purchases such Shares from Shareholders for an aggregate purchase price of Three Thousand One Hundred Fourteen Dollars and 37/100 Dollars (\$3,114.37) (the "Purchase Price").

1.2 Closing; Delivery. The closing of the purchase and sale of the Shares pursuant to this Agreement (the "Closing") shall occur simultaneously with the execution of this Agreement by the parties. At the Closing, subject to the terms and conditions of this Agreement, Shareholder shall deliver to Company a statement from the Company's transfer agent representing the Shareholder's ownership of the Shares held in book entry form, along with a duly endorsed, medallion guaranteed Assignment Separate from Certificate in favor of Company, against payment of the aggregate purchase price for the Shares, which shall be made by check or wire transfer, as designated by Shareholders.

ARTICLE 2

REPRESENTATIONS AND WARRANTIES OF SHAREHOLDER

In connection with the purchase and sale of the Shares, each Shareholder makes the following representations and warranties for the benefit of Company:

2.1 Authorization. Shareholder has the legal capacity and full power and authority to execute and deliver this Agreement and to perform Shareholder's obligations hereunder, and has taken all actions necessary in order to execute, deliver and perform this Agreement and to consummate the transactions contemplated by this Agreement.

2.2 Due Execution and Delivery. Shareholder represents that this Agreement has been duly executed and delivered by her and constitutes the legal, valid and binding obligation of Shareholder enforceable in accordance with the terms hereof (subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles).

2.3 Title to Shares. Shareholder owns all right, title and interest (legal and beneficial) in and to the Shares, free and clear of all Liens other than restrictions under federal and state securities laws. Upon delivery of the Shares to Company and payment to Shareholder of the Purchase Price, Company will acquire good, valid and marketable title to such Shares free and clear of all Liens other than (i) restrictions under federal and state securities laws, and (ii) any Liens created by Company. For the purposes of this Agreement, "Lien" shall mean any lien, pledge, claim, security interest, encumbrance, charge, restriction or limitation of any kind, whether arising by agreement, operation of law or otherwise.

2.4 No Conflicts. The execution and delivery of this Agreement and the performance by Shareholder hereunder does not and will not result in the breach or violation of any of the terms or provisions of, or constitute a default under, or accelerate the performance required by the terms of any material indenture, mortgage, deed of trust, loan agreement or any other agreement or instrument to which she is a party or by which she is bound, nor will any such action result in any violation of the provisions of any material statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over Shareholder or her property.

2.5 Litigation. There is not pending or, to Shareholder's knowledge, threatened against Shareholder (or any affiliate thereof) any action, suit or proceeding at law or in equity before any court, tribunal, governmental body, agency or official or any arbitrator relating to the Shares or that might affect the legality, validity or enforceability against Shareholder of this Agreement or Shareholder's ability to perform her obligations hereunder. To the knowledge of Shareholder, there is no lawsuit, proceeding or investigation pending or threatened against Shareholder that would, if adversely determined, prevent or materially delay consummation of the transactions contemplated hereby.

2.6 Information Regarding the Shares. Shareholder has been furnished with such documents, materials and information as Shareholder deems necessary or appropriate for evaluating the financial condition of Company, including information regarding the Transactions, and has had the opportunity to ask questions of, and receive answers from, the officers of Company, concerning Company and the terms and conditions of the Transactions. Shareholder acknowledges and explicitly agrees that although she has received certain information from Company as to its financial condition and other matters and the Transactions, Shareholder understands that the Shares may be worth more than the Purchase Price to be paid to Shareholder but that Shareholder is desirous for her own reasons to pursue the sale of the Shares at the Purchase Price to be paid to Shareholder by Company. Further, Shareholder acknowledges that, in conjunction with the Transactions, Company expects to consummate a financing, and in the months following the Transactions to conduct additional financings, in each case, at prices substantially higher than the price per share of the Shares.

2.7 No Broker. Shareholder has not, directly or indirectly, dealt with anyone acting in the capacity of a finder or broker, nor has Shareholder incurred any obligations for any finder's or broker's fee or commission, in connection with the transactions contemplated by this Agreement.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF COMPANY

In connection with the purchase and sale of the Shares, Company makes the following representations and warranties for the benefit of Shareholder:

3.1 Authorization. Company represents that it is duly incorporated, validly existing and in good standing under the laws of Nevada and has all necessary power and authority to enter into this Agreement and to carry out the transactions contemplated by this Agreement, without the consent, waiver, approval or authorization of, or filing with, any other person or entity or under any applicable law, and has taken all actions necessary in order to execute, deliver and perform this Agreement and to consummate the transactions contemplated by this Agreement.

3.2 Due Execution and Delivery. Company represents that this Agreement has been duly executed and delivered by it and constitutes the legal, valid and binding obligation of Company enforceable in accordance with the terms hereof (subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles).

ARTICLE 4

MISCELLANEOUS

4.1 Release. As a material inducement to Company to enter into this Agreement, and in consideration of the Purchase Price and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each Shareholder, on behalf of herself and her current and former affiliates, partners, fiduciaries, heirs, agents, representatives, attorneys and all persons acting by, through, under or in concert with any of them, hereby irrevocably and unconditionally release, acquit, and forever discharge Company, and each of its respective predecessors, parents, subsidiaries, affiliates, divisions, any related entity, successors and assigns, and all of their current and former agents, officers, directors, shareholders, partners, employees, members, trustees, fiduciaries, representatives, attorneys and all persons acting by, through, under or in concert with any of them, (collectively, the "Released Parties") from any and all claims, suits, charges, complaints, liabilities, obligations, promises, agreements, damages, causes of action, demands, losses, debts, attorneys fees and expenses of any nature whatsoever, known or unknown which Shareholder has, had or claims to have against any Released Party up to and including the date Shareholder signs this Agreement, or any other matter related to Shareholder's ownership of the Shares or otherwise related to Shareholder being a stakeholder of Company, except for obligations of Company arising hereunder to pay the Purchase Price.

4.2 Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of the parties hereto. No person or entity other than the parties hereto and their successors and permitted assigns is intended to be a beneficiary of this Agreement. No party hereto may assign its rights under this Agreement without the prior written consent of the other party hereto.

4.3 Amendment and Waiver. No failure or delay on the part of Company or Shareholder in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies provided for herein are cumulative and are not exclusive of any remedies that may be available to Company or each Shareholder at law, in equity or otherwise. Any amendment, supplement or modification of or to any provision of this Agreement and any waiver of any provision of this Agreement shall be effective only if it is made or given in writing and signed by Company and Shareholders.

4.4 Entire Agreement and Amendment. This Agreement constitutes the entire agreement of the parties hereto and supersedes any and all prior negotiations, correspondence, understandings and agreements between the parties hereto with respect to the subject matter hereof.

4.5 Governing Law; Jurisdiction and Venue. This agreement, and any matter or dispute arising hereunder or in connection with this Agreement, will be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts without giving effect to conflict of laws or principles thereof. Each party hereto irrevocably consents to the exclusive jurisdiction of any state courts of the Commonwealth of Massachusetts and any federal court located in the Commonwealth of Massachusetts, as well as to the jurisdiction of all courts to which an appeal may be taken from such courts, for the purpose of any suit, action or other proceeding arising out of, or in connection with, this agreement or any of the transactions contemplated hereby. Each party hereby expressly waives any and all rights to bring any suit, action or other proceeding in or before any court or tribunal other than those located in the Commonwealth of Massachusetts. In addition, each party consents to the service of process by personal service or any other manner in which notices may be delivered hereunder in accordance with this agreement.

4.6 **Severability**. If any provision of this Agreement is held to be unenforceable for any reason, it shall be adjusted rather than voided, if possible, in order to achieve the intent of the parties to the extent possible. If any event, all other provisions of this Agreement shall be deemed valid and enforceable to the fullest extent practicable.

4.7 **Headings**. The headings appearing at the beginning of sections contained herein have been inserted for the convenience of the parties hereto and shall not be used to determine the construction or interpretation of this Agreement.

4.8 **Counterparts**. This Agreement may be executed and delivered (including by facsimile transmission) in counterparts, all of which will be considered one and the same agreement.

4.9 **Further Assurances**. Each of the parties shall execute such documents and perform such further acts (including, without limitation, obtaining any consents, exemptions, authorizations, or other actions by, or giving any notices to, or making any filings with, any governmental authority or any other person or entity) as may be reasonably required or desirable to carry out or to perform the provisions of this Agreement.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the dates set forth below.

YOUR INTERNET DEFENDER INC.

By: David M. Handler
David M. Handler
Chief Executive Officer

SHAREHOLDERS:

/s/ Susan Coyne
Susan Coyne
Number of Shares Sold: 31,099,300

/s/ Teresa Bray
Teresa Bray
Number of Shares Sold: 44,400

Subsidiaries of the Registrant

<u>Name of Subsidiary</u>	<u>Jurisdiction of Formation</u>
Corindus, Inc.	Delaware
Corindus Security Corporation	Delaware

Corindus, Inc. and Subsidiary
Consolidated Financial Statements

Contents

Reports of independent registered public accounting firm	1
Consolidated balance sheets as of December 31, 2012 and 2013 and as of March 31, 2014 (unaudited), actual and pro forma	2
Consolidated statements of operations and comprehensive loss for the years ended December 31, 2012 and 2013 and for the three months ended March 31, 2013 and 2014 (unaudited)	3
Consolidated statements of redeemable convertible preferred stock and stockholders' equity (deficit) for the years ended December 31, 2012 and 2013 and the three months ended March 31, 2014 (unaudited), actual and pro forma	4
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Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Corindus, Inc.

We have audited the accompanying consolidated balance sheets of Corindus, Inc. and subsidiary (the Company) as of December 31, 2012 and 2013, and the related consolidated statements of operations and comprehensive loss, redeemable convertible preferred stock and stockholders' deficit, and cash flows for the years then. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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. We were not engaged to perform an audit of the Company's 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, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Corindus, Inc. and subsidiary at December 31, 2012 and 2013, and the results of its operations and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has recurring losses from operations and operating cash requirements that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

/s/ Ernst & Young LLP

Boston, Massachusetts
August 15, 2014

Corindus, Inc. and Subsidiary

Consolidated Balance Sheets

(In thousands, except share and per share amounts)

	<u>December 31, 2012</u>	<u>December 31, 2013</u>	<u>March 31, 2014 (unaudited)</u>	<u>Pro forma March 31, 2014 (unaudited)</u>
Assets				
Current assets:				
Cash and cash equivalents	\$ 25,536	\$ 9,845	\$ 5,715	\$ 5,715
Accounts receivable — net of allowance for doubtful accounts of \$4, \$3, and \$3 at December 31, 2012, 2013, and March 31, 2014, respectively	12	35	439	439
Due from related party	255	125	125	125
Inventories, net	739	2,464	2,061	2,061
Prepaid expenses and other current assets	628	494	455	455
Total current assets	<u>27,170</u>	<u>12,963</u>	<u>8,795</u>	<u>8,795</u>
Property and equipment, net	1,078	1,437	1,428	1,428
Deposits – long term	312	223	223	223
Notes receivable due from stockholders	145	145	145	145
Total assets	<u>\$ 28,705</u>	<u>\$ 14,768</u>	<u>\$ 10,591</u>	<u>\$ 10,591</u>
Liabilities, redeemable convertible preferred stock and stockholders' equity (deficit)				
Current liabilities:				
Accounts payable	\$ 466	\$ 315	\$ 1,338	\$ 1,338
Accrued expenses	781	1,261	1,505	1,505
Deferred revenue	65	—	71	71
Total current liabilities	<u>1,312</u>	<u>1,576</u>	<u>2,914</u>	<u>2,914</u>
Long-term liabilities:				
Series D warrant liability	<u>2,981</u>	<u>3,152</u>	<u>1,387</u>	<u>—</u>
Total liabilities	<u>4,293</u>	<u>4,728</u>	<u>4,301</u>	<u>2,914</u>
Commitments and contingencies (Note 11)				
Redeemable convertible preferred stock:				
Redeemable convertible preferred stock, \$0.01 par value; 3,046,600 shares authorized, 2,807,658 shares issued and outstanding at December 31, 2012 and 2013 and March 31, 2014 (unaudited) (liquidation preference of \$83,356 at December 31, 2013 and March 31, 2014); no shares issued or outstanding, pro forma (unaudited)	<u>69,799</u>	<u>70,382</u>	<u>70,538</u>	<u>—</u>
Stockholders' equity (deficit):				
Common stock, \$0.01 par value; 3,548,850 shares authorized; 122,664 shares issued and outstanding at December 31, 2012; 122,669 shares issued and outstanding at December 31, 2013 and March 31, 2014; 2,934,168 shares issued and outstanding, pro forma (unaudited)	<u>1</u>	<u>1</u>	<u>1</u>	<u>29</u>
Additional paid-in-capital	<u>257</u>	<u>—</u>	<u>—</u>	<u>71,897</u>
Accumulated deficit	<u>(45,645)</u>	<u>(60,343)</u>	<u>(64,249)</u>	<u>(64,249)</u>
Total stockholders' equity (deficit)	<u><u>(45,387)</u></u>	<u><u>(60,342)</u></u>	<u><u>(64,248)</u></u>	<u><u>7,677</u></u>
Total liabilities, redeemable convertible preferred stock, and stockholders' equity (deficit)	<u><u>\$ 28,705</u></u>	<u><u>\$ 14,768</u></u>	<u><u>\$ 10,591</u></u>	<u><u>\$ 10,591</u></u>

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

Corindus, Inc. and Subsidiary

Consolidated Statements of Operations and Comprehensive Loss

(In thousands, except share and per share amounts)

	Year Ended December 31,		Three Months Ended March 31, (unaudited)	
	2012	2013	2013	2014
Revenue	\$ 202	\$ 896	\$ 430	\$ 730
Cost of revenue	833	2,430	1,085	1,383
Gross loss	(631)	(1,534)	(655)	(653)
Operating expenses:				
Research and development	4,171	4,793	773	2,046
General and administrative	2,433	2,545	582	870
Sales and marketing	2,070	5,676	1,013	1,940
Restructuring charges	—	—	—	93
Total operating expenses	8,674	13,014	2,368	4,949
Operating loss	(9,305)	(14,548)	(3,023)	(5,602)
Other income (expenses):				
Warrant revaluation	(392)	(171)	(71)	1,765
Interest and other income	6	28	8	3
Total other expenses, net	(386)	(143)	(63)	1,768
Net loss and comprehensive loss	(9,691)	(14,691)	(3,086)	(3,834)
Accretion of preferred stock	(541)	(593)	(143)	(156)
Net loss attributable to common stockholders	\$ (10,232)	\$ (15,284)	\$ (3,229)	\$ (3,990)
Net loss per share attributable to common stockholders—basic and diluted	\$ (83.41)	\$ (124.60)	\$ (26.32)	\$ (32.53)
Weighted-average common shares used in computing net loss per share attributable to common stockholders—basic and diluted	122,664	122,668	122,664	122,669
Pro forma net loss per share attributable to common stockholders—basic and diluted (unaudited)		\$ (4.95)		\$ (1.91)
Pro forma weighted average common shares outstanding used in net loss applicable to common stockholders —basic and diluted (unaudited)		2,934,167		2,934,168

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

Corindus, Inc. and Subsidiary

Consolidated Statements of Redeemable Convertible Preferred and Stockholders' Equity (Deficit)

(In thousands, except share and per share amounts)

	Redeemable Convertible Preferred Stock		Common Stock, \$0.01 Par Value		Additional		Accumulated Deficit	Total
	Shares	Amount	Shares	Amount	Paid-In Capital			
Balance at December 31, 2011	1,749,695	\$ 35,843	122,664	\$ 1	\$ 382	\$ (35,954)	\$ (35,571)	
Issuance of Series D-2 Redeemable Convertible Preferred Stock at \$31.10 per share, net of issuance costs of \$46	160,778	4,954	—	—	—	—	—	—
Issuance of Series E Convertible Preferred Stock at \$31.84 per share, net of issuance costs of \$107	897,185	28,461	—	—	—	—	—	—
Stock-based compensation expense	—	—	—	—	416	—	416	
Accretion of Series D redeemable preferred stock to redemption value	—	541	—	—	(541)	—	(541)	
Net loss	—	—	—	—	—	(9,691)	(9,691)	
Balance at December 31, 2012	2,807,658	69,799	122,664	1	257	(45,645)	(45,387)	
Exercise of options for common stock	—	—	5	—	—	—	—	—
Issuance costs related to Series E Convertible Preferred Stock financing	—	(10)	—	—	—	—	—	—
Stock-based compensation expense	—	—	—	—	329	—	329	
Accretion of redeemable preferred stock to redemption value	—	593	—	—	(586)	(7)	(593)	
Net loss	—	—	—	—	—	(14,691)	(14,691)	
Balance at December 31, 2013	2,807,658	70,382	122,669	1	—	(60,343)	(60,342)	
Stock-based compensation expense (unaudited)	—	—	—	—	84	—	84	
Accretion of redeemable preferred stock to redemption value (unaudited)	—	156	—	—	(84)	(72)	(156)	
Net loss (unaudited)	—	—	—	—	—	(3,834)	(3,834)	
Balance at March 31, 2014 (unaudited)	2,807,658	70,538	122,669	1	—	(64,249)	(64,248)	
Conversion of preferred stock to common stock, pro forma (unaudited)	(2,807,658)	(70,538)	2,811,499	28	70,510	—	70,538	
Conversion of preferred stock warrant to warrant to purchase common stock, pro forma (unaudited)	—	—	—	—	1,387	—	1,387	
Balance at March 31, 2014, pro forma (unaudited)	—	\$ —	2,934,168	\$ 29	\$ 71,897	\$ (64,249)	\$ 7,677	

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

Corindus, Inc. and Subsidiary

Consolidated Statements of Cash Flows

(In thousands, except share and per share amounts)

	Year Ended December 31,		Three Months Ended March 31, (unaudited)	
	2012	2013	2013	2014
Operating activities				
Net loss	\$ (9,691)	\$ (14,691)	\$ (3,086)	\$ (3,834)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation and amortization	393	607	113	191
Stock-based compensation expense	416	329	89	84
Warrant revaluation	392	171	71	(1,765)
Disposal of property and equipment	41	—	—	—
Changes in operating assets and liabilities:				
Accounts receivable	(12)	(23)	(325)	(404)
Due from related party	(255)	130	255	—
Prepaid expenses and other current assets	(573)	134	410	39
Inventory	(400)	(2,313)	(267)	242
Deposits	(312)	89	—	—
Accounts payable	10	(151)	135	1,023
Accrued expenses	159	480	190	244
Deferred revenue	65	(65)	(65)	71
Net cash used in operating activities	<u>(9,767)</u>	<u>(15,303)</u>	<u>(2,480)</u>	<u>(4,109)</u>
Investing activities				
Purchases of property and equipment	(613)	(378)	(256)	(21)
Net cash used in investing activities	<u>(613)</u>	<u>(378)</u>	<u>(256)</u>	<u>(21)</u>
Financing activities				
Proceeds from the issuance of Series D-2 Convertible Redeemable Preferred stock, net of issuance costs	4,954	—	—	—
Proceeds from the issuance of Series E Convertible Preferred stock, net of issuance costs	28,461	(10)	(10)	—
Net cash provided by (used in) financing activities	<u>33,415</u>	<u>(10)</u>	<u>(10)</u>	<u>—</u>
Net increase (decrease) in cash and cash equivalents	23,035	(15,691)	(2,746)	(4,130)
Cash and cash equivalents at beginning of period	2,501	25,536	25,536	9,845
Cash and cash equivalents at end of period	<u>\$ 25,536</u>	<u>\$ 9,845</u>	<u>\$ 22,790</u>	<u>\$ 5,715</u>
Non-cash Investing and Financing Activities:				
Transfers from inventory to fixed assets for placement of Corindus equipment in the field	\$ —	\$ 588	\$ 61	\$ 161
Accretion of Series D Redeemable Convertible Preferred Stock	\$ 541	\$ 593	\$ 143	\$ 156

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

Corindus, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Amounts as of March 31, 2014 and for the three months ended March 31, 2014 and 2013 are unaudited
(In thousands, except share and per share amounts)

1. Nature of Operations

Corindus, Inc. (the “Company”) is a Delaware corporation with its corporate headquarters and research and development facility in Waltham, Massachusetts. The Company is engaged in the marketing, sales and development of robotic-assisted catheterization systems.

Since its inception on March 21, 2002, the Company has devoted its efforts principally to research and development, business development activities, and raising capital. In June 2012, the Company received clearance from the United States Food and Drug Administration to market its CorPath 200 System in the United States and shipped its first commercial product under this clearance in September 2012. During 2012, the Company began to generate revenues related to its primary business purposes and emerged from the development stage. In 2013, the Company moved into the growth stage, investing in sales and marketing in order to build the customer base. The Company’s future capital requirements will depend upon many factors, including progress with developing, manufacturing and marketing its technologies, the time and costs involved in preparing, filing, prosecuting, maintaining and enforcing patent claims and other proprietary rights, its ability to establish collaborative arrangements, marketing activities and competing technological and market developments, including regulatory changes affecting medical procedure reimbursement, and overall economic conditions in the Company’s target markets.

Recent Significant Transaction

On August 12, 2014, the Company consummated a reverse acquisition (the “Acquisition”) pursuant to the Securities Exchange and Acquisition Agreement (the “Acquisition Agreement”) that the Company entered into with Your Internet Defender Inc. (“YIDI”). Prior to the Acquisition, all outstanding shares of convertible redeemable preferred stock of the Company, \$0.01 par value per share, were converted into 2,811,499 shares of common stock of the Company, \$0.01 par value per share. Pursuant to the terms of the Acquisition Agreement, (i) all outstanding shares of common stock of the Company, \$0.01 par value per share, were exchanged for shares of YIDI common stock, \$0.0001 par value per share, and (ii) all outstanding options and warrants to purchase Corindus shares were exchanged for or replaced with options and warrants to acquire shares of common stock of YIDI.

At the closing of the Acquisition, YIDI transferred its former operations to a former officer, director and shareholder of YIDI, in exchange for the satisfaction of a promissory note issued to the former officer, director and shareholder in the principal amount of \$249 and the assumption of liabilities related to the former operations. Immediately after the transfer of the former operations, the business of Corindus became the sole focus of combined company and the combined company’s name will be changed to Corindus Vascular Robotics, Inc. as soon as practicable.

Corindus, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Amounts as of March 31, 2014 and for the three months ended March 31, 2014 and 2013 are unaudited
(In thousands, except share and per share amounts)

1. Nature of Operations (continued)

Immediately after the closing of the Acquisition, YIDI and a private investor unaffiliated with YIDI closed a Stock Purchase Agreement pursuant to which the private investor purchased one million shares of the combined company's common stock at a purchase price of \$2.00 per share (the "Equity Infusion Shares").

Upon completion of the Acquisition and the issuance of the Equity Infusion Shares, the number of shares of the combined company common stock issued and outstanding will be 109,281,468, of which the Corindus shareholders own 80%. Since former Corindus shareholders owned, immediately following the Acquisition, 80% of the combined company on a fully diluted basis and all members of the combined company's executive management, and Board of Directors, were from Corindus, Corindus was deemed to be the acquiring company for accounting purposes and the transaction was accounted for as a reverse acquisition in accordance with accounting principles generally accepted in the United States ("U.S. GAAP").

The accompanying consolidated historical financial statements do not include any adjustments to reflect the Acquisition, including the spin-off of YIDI's former operations and the Equity Infusion Shares.

Liquidity

The Company has funded its operations primarily through the issuance of preferred stock and debt. In June 2014, the Company entered into a Loan and Security Agreement ("the Loan and Security Agreement") for a total commitment of \$10,000, which is available in two \$5,000 tranches. At the closing of the loan in June 2014, the first \$5,000 tranche was fully funded. Pursuant to the Loan and Security Agreement, an additional \$5,000 is available until December 31, 2014 provided that there is (i) no event of default and (ii) the Company closes on a reverse merger or other private equity or convertible preferred subordinated debt financing that raises at least \$10,000 (the "New Financing"). As of March 31, 2014, the Company had an accumulated deficit of \$64,249. The Company believes that its cash resources of \$5,715 at March 31, 2014 plus the \$5,000 received in June 2014 and the \$2,000 received in August 2014, will be sufficient to meet the Company's cash requirements through December 31, 2014. The Company's plan to meet its cash requirements beyond December 31, 2014 is dependent upon the completion of equity financing that raises at least \$10,000, and to draw down on the second \$5,000 tranche that is available until December 31, 2014. As the Company continues to incur losses, transition to profitability is dependent upon achieving a level of revenues adequate to support the Company's cost structure. The Company may never achieve profitability, and unless and until doing so, the Company will continue to need to raise additional capital. Management intends to fund future operations through additional debt or equity offerings. There can be no assurances, however, that additional funding will be available on terms acceptable to the Company, if at all.

Corindus, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Amounts as of March 31, 2014 and for the three months ended March 31, 2014 and 2013 are unaudited
(In thousands, except share and per share amounts)

2. Significant Accounting Policies

Principals of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Corindus Security Corporation. The Corindus Security Corporation was created on December 21, 2012 to hold and invest the Company's Series E investment proceeds. All intercompany transactions and balances have been eliminated in consolidation. The functional currency of the wholly-owned subsidiary is the U.S. dollar and, therefore, the Company has not recorded any currency translation adjustments.

Segment Information

The Company operates in one business segment, which is the marketing, sales and development of robotic-assisted vascular interventions. Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision maker in making decisions regarding resource allocation and assessing performance. To date, the chief operating decision maker has made such decisions and assessed performance at the company level, as one segment. The Company's chief operating decision maker is the Chief Executive Officer.

Use of Estimates

The process of preparing financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements. Such management estimates include those relating to revenue recognition, inventory write-downs to reflect net realizable value, assumptions used in the valuation of stock-based awards and warrants, and valuation allowances against deferred tax assets. Actual results could differ from those estimates.

Corindus, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Amounts as of March 31, 2014 and for the three months ended March 31, 2014 and 2013 are unaudited
(In thousands, except share and per share amounts)

2. Significant Accounting Policies (continued)

Unaudited Pro Forma Information

Upon the completion of the Acquisition Agreement, (i) all of the redeemable convertible preferred stock (see Note 8) will automatically convert into common stock and (ii) all warrants to purchase preferred stock will be converted into warrants to purchase common stock. The accompanying unaudited pro forma balance sheet as of March 31, 2014 and the accompanying statement of redeemable convertible preferred stock and stockholders' equity (deficit) have been prepared to give effect to (i) the automatic conversion of all outstanding shares of redeemable convertible preferred stock into 2,811,499 shares of common stock and the (ii) conversion of preferred stock warrants into warrants to purchase common stock. Unaudited pro forma basic and diluted net loss per share allocable to common stockholders for the year ended December 31, 2013 and the three months ended March 31, 2014 has been prepared to give effect to these adjustments as though the Acquisition had occurred as of the beginning of the period, or the date of issuance, if later.

Unaudited Interim Financial Information

The accompanying balance sheet as of March 31, 2014, the statements of operations and comprehensive loss, cash flows for the three months ended March 31, 2013 and 2014, and the statements of changes in redeemable convertible preferred stock and stockholders' equity (deficit) for the three months ended March 31, 2014 are unaudited. The interim unaudited financial statements have been prepared on the same basis as the annual audited financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary for the fair statement of the Company's financial position as of March 31, 2014 and the results of its operations and its cash flows for the three months ended March 31, 2013 and 2014. The financial data and other information disclosed in these notes related to the three months ended March 31, 2013 and 2014 are also unaudited. The results for the three months ended March 31, 2014 are not necessarily indicative of results to be expected for the year ending December 31, 2014, any other interim periods, or any future year or period.

Financial Instruments

The Company's financial instruments, consisting of cash equivalents, long-term deposits, and notes receivable, are carried at cost, which approximates fair value due to the short-term nature of these instruments.

Corindus, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Amounts as of March 31, 2014 and for the three months ended March 31, 2014 and 2013 are unaudited
(In thousands, except share and per share amounts)

2. Significant Accounting Policies (continued)

The Company's financial instruments also include warrants for the purchase of Series D redeemable convertible preferred stock. The disclosure of the estimated fair value of the warrants was determined using level 3 inputs in the fair value hierarchy (Note 10).

Accounting standards define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A three-level hierarchy is used to prioritize the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements), and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 – Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Level 3 inputs are unobservable inputs for the asset or liability in which there is little, if any, market activity for the asset or liability at the measurement date.

Cash Equivalents

The Company considers short-term investments with original maturity dates of three months or less at the date of purchase to be cash equivalents. From time to time, the Company's cash balances may exceed federal deposit insurance limits.

Product Warranty and Allowance for Doubtful Accounts

The allowance for doubtful accounts is based on the Company's assessment of the collectability of its customer accounts. The Company regularly reviews the allowance by considering factors such as industry benchmarks, credit quality, the age of the accounts receivable balances, and current economic conditions that may affect a customer's ability to pay. Customers are permitted to return defective products under Corindus' standard product warranty program. For CorPath 200 Systems, the Company's standard one-year warranty provides for the repair of any product that malfunctions. Return and replacement can only occur if a material breach of the warranty remains uncured for 30 days.

Corindus, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Amounts as of March 31, 2014 and for the three months ended March 31, 2014 and 2013 are unaudited
(*In thousands, except share and per share amounts*)

2. Significant Accounting Policies (continued)

Inventories

Inventories are valued at the lower of cost or market using the first-in, first-out (FIFO) method. The Company first capitalized inventory in 2011 based on regulatory approval that had been obtained in Europe and, in 2012, the Company received 510k clearance to market and sell its product in the U.S. Given the early stage of commercialization of the Company's CorPath 200 System, the Company routinely monitors the recoverability of its inventory and records lower of cost or market reserves, or reserves for excess and obsolete inventory, as required.

Property and Equipment

Property and equipment is carried at cost. Major items and betterments are capitalized; maintenance and repairs are charged to expense as incurred. The Company capitalizes certain costs incurred in connection with developing or obtaining internal-use software. Software costs that do not meet capitalization criteria are expensed as incurred. Corindus equipment is used on-site and at trade shows to demo the CorPath 200 System. At March 31, 2014, the Company had three systems in the field under a program that involves the placement of a system at the customer's site and the customer agrees to purchase a minimum number of cassettes each month. Depreciation on the demo is charged to sales and marketing and the depreciation on the field equipment is charged to cost of revenue. Depreciation is computed under the straight-line method over the estimated useful lives of the respective assets.

Depreciation is provided over the following assets lives:

Machinery and equipment	5 years
Computer equipment	3 years
Office furniture and equipment	5 years
Leasehold improvements	Shorter of life of lease or 5 years
Vendor tooling	3 years
Software	4 years
Demo equipment	3 years
Field equipment	3 years

Corindus, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Amounts as of March 31, 2014 and for the three months ended March 31, 2014 and 2013 are unaudited
(*In thousands, except share and per share amounts*)

2. Significant Accounting Policies (continued)

Impairment of Long-Lived Assets

The Company's long-lived assets principally consist of property and equipment. The Company continually monitors events and changes in circumstances that could indicate carrying amounts of long-lived assets may not be recoverable. An impairment loss is recognized when expected cash flows are less than an asset's carrying value. Accordingly, when indicators of impairment are present, the Company evaluates the carrying value of such assets in relation to the operating performance and future undiscounted cash flows of the underlying assets. The Company's policy is to record an impairment loss when it is determined that the carrying amount of the asset may not be recoverable. No such impairment charges have been recognized.

Revenue Recognition

Revenue related to the sale of the Company's products is recognized when persuasive evidence of an arrangement exists, the price to the buyer is fixed or determinable, collectability is reasonably assured and risk of loss transfers, usually when products are shipped and/or installed and accepted. Products are sold to customers with no rights of return. The Company recognizes revenue on multiple-element arrangements in accordance with Accounting Standards Update (ASU) 2009-13, *Revenue Recognition (Topic 605): Multiple Deliverable Revenue Arrangements*, based on the estimated selling price of each element. In accordance with ASU 2009-13, the Company uses vendor-specific objective evidence (VSOE), if available, to determine the selling price of each element. If VSOE is not available, the Company uses third-party evidence (TPE) to determine the selling price. If TPE is not available, the Company uses its best estimate to develop the estimated selling price.

On January 21, 2011, the Company entered into a distributor agreement with Philips Medical Systems Nederland, B.V. (Philips) appointing Philips to be the sole worldwide distributor for the promotion and sale of the Company's CorPath 200 System. This agreement expired August 7, 2014. Under the agreement, Philips sold the equipment directly to the end user and the Company was responsible for installation and training. At December 31, 2013 and March 31, 2014, Philips owed the Company \$125 for systems shipped under the distribution agreement.

Pursuant to the terms of the distributor agreement with Philips, the Company retains the right to promote, lease, and sell the CorPath 200 System to the end user. The CorPath 200 System is a capital medical device used by hospitals and surgical centers to perform heart catheterizations. In each arrangement, the Company is responsible for installation and initial user training. The Company considers all the elements of the sale of the system including installation and initial user training to be a single unit of accounting in accordance with ASC 605, *Revenue Recognition*. Installation and training are considered essential to the functionality of Corindus' systems. Therefore, revenue is recognized for the entire arrangement (system, installation and training) upon acceptance by the end-user customer.

Corindus, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Amounts as of March 31, 2014 and for the three months ended March 31, 2014 and 2013 are unaudited
(In thousands, except share and per share amounts)

2. Significant Accounting Policies (continued)

The Company sells cassettes and accessories directly to end users. The revenue from the sale of these products is recorded when the items are delivered, provided that the system has previously been accepted by the end-user customer. Cassettes are also sold under a CorPath Utilization Program (CUP). The CUP program is a multi-year arrangement that involves the installation of a CorPath System at a customer's site free of charge and the customer agrees to purchase a minimum number of cassettes each month at a premium over the regular price. The Company records revenue under the program on the sale and shipment of each cassette, the system is capitalized as a fixed asset and depreciated straight line through cost of revenue over the length of the CUP program contract, which is typically 36 months.

The Company also uses a one-stent program to demonstrate its confidence in the CorPath System's ability to help accurately measure anatomy and precisely place only one stent per lesion. Corindus provides eligible customers registered under the program a \$1,000 credit against future cassette purchases for a qualifying CorPath PCI procedure which uses more than one stent per lesion. The estimated cost of honoring the potential obligation under the stent program is accrued as additional cost of revenue at the time of shipment.

Revenue from the sale of extended warranty service contracts is recognized on a straight-line basis over the life of the service contract. Revenues from services administered by us that are not covered by a service contract are recognized as the services are provided. In certain instances, the Company may sell products together with service contracts.

The Company records shipping and handling costs charged to customers as a selling expense in the period incurred, and any payments from customers for shipping costs are accounted for as a reduction to selling expense.

Research and Development

Costs for research and development are expensed as incurred. Research and development expense primarily comprises salaries, salary-related expenses and costs of contractors and materials.

Corindus, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Amounts as of March 31, 2014 and for the three months ended March 31, 2014 and 2013 are unaudited
(*In thousands, except share and per share amounts*)

2. Significant Accounting Policies (continued)

Income Taxes

The Company accounts for income taxes using the liability method, whereby deferred tax asset and liability account balances are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates that will be in effect when the differences are expected to reverse. The Company provides a valuation allowance, if necessary, to reduce deferred tax assets to amounts that are realizable.

The Company accounts for uncertain tax positions using a “more-likely-than-not” threshold for recognizing and resolving uncertain tax positions. The evaluation of uncertain tax positions is based on factors including, but not limited to, changes in tax law, the measurement of tax positions taken or expected to be taken in tax returns, the effective settlement of matters subject to audit, new audit activity and changes in facts or circumstances related to a tax position. The Company evaluates these tax positions on an annual basis. The Company also accrues for potential interest and penalties related to unrecognized tax benefits in income tax expense.

The Company recognizes the tax benefit of tax positions to the extent that the benefit will more likely than not be realized. The determination as to whether the tax benefit will more likely than not be realized is based upon the technical merits of the tax position as well as consideration of the available facts and circumstances.

Stock-Based Compensation

The Company recognizes compensation costs resulting from the issuance of stock-based awards to employees as an expense in the consolidated statement of operations over the requisite service period based on a measurement of fair value for each stock award. The Company recognizes compensation costs resulting from the issuance of stock-based awards to non-employees as an expense in the consolidated statement of operations over the service period based on a measurement of fair value for each stock award.

The fair value of the common stock has been determined by the Board of Directors after considering a broad range of factors, including the results obtained from an independent third-party valuation, the illiquid nature of an investment in the Company’s common stock, the Company’s historical financial performance and financial position, the Company’s future prospects and opportunity for liquidity events, and recent sale and offer prices of common and preferred stock in private transactions negotiated at arm’s length.

Corindus, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Amounts as of March 31, 2014 and for the three months ended March 31, 2014 and 2013 are unaudited
(*In thousands, except share and per share amounts*)

2. Significant Accounting Policies (continued)

The following assumptions were used to estimate the fair value of stock options granted using the Black-Scholes option pricing model:

	Years Ended December 31,		Three Months Ended March 31,	
	2012	2013	2013 (unaudited)	2014
Risk-free interest rate	0.90% to 0.70%	0.72% to 1.43%	0.72% to 0.88%	2.01%
Expected term in years	5.75 to 6.25	5.75 to 6.25	6.25	6.25
Expected volatility	80%	80%	80%	80%
Expected dividend yield	0%	0%	0%	0%

The risk-free interest rate assumption is based upon observed U.S. government security interest rates with a term that is consistent with the expected term of the Company's employee stock options. The expected term is based on the average of the vesting period and contractual term of the Company's options. The Company does not pay a dividend, and is not expected to pay a dividend in the foreseeable future.

Due to a lack of marketability of the Company's common stock, the Company utilized comparable public companies' volatility rates as a proxy of its expected volatility for purposes of the Black-Scholes option pricing model. Stock-based compensation expense is recorded net of estimated forfeitures and is trued up periodically for actual forfeitures. The Company uses historical data to estimate forfeiture rates. For the year-ended December 31, 2013 and three months ended March 31, 2014, the forfeitures were estimated to be 4.9%.

Warrants to Purchase Redeemable Convertible Preferred Stock

The Company reviews the terms of warrants issued in connection with the applicable accounting guidance and classifies warrants as a long-term liability on the consolidated balance sheets if the warrant may conditionally obligate the Company to transfer assets, including repurchase of the issuer's shares, at some point in the future. Warrants to purchase shares of redeemable convertible preferred stock meet these criteria and therefore require liability-classification. The Company classifies warrants within stockholders' equity (deficit) on the consolidated balance sheets if the warrants are considered to be indexed to the Company's own stock, and otherwise would be recorded in stockholders' equity (deficit).

Corindus, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Amounts as of March 31, 2014 and for the three months ended March 31, 2014 and 2013 are unaudited
(*In thousands, except share and per share amounts*)

2. Significant Accounting Policies (continued)

Liability-classified warrants are subject to re-measurement at each balance sheet date, and any change in fair value is recognized as a component of other income (expense) in the consolidated statements of operations. The Company estimates the fair value of these warrants at issuance and each balance sheet date thereafter using the Black-Scholes option-pricing model as described in the stock-based compensation section above, based on the estimated market value of the underlying redeemable convertible preferred stock at the valuation measurement date, the remaining contractual term of the warrant, risk-free interest rates, expected dividends and expected volatility of the price of the underlying redeemable convertible preferred stock. The fair value of the redeemable convertible preferred stock has been determined by the Board of Directors after considering a broad range of factors, including the results obtained from an independent third-party valuation, the illiquid nature of an investment in the Company's redeemable convertible preferred stock, the Company's historical financial performance and financial position, the Company's future prospects and opportunity for liquidity events, and recent sale and offer prices of common and preferred stock in private transactions negotiated at arm's length.

Concentrations of Credit Risk and Significant Customers

The Company has no significant off-balance sheet risk such as foreign exchange contracts, option contracts, or other hedging arrangements.

The Company had one customer and three customers that accounted for 71% and 78% of revenue during the year-ended December 31, 2013 and three months ended March 31, 2014. The Company had one customer and three customers that account for 78% and 88% of the accounts receivable balance at December 31, 2014 and March 31, 2014.

Related-Party Transaction

On January 21, 2011, the Company entered into a distributor agreement with Philips Medical Systems Nederland B.V., appointing Philips to be the sole distributor for the promotion and sale of the Company's CorPath System. This agreement will remain in force for two years from the later of FDA approval of CorPath or the date on which Corindus notifies Philips that it has minimum inventory levels available for shipment. As required by the distributor agreement, the Company notified Philips on August 7, 2012 of the commencement of the two-year agreement term. At December 31, 2013 and March 31, 2014, Philips holds 445,009 shares of the Company's Series D Preferred Stock, stock warrants to purchase an additional 189,112 shares of Series D Preferred Stock at a strike price of \$26.50, and 251,246 shares of Series E Preferred Stock. Philips' holdings represent a 28.3% interest in the Company.

Corindus, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Amounts as of March 31, 2014 and for the three months ended March 31, 2014 and 2013 are unaudited
(In thousands, except share and per share amounts)

2. Significant Accounting Policies (continued)

For the year-ended December 31, 2013 and the three months ended March 31, 2014, the Company recorded revenues of \$565 and \$190, respectively, from shipments to Philips under the distribution agreement in accordance with the revenue recognition policy outlined above. At December 31, 2013 and March 31, 2014 Philips owed the Company \$125 and \$125, respectively, resulting from selling activity under the agreement.

Accounting Pronouncements Adopted in 2013

In June 2011, the Financial Accounting Standards Board (FASB) issued an accounting standards update that requires entities to present net income and other comprehensive income in either a single continuous statement or in two separate, but consecutive, statements of net income and other comprehensive income. This guidance is effective for fiscal years and interim periods beginning after December 15, 2011 on a retrospective basis, with early adoption permitted. As the new guidance relates only to how comprehensive income is disclosed and does not change the items that must be reported as comprehensive income, the adoption of this standard did not have a material impact on the Company's consolidated statements.

Recent Accounting Pronouncements Not Yet Adopted

In May 2014, the FASB issued ASU No. 2014-09 – Revenue from Contracts with Customers (Topic 606). ASU 2014-09 supersedes most of the existing guidance on revenue recognition in Accounting Standards Codification ("ASC") Topic 605, Revenue Recognition. The core principle of the revenue model is that an entity recognizes 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 and services. In applying the revenue model to contracts within its scope, an entity will need to (i) identify the contract(s) with a customer (ii) identify the performance obligations in the contract (iii) determine the transaction price (iv) allocate the transaction price to the performance obligations in the contract and (v) recognize revenue when (or as) the entity satisfies a performance obligation. ASU No. 2014-09 is effective for public entities for annual and interim periods beginning after December 15, 2016. The ASU allows for either full retrospective adoption, where the standard is applied to all of the periods presented, or modified retrospective adoption, where the standard is applied only to the most current period presented in the financial statements. The Company is currently assessing the impact of this standard to its consolidated financial statements.

Corindus, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Amounts as of March 31, 2014 and for the three months ended March 31, 2014 and 2013 are unaudited
(In thousands, except share and per share amounts)

3. Inventories

The Company's inventories consist of the following:

	December 31,		March 31,
	2012	2013	2014 <i>(unaudited)</i>
Raw materials	\$ 294	\$ 634	\$ 920
Work in progress	—	—	662
Finished goods	445	1,830	479
	\$ 739	\$ 2,464	\$ 2,061

4. Property and Equipment

Property and equipment are stated at cost and are being depreciated using the straight-line basis over the assets' estimated useful lives. Depreciation expense was \$393, \$607, \$113, and \$191 for the fiscal years 2012 and 2013 and the three months ended March 31, 2013 and March 31, 2014, respectively.

Property and equipment consist of the following:

	December 31,		March 31,
	2012	2013	2014 <i>(unaudited)</i>
Machinery and equipment	\$ 282	\$ 298	\$ 305
Computer equipment	260	273	273
Office furniture and equipment	307	353	356
Leasehold improvements	63	63	63
Vendor tooling	634	671	671
Software	185	450	461
Demo equipment	285	669	715
Field equipment	—	205	320
	2,016	2,982	3,164
Less accumulated depreciation and amortization	(938)	(1,545)	(1,736)
Property and equipment, net	\$ 1,078	\$ 1,437	\$ 1,428

Corindus, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Amounts as of March 31, 2014 and for the three months ended March 31, 2014 and 2013 are unaudited
(In thousands, except share and per share amounts)

5. Notes Receivable

On June 14, 2010, the Company entered into non-interest bearing notes receivable with certain stockholders of the Company for tax payments to be made to the Israel Tax Authority in connection with a tax ruling related to a reorganization that took place in 2008. Total amount of notes receivable issued is \$145. One of these stockholders is Tal Wenderow, the Company's co-founder and Executive Vice President.

As part of the 2008 reorganization, the Company agreed to make any tax payments on behalf of the stockholders. The notes receivable are repayable upon the disposition of the Company's Common Stock. Based on the tax ruling, the stockholders and the Company have entered into a trust agreement and the stockholders have transferred the common stock and Series A redeemable convertible preferred stock shares to a trustee to serve as collateral on the notes.

6. Accrued Expenses

Accrued expenses consist of the following:

	December 31,		March 31,
	2012	2013	2014 (unaudited)
Payroll and benefits	\$ 418	\$ 493	\$ 626
Professional and consultant fees	179	242	278
Other	153	223	275
Product development costs	2	117	172
Rent	29	79	80
Commissions	—	107	74
	\$ 781	\$ 1,261	\$ 1,505

7. Income Taxes

There was no federal or state provision for income taxes for the years ended December 31, 2012 or 2013 due to the Company's operating losses and a full valuation allowance on deferred tax assets for both years. All of the Company's income (loss) before provision for income taxes is attributable to its United States operations.

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Amounts as of March 31, 2014 and for the three months ended March 31, 2014 and 2013 are unaudited
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7. Income Taxes (continued)

The Company's effective income tax rate differs from the statutory federal income tax rate as follows:

	Years Ended December 31,	
	2012	2013
Statutory U.S. Federal Rate	34.00%	34.00%
State Income Tax	5.28	4.68
Permanent Items	(1.68)	0.61
Other	0.01	(0.77)
CY Federal R&D Credits	0.00	1.97
State R&D & ITC Credits	1.38	0.48
Change in Valuation Allowance	38.98	40.97
Total Expense (Benefit)	<u>0.00%</u>	<u>0.00%</u>

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Significant components of the Company's deferred tax assets and the related valuation allowance were as follows, in thousands:

	December 31,	
	2012	2013
Deferred tax assets:		
Operating loss carryforwards	\$ 6,596	\$ 12,299
Start-up expenditures	3,560	3,316
Property and equipment	197	99
Intangible assets	3,284	3,059
Stock-based compensation expense	536	666
Research and development credit carryforwards	487	878
Accrued expenses and other	<u>205</u>	<u>652</u>
Total deferred tax assets	14,865	20,969
Valuation allowance	(14,865)	(20,969)
Net deferred tax assets	<u>\$ —</u>	<u>\$ —</u>

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Amounts as of March 31, 2014 and for the three months ended March 31, 2014 and 2013 are unaudited
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7. Income Taxes (continued)

The Company has provided a full valuation allowance against the deferred tax assets, since it has a history of losses, which are all attributable to the U.S. and currently does not have enough positive evidence required under U.S. (GAAP) to reverse its valuation allowance. Management does not believe it is more likely than not that its deferred tax assets relating to the loss carryforwards and other temporary differences will be realized in the future. For the years ended December 31, 2012 and 2013, the valuation allowance increased by \$3,777 and \$6,104, respectively, resulting principally from increased operating loss carryforward.

At December 31, 2013, the Company has U.S. federal and state net operating loss carryforwards of approximately \$31,346 and \$31,084, respectively, that can be carried forward and offset against future taxable income. These net operating loss carryforwards will begin to expire in 2029. Utilization of net operating losses may be subject to a substantial annual limitation due to the "change in ownership" provisions of the Internal Revenue Code of 1986, and similar state provisions. The annual limitation may result in the expiration of net operating losses before utilization. The Company has not yet determined whether any changes in ownership have caused limitations.

Significant judgment is required in evaluating the Company's tax positions and in determining the Company's provision for income taxes. In the ordinary course of business, there are many transactions and calculations for which the ultimate tax determination is uncertain. As of December 31, 2013, the Company is currently not under audit in any tax jurisdiction. The Company's tax jurisdictions include the United States. The U.S. statute of limitations will remain open to examination by the tax authorities until the utilization of net operating loss carryforwards. The Company accrues interest and penalties related to unrecognized tax benefits in income tax expense.

8. Redeemable Convertible Preferred Stock

The Company has authorized and issued Series A redeemable convertible preferred stock ("Series A"), Series B redeemable convertible preferred stock ("Series B"), Series C redeemable convertible preferred stock ("Series C"), Series D redeemable convertible preferred stock ("Series D"), Series D-1 ("Series D-1"), Series D-2 ("Series D-2"), and Series E redeemable convertible preferred stock ("Series E") (collectively, "Preferred Stock"); which are classified as temporary equity.

On January 21, 2011, the Company entered into a Series D Preferred Stock Purchase Agreement (the Series D Agreement) with Koninklijke Philips Electronics N.V. and issued 378,224 shares of Series D Convertible Redeemable Preferred Stock ("Series D") at \$21.15 per share for gross cash proceeds of \$8,000.

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Amounts as of March 31, 2014 and for the three months ended March 31, 2014 and 2013 are unaudited
(In thousands, except share and per share amounts)

8. Redeemable Convertible Preferred Stock (continued)

On October 7, 2011, the Company entered into a Series D-1 Preferred Stock Purchase Agreement (the Series D-1 Agreement) and issued 173,146 shares of Series D-1 Convertible Redeemable Preferred Stock (Series D-1) at \$28.88 per share for gross cash proceeds of \$5,000.

On February 28, 2012, the Company entered into a Series D-2 Preferred Stock Purchase Agreement (the Series D-2 Agreement) and issued 160,778 shares of Series D-2 Convertible Redeemable Preferred Stock (Series D-2) at \$31.10 per share for gross cash proceeds of \$5,000.

On October 12, 2012, the Company entered into a Series E Preferred Stock Purchase Agreement (the Series E Agreement) and issued 897,185 shares of Series E Convertible Preferred Stock at \$31.84 per share in two investment tranches, the first on October 12, and the second on December 21, 2012. The gross cash proceeds received by the Company were \$28,568.

Significant Terms of Preferred Series A, Series B, Series C, Series D, Series D-1, Series D-2 and Series E

The rights, preferences, privileges, and restrictions granted to, and imposed on, the Preferred Stock are as follows:

Voting Rights

Holders of Preferred Stock have the number of votes equal to the number of shares of all Common Stock into which their shares of Preferred Stock are convertible.

Dividend Provisions

The holders of shares of the Preferred Stock shall be entitled to receive, in preference to the holders of Common Stock, when, as and if declared by the Board of Directors, preferential dividends in the amount up to \$12,000. These preferential dividends shall not be cumulative and the payment of such could be waived by the majority vote of both the holders of the Preferred Series A, B, C and E, voting as a single class, and Preferred Stock Series D voting as a single class. Any additional dividends (in excess of \$12,000) shall be paid pro rata among all holders of Preferred and Common Stock when, as and if declared by the Board of Directors and shall not be cumulative.

Corindus, Inc. and Subsidiary

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Amounts as of March 31, 2014 and for the three months ended March 31, 2014 and 2013 are unaudited
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8. Redeemable Convertible Preferred Stock (continued)

Conversion

The holders of the Preferred Stock shall have conversion rights as follows:

At any time at the option of the holder, each share of Series A shall be convertible into Uncapped Common Stock, Series B and Series C shall be convertible into Capped Common Stock and Series D, D-1, D-2 and E shall be convertible into Ordinary Common Stock. Each such share of Preferred Stock shall be convertible into the number of shares of Common Stock as determined by dividing the applicable original issue price of the series by the applicable conversion price for such series. The original issue price is \$35.21 for Series A, \$35.21 for Series B, \$13.24 for Series C, \$21.15 for Series D, \$28.88 for Series D-1, \$31.10 for Series D-2 and \$31.84 for Series E. The conversion price will be subject to adjustment in the event of stock splits, stock dividends, and combinations. In addition, each share of Preferred Stock will automatically convert into Common Stock (in accordance with the first sentence hereof) upon the completion of a public stock offering involving aggregate proceeds of at least \$50,000 or at the election of a majority of both the holders of the Preferred Series A, B, C and E, voting as a single class; and Preferred Stock Series D voting as a single class. Conversion prices are subject to adjustment in the event of certain dilutive stock issuances. At December 31, 2013 and March 31, 2014, all shares of preferred stock are convertible to Common Stock on a 1-for-1 basis, except for shares of Series A Preferred Stock, which convert on a 1.0255 to 1 basis.

Liquidation Preference

In the event of any liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, the assets of the Company legally available for distribution to its stockholders shall be distributed in the following order of priority:

1. First, the holders of Preferred Stock Series C, Series D, Series D-1, Series D-2 and Series E shall be entitled to receive on a pari passu basis an amount equal to one and a half times the respective original issue price, plus any dividends declared but not yet paid.

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Amounts as of March 31, 2014 and for the three months ended March 31, 2014 and 2013 are unaudited
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8. Redeemable Convertible Preferred Stock (continued)

2. If preferential dividends were paid to the holders of Preferred Stock within the six months preceding the liquidation, then that same amount shall first be paid to the holders of Series A, Series B and Common Stock.
3. If any proceeds remain, distribution shall be paid pro rata to the holders of Series A, Series B, and Common Stock, as if converted.
4. Notwithstanding the above, in the event the holders of Series B and Series C converted into Capped Common Stock, 10% of the aggregate proceeds payable to the Capped Common Stock in excess of \$209.51 per share shall be distributed to the holders of Uncapped Common Stock.

A liquidation event includes the sale of substantially all of the assets of the Company, dissolutions or liquidation, and consummation of a merger or consolidation in which the former shareholders of the Company hold less than 50% of the voting power of the surviving or acquiring entity.

Redemption

On or after January 21, 2016, upon the written request of a majority of the Series D, the Company shall redeem all outstanding shares of the Series D, D-1 and D-2 Preferred Stock as long as the Company has funds legally available to do so. The holders must be paid a sum per share equal to (a) the original issue price for such shares which is \$18,000, plus (b) an amount equal to all declared but unpaid dividends. As of December 31, 2013 and March 31, 2014, there were no declared but unpaid dividends. The redemption may be repaid in three tranches (the second and third tranches to bear 8% interest per annum).

The Company is accreting Series D, Series D-1, and Series D-2 to their redemption value over the period from the date of issuance to January 21, 2016, such that the carrying amounts of the securities will equal the redemption amounts at the earliest redemption date.

The Series A, Series B, Series C, and Series E Preferred Stock are only redeemable upon a deemed liquidation event. The Company believes that it is not probable at this time that a deemed liquidation event will occur. Accordingly, the Company will record the Series A, Series B, Series C, and Series E Preferred Shares at fair value and will not adjust the initial carrying amount unless it becomes probable that the security will become redeemable.

Corindus, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Amounts as of March 31, 2014 and for the three months ended March 31, 2014 and 2013 are unaudited
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8. Redeemable Convertible Preferred Stock (continued)

The following table contains the value of each class of Preferred Stock as of December 31, 2012 and 2013 and March 31, 2014 (unaudited), as well as the liquidation and redemption value as of December 31, 2013 and March 31, 2014 (unaudited):

	December 31,		March 31, 2014 <i>(unaudited)</i>
	2012	2013	
Series A redeemable convertible preferred stock; 155,248 shares authorized; 150,407 shares issued and outstanding at December 31, 2012 and 2013 and March 31, 2014 (no preference in liquidation and redemption value of \$4,226 at December 31, 2013 and March 31, 2014)	\$ 4,062	\$ 4,062	\$ 4,062
Series B redeemable convertible preferred stock; 367,895 shares authorized, issued and outstanding at December 31, 2012 and 2013 and March 31, 2014 (no preference in liquidation and redemption value of \$12,954 at December 31, 2013 and March 31, 2014)	12,576	12,576	12,576
Series C redeemable convertible preferred stock; 680,023 shares authorized, issued and outstanding at December 31, 2012 and 2013 and March 31, 2014 (liquidation preference of \$13,505 at December 31, 2013 and March 31, 2014 and redemption value of \$9,003 at December 31, 2013 and March 31, 2014)	8,687	8,687	8,687
Series D redeemable convertible redeemable preferred stock; 901,260 shares authorized; 712,148 shares issued and outstanding at December 31, 2012 and 2013 and March 31, 2014 (liquidation preference of \$27,000 at December 31, 2013 and March 31, 2014 and redemption value of \$18,000 at December 31, 2013 and March 31, 2014)	16,013	16,606	16,762
Series E redeemable convertible preferred stock; 942,174 shares authorized, 897,185 shares issued and outstanding at December 31, 2012 and 2013 and March 31, 2014 (liquidation preference of \$42,851 at December 31, 2013 and March 31, 2014 and redemption value of \$28,568 at December 31, 2013 and March 31, 2014)	28,461	28,451	28,451
Total redeemable convertible preferred stock	<u>\$ 69,799</u>	<u>\$ 70,382</u>	<u>\$ 70,538</u>

Corindus, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Amounts as of March 31, 2014 and for the three months ended March 31, 2014 and 2013 are unaudited
(*In thousands, except share and per share amounts*)

9. Stockholders' Deficit and Stock-Based Compensation

Common Stock

As of December 31, 2013 and March 31, 2014, the Company has 3,548,850 shares of Common Stock authorized under the following designations:

	<u>Authorized</u>
Uncapped Common Stock	657,498
Ordinary Common Stock	1,843,434
Capped Common Stock	1,047,918
	<u>3,548,850</u>

All issued and outstanding shares of the Company have been in the form of Uncapped Common Stock. The rights and preferences of each designation of Common Stock are the same, except as discussed in Note 8, if certain preferred shares convert into Capped Shares of Common Stock, the holders of Uncapped Common Stock are entitled to additional rights in liquidation.

The rights and preferences of the Common Stock are as follows:

Dividend Provisions

Common stockholders shall be entitled to receive dividends when and if declared by the Board of Directors. These rights shall be subject to the preferential rights of the preferred stockholders. No dividends have been declared to date.

Liquidation Rights

In certain events, including the liquidation, dissolution or winding up of the Company, immediately after the holders of Preferred Stock have been paid in full preference, the remaining assets of the Company shall be distributed ratably among the holders of Common Stock.

Voting Rights

Common stockholders are entitled to vote on all matters and are entitled to the number of votes equal to the number of common shares held.

Corindus, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Amounts as of March 31, 2014 and for the three months ended March 31, 2014 and 2013 are unaudited
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9. Stockholders' Deficit and Stock-Based Compensation (continued)

As of December 31, 2013 and March 31, 2014, the Company has authorized 3,548,850 shares of Common Stock. The numbers of shares of Common Stock have been reserved for the potential conversion of Preferred Stock, exercise of warrants, and exercise of stock options as follows at December 31, 2013 and March 31, 2014 (in thousands):

Conversion of Series A	155,248
Conversion of Series B	367,895
Conversion of Series C	680,023
Conversion of Series D	901,260
Conversion of Series E	942,174
Common stock options, warrants or awards	<u>379,581</u>
	<u><u>3,426,181</u></u>

At March 31, 2014, the Company had two stock-based compensation plans which are described below.

2006 Umbrella Option Plan (the 2006 Plan)

Under the 2006 Plan, the Board of Directors may grant options and establish the terms of each grant in accordance with provisions of the 2006 Plan up to an aggregate of 32,094 shares of the Company's common stock. Plan options are exercisable for up to ten years from the date of issuance. At December 31, 2013, 5,875 shares were available for grant under the 2006 Plan.

2008 Stock Incentive Plan (the 2008 Plan)

On April 4, 2008, the Company's Board of Directors adopted the 2008 Stock Incentive Plan (the 2008 Plan). Under the 2008 Plan, the Board of Directors may grant options and establish the terms of each grant in accordance with provisions of the 2008 Plan up to an aggregate of 350,000 shares of the Company's common stock. Plan options are exercisable for up to 10 years from the date of issuance. At December 31, 2013, 34,313 shares were available for grant under the 2008 Plan.

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9. Stockholders' Deficit and Stock-Based Compensation (continued)

A summary of the activity under the Company's stock option plans are as follows:

	Options (in thousands)	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding at January 1, 2013	302,373	\$ 14.91	7.56	\$ 210
Granted	56,250	18.77		
Exercised	(5)	8.60		58
Cancelled	<u>(16,712)</u>	15.75		
Outstanding at December 31, 2013	341,906	\$ 15.51	7.00	394
Granted (unaudited)	22,000	18.77		
Exercised (unaudited)	—	—		
Cancelled (unaudited)	<u>(1,725)</u>	18.03		
Outstanding at March 31, 2014 (unaudited)	<u>362,181</u>	\$ 15.69	6.94	
Exercisable at December 31, 2013	219,857	14.29	6.09	375
Vested and expected to vest at December 31, 2013	335,892	\$ 15.47	6.97	384
Exercisable at March 31, 2014 (unaudited)	241,337	14.46	6.04	
Vested and expected to vest at March 31, 2014 (unaudited)	356,226	\$ 15.65	6.91	

Stock-based compensation expense was allocated based on the employees' function as follows:

	Years Ended December 31,		Three Months Ended March 31,	
	2012	2013	2013	2014
			(unaudited)	
Research and development	\$ 80	\$ 59	\$ 16	\$ 15
General and administrative	271	176	47	45
Sales and marketing	65	94	26	24
	<u>\$ 416</u>	<u>\$ 329</u>	<u>\$ 89</u>	<u>\$ 84</u>

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9. Stockholders' Deficit and Stock-Based Compensation (continued)

The fair value of employee options is estimated on the date of each grant using the Black-Scholes option-pricing model. The weighted-average grant-date fair value of options granted during the years ended December 31, 2013 and three months ended March 31, 2014 was \$5.97 and \$1.56, respectively. As of December 31, 2013 and March 31, 2014, there was \$620 and \$519 of unrecognized compensation cost related to non-vested stock-based compensation arrangements under the 2006 Plan and 2008 Plan. That cost is expected to be recognized over a weighted-average period of 2.57 and 2.69 years.

10. Warrants

Pursuant to a May 31, 2007 loan agreement, the Company granted warrants to purchase 3,293 shares of Series A at \$28.10 per share, expiring on May 31, 2017. The fair value of the warrants was \$73 and was recorded as interest expense and as additional paid-in capital in the year ended December 31, 2007. The Company determined the fair value using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 4.58%, zero dividends, volatility of 70% and an expected term of ten years. The warrant is fully vested and exercisable for a period of ten years. As a result of the 2008 reorganization, the number of warrants was adjusted to 4,966 and the exercise price adjusted to \$19.12 per share in accordance with the agreement.

Pursuant to the January 21, 2011 Series D agreement, the Company issued a warrant to purchase 189,112 shares of Series D at an exercise price of \$26.50, which was determined based on the midpoint price between \$21.15 and \$31.84, the lowest per share price at which the Company sells Milestone Shares or Outside Milestone Shares. Milestone Shares are defined as shares of a new series of Preferred Stock having rights, preferences and privileges that are on parity with the Series D Preferred Stock. Outside Milestone Shares are considered to be shares of a new series of Preferred Stock having rights, preferences and privileges that are senior to or on parity with the Series D Preferred Stock but that vote as a separate class and not as a single class with the Series D Preferred Stock. The shares issued in Series E at \$31.84 were determined to be Milestone Shares. The warrant became exercisable and its exercise price fixed upon the issuance of the Series E shares on October 12, 2012. The warrant is exercisable into Series D and expires on October 11, 2017. The value of the warrant is classified as a liability on the consolidated balance sheets and re-measured at each balance sheet date and any changes in the valuation are expensed in the period.

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10. Warrants (continued)

The Company estimates the fair value of these warrants using the Black-Scholes option pricing model based on the estimated market value of the underlying redeemable convertible preferred stock at the valuation measurement date, the remaining contractual term of the warrant, risk-free interest rates, expected dividends and expected volatility of the price of the underlying redeemable convertible preferred stock.

The warrant liability was measured at fair value on a recurring basis and has inputs categorized as Level 3 in the fair value hierarchy. Significant changes in the identified unobservable inputs used in the fair value measurements of the redeemable convertible preferred stock would result in a significantly different fair value measurement of the warrant liability.

The Company revalued the outstanding warrants on December 31, 2012 and 2013 and March 31, 2014 using the following assumptions:

	Years Ended December 31,		Three Months Ended March 31,
	2012	2013	2014 (unaudited)
Risk-free interest rate	0.9%	1.18%	1.14%
Dividend yield	0.0	0.0	0.0
Expected volatility	80%	80%	80%
Expected term (years)	4.8	3.83	3.58

The table below sets forth a summary of changes in the fair value of the Company's level 3 liability (warrant) for fiscal years 2012 and 2013 and the three months ended March 31, 2014:

Balance at December 31, 2011	\$ 2,589
Loss on revaluation of warrants	392
Balance at December 31, 2012	2,981
Loss on revaluation of warrants	171
Balance at December 31, 2013	3,152
Gain on revaluation of warrants (unaudited)	(1,765)
Balance at March 31, 2014 (unaudited)	\$ 1,387

The resulting gain or loss on revaluation was recorded as other income in the consolidated statements of operations.

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11. Commitments

Operating Leases

During June 2008, the Company entered into a lease for approximately 8,300 (as stated) square feet of office and manufacturing space in Natick, Massachusetts under a two-year lease. Subsequently, the lease was amended to extend the lease term to four years expiring in November 2012, and then further extended to expire on March 31, 2013. The lease terms include escalating rents over the life of the lease and rent expense will be recognized over the life of the lease on a straight-line basis. The difference between the amount expensed and actual rent payments are recorded as an accrued expense in the consolidated balance sheets.

During October 2012, the Company entered into a 60-month operating lease for approximately 26,400 (as stated) square feet at its new corporate headquarters and manufacturing plant in Waltham, Massachusetts. In connection with the lease, the Company was required to post a cash security deposit in the amount of \$401, subject to reduction every six months during the lease term. The short-term portion and long-term portion of the refundable deposit are recorded on the consolidated balance sheet in prepaid expenses and other current assets and deposits – long term, respectively. The lease terms include escalating rents over the life of the lease and rent expense will be recognized over the life of the lease on a straight-line basis. The difference between the amount expensed and actual rent payments are recorded as a deferred rent included within accrued expense in the consolidated balance sheets.

Total rent expense was \$174, \$584, \$170, and \$139 for the fiscal years 2012 and 2013 and the three months ended March 31, 2013 and March 31, 2014, respectively. At December 31, 2013, the Company's future minimum lease payments are indicated below:

Year ending December 31:	Total Lease Payments
2014	\$ 547
2015	560
2016	573
2017	586
2018	49
Thereafter	—
Total	<u>\$ 2,315</u>

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12. Net Loss per Share

Historical Net Loss per Share

Basic net loss per share is computed using the weighted average number of common shares outstanding during the period. Diluted net loss per share is computed using the sum of the weighted average number of common shares outstanding during the period and, if dilutive, the weighted average number of potential shares of common stock, including the assumed exercise of stock options. The Company applied the two-class method to calculate its basic and diluted net loss per share available to common stockholders, as its redeemable convertible preferred stock and common stock are participating securities. The two-class method is an earnings allocation formula that treats a participating security as having rights to earnings that otherwise would have been available to common stockholders. However, the two-class method does not impact the net loss per share of common stock as the Company was in a net loss position for each of the periods presented and preferred stockholders do not participate in losses.

The calculations of shares used to compute basic and diluted net loss per share are as follows:

	Years Ended December 31,		Three Months Ended March 31,	
	2012	2013	2013	2014
Numerator:				
Net loss	\$ (9,691)	\$ (14,691)	\$ (3,086)	\$ (3,834)
Accretion of preferred stock to redemption value	(541)	(593)	(143)	(156)
Net loss attributable to common shareholders	\$ (10,232)	\$ (15,284)	\$ (3,229)	\$ (3,990)
Denominator:				
Weighted-average ordinary shares outstanding – basic and diluted	122,664	122,668	122,664	122,669
Net loss per share applicable to common shareholders – basic and diluted	\$ (83.41)	\$ (124.60)	\$ (26.32)	\$ (32.53)

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Amounts as of March 31, 2014 and for the three months ended March 31, 2014 and 2013 are unaudited
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12. Net Loss per Share (continued)

The Company's potential dilutive securities, which include stock options, redeemable convertible preferred stock, and warrants to purchase redeemable convertible preferred stock have been excluded from the computation of diluted net loss per share as the effect would be to reduce the net loss per share. Therefore, the weighted-average number of common shares outstanding is used to calculate both basic and diluted net loss per share are the same. The following common stock equivalents were excluded from the calculation of diluted net loss per share for the periods indicated because including them would have had an anti-dilutive effect:

	Years Ended December 31,		Three Months Ended March 31,	
	2012	2013	2013 <i>(unaudited)</i>	2014
Options to purchase common shares	106,427	96,608	99,554	—
Preferred share warrants	—	11,715	—	—
Convertible preferred shares (as converted)	2,811,499	2,811,499	2,811,499	2,811,499

Unaudited Pro Forma Net Loss per Share

Upon closing of the Acquisition Agreement, all shares of redeemable convertible preferred stock will automatically convert into 2,811,499 shares of common stock and all warrants to purchase preferred stock will be converted into warrants to purchase common stock. The unaudited pro forma net loss per share, basic and diluted, for the year ended December 31, 2013 and the three month period ended March 31, 2014 has been computed to give effect to the conversion of the redeemable convertible preferred stock to common stock, and the conversion of the warrants to purchase preferred stock, into warrants to purchase common stock, as if such shares had been converted at the beginning of the period or the date of issuance, if later. The unaudited pro forma net loss attributable to common stockholders used in the calculation of unaudited basic and diluted pro forma net loss per share attributable to common stockholders does not include the effects of the accretion to redemption value of the redeemable convertible preferred stock or the gain (loss) on the re-measurement of the warrant liability because it assumes that the conversion of the redeemable convertible preferred stock and the conversion of the warrant to purchase common stock had occurred at the beginning of the period.

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12. Net Loss per Share (continued)

A reconciliation of the numerator and denominator used in the calculation of unaudited pro forma basic and diluted loss per share is as follows:

	Unaudited Pro forma	
	Year Ended December 31, 2013	Three Months Ended March 31, 2014
Numerator:		
Net loss attributable to common shareholders	\$ (15,284)	\$ (3,990)
Accretion of preferred stock to redemption value	593	156
Gain (loss) on warrant revaluation	171	(1,765)
Pro forma net loss attributable to common shareholders	\$ (14,520)	\$ (5,559)
Denominator:		
Weighted-average number of common shares outstanding – basic	122,668	122,669
Pro forma adjustment for assumed conversion of redeemable convertible preferred stock upon the closing of the Acquisition Agreement	2,811,499	2,811,499
Pro forma weighted-average number of common shares outstanding – basic and diluted	<u>2,934,167</u>	<u>2,934,168</u>
Pro forma net loss per share, basic and diluted	\$ (4.95)	\$ (1.91)

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Amounts as of March 31, 2014 and for the three months ended March 31, 2014 and 2013 are unaudited
(In thousands, except share and per share amounts)

13. Subsequent Events

On June 11, 2014, the Company entered into a Loan and Security Agreement pursuant to which the lender agreed to make available to the Company \$10,000 in the aggregate over two \$5,000 secured promissory notes. The initial note was made on June 11, 2014 in an aggregate principal amount equal to \$5,000 (the “Initial Promissory Note”) and is repayable over a term of 27 months beginning on July 1, 2015, subsequent to a twelve month interest-only period beginning on July 1, 2014. The Initial Promissory Note bears interest at a rate equal to the greater of (a) 11.25% or (b) 11.25% plus the Wall Street Journal Prime Rate, less 3.25%. Pursuant to the Loan and Security Agreement, an additional \$5,000 is available until December 31, 2014 provided that (i) there is no event of default and (ii) the Company closes on a reverse merger or other private equity or convertible preferred subordinated debt financing that raises at least \$10,000 (the “New Financing”). An event of default under the Loan and Security Agreement includes, but is not limited to, breach of covenants, insolvency, and occurrence of any default under any agreement or obligation of the Company.

The Loan and Security Agreement also contains covenants which include certain restrictions with respect to subsequent indebtedness, liens, loans and investments, financial reporting obligations, asset sales, share repurchase and other restricted payments, subject to certain exceptions. Further, with the exception of the New Financing, the Company shall not merge or consolidate, or permit any of its subsidiaries to merge or consolidate, with or into any other business organization. Any failure to comply with the covenants of the Loan and Security Agreement would prevent the Company from being able to borrow additional funds and would constitute a default, which could result in, among other things, the amounts outstanding including all accrued interest and unpaid fees, becoming immediately due and payable.

In conjunction with the Loan and Security Agreement, the Company issued to the lender warrants to purchase 7,100 shares of the Company’s Series E Preferred Stock. The warrants are exercisable for a period ending upon the earlier to occur of (i) ten years from the issuance date or (ii) five years after an Initial Public Offering at an exercise price of \$35.21 per share.

**YOUR INTERNET DEFENDER, INC. AND CORINDUS, INC. AND SUBSIDIARY
UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
MARCH 31, 2014**

	Historical							
	Your Internet Defender, Inc. 6/30/2014	Corindus 3/31/2014	(A)	(B)	(C)	(D)	(total)	Consolidated
ASSETS								
Current Assets								
Cash	\$ —	\$ 5,715	\$ —	\$ (248)	\$ (3)	\$ 2,000	\$ 1,997	\$ 7,712
Cash held in escrow	248	—	—	—	—	—	(248)	—
Accounts receivable, net	3	439	—	(3)	—	—	(3)	439
Inventory, net	—	2,061	—	—	—	—	—	2,061
Prepaid expense and other current assets	580	—	—	—	—	—	—	580
Total current assets	251	8,795	—	(251)	(3)	2,000	1,746	10,792
Fixed Assets, net	1	1,428	—	(1)	—	—	(1)	1,428
Other Assets	—	368	—	—	—	—	—	368
TOTAL ASSETS	\$ 252	\$ 10,591	\$ —	\$ (252)	\$ (3)	\$ 2,000	\$ 1,745	\$ 12,588
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)								
Current Liabilities								
Accounts payable and other liabilities	\$ 276	\$ 2,914	—	\$ (276)	—	—	\$ (276)	\$ 2,914
Note payable, including related party amount of \$93	409	—	—	(409)	—	—	(409)	—
	685	2,914	—	(685)	—	—	(685)	2,914
Long-Term Liabilities								
Series D warrant liability	1,387	(1,387)	—	—	—	—	(1,387)	—
	—	1,387	(1,387)	—	—	—	(1,387)	—
TOTAL LIABILITIES	685	4,301	(1,387)	(685)	—	—	(2,072)	2,914
Preferred stock	—	70,538	(70,538)	—	—	—	(70,538)	—
Common stock	5	1	6	—	(3)	—	3	9
Additional paid-in capital	135	—	71,914	(135)	—	2,000	73,779	73,914
Accumulated deficit	(573)	(64,249)	5	568	—	—	573	(64,249)
Total Stockholders' Deficit	(433)	(64,248)	71,925	433	(3)	2,000	74,355	9,674
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY (DEFICIT)	\$ 252	\$ 10,591	\$ —	\$ (252)	\$ (3)	\$ 2,000	\$ 1,745	\$ 12,588

**YOUR INTERNET DEFENDER, INC. AND CORINDUS, INC. AND SUBSIDIARY
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
THREE MONTHS ENDED MARCH 31, 2014**

**YOUR INTERNET DEFENDER, INC. AND CORINDUS, INC. AND SUBSIDIARY
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013**

**NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED
FINANCIAL STATEMENTS**

NOTE 1 – DESCRIPTION OF THE TRANSACTION AND BASIS OF PRO FORMA INFORMATION

The unaudited pro forma condensed combined financial statements were prepared in accordance with accounting principles generally accepted in the United States of America and pursuant to the rules and regulations of Securities Exchange Commission (“SEC”) Regulation S-X, and present the pro forma financial position and results of operations of the combined companies based upon the historical data of Your Internet Defender Inc. and Corindus, Inc. and its wholly owned subsidiary Corindus Security Corporation, as if the Acquisition (as such term is defined below) had been consummated as of the first day of each of the most recent completed annual period for the Company and Corindus. The Acquisition is further described below as follows.

- On August 12, 2014, Your Internet Defender Inc., a Nevada corporation (the “Company”), entered into a Securities Exchange and Acquisition Agreement (the “Acquisition Agreement”) with Corindus, Inc., a Delaware corporation (“Corindus”), to acquire Corindus and its wholly owned subsidiary, Corindus Security Corporation, a Delaware corporation. Pursuant to the terms thereof, at Closing (as defined in the Acquisition Agreement), the following will occur:
 - The Company acquired Corindus pursuant to the Acquisition Agreement and acquired Corindus Security Corporation pursuant to an Interest Transfer Agreement between Corindus and the Company. Thereafter, Corindus and Corindus Security Corporation became wholly owned subsidiaries of the Company.
 - Prior to the Acquisition, all shares of Corindus Preferred Stock were converted into Corindus Common Stock based on a one to one ratio.
 - All outstanding shares of common stock of Corindus, \$0.01 par value per share (the “Corindus Shares”), were then exchanged for shares of the Company’s common stock, \$0.0001 par value per share (the “Company Common Stock”). The exchange ratio for converting Corindus Shares into Company Shares was 25.00207 Company Shares for each Corindus Share (the “Exchange Ratio”). Accordingly, the Company will issue 73,360,287 Company Shares in exchange for 100% of the outstanding Corindus Shares.
 - Immediately after Closing, the majority shareholder of the Company and another shareholder of the Company sold an aggregate of 31,143,700 shares of the Company’s common stock (the “Repurchase Shares”) to the Company at par value (or an aggregate of \$3,114) pursuant to a written agreement between such shareholders and the Company (the “Repurchase Agreement”), which Repurchase Shares were immediately canceled and returned to the authorized but unissued shares of the Company.
 - All outstanding options and warrants to purchase Corindus Shares (the “Corindus Options” and “Corindus Warrants”) were exchanged for or replaced with options and warrants to acquire shares of Company Common Stock (the “Company Options” and “Company Warrants”) (the “Transaction”). The Company Options covered a number of Company Shares equal to the product (rounded down to the next whole number of Company Shares) of the number of Corindus Shares underlying the Corindus Option immediately prior to the Closing multiplied by the Exchange Ratio, and have an exercise price per Company Share equal to the per share exercise price of such Corindus Option immediately prior to the Closing divided by the Exchange Ratio. The Company Options continue to vest on the same time-vesting schedule as applied prior to the Closing and become exercisable following the Closing based on the option holder’s continued service to the Company. The Company similarly issued Company Warrants in exchange for Corindus Warrants. The Company reserved 9,035,016 and 5,029,865 Company Shares for issuance upon the exercise of Company Options and Company Warrants, respectively.

- o At the Closing of the Acquisition, the Company transferred its former operations to Lisa Grossman, a former officer, director and shareholder of the Company, in exchange for the satisfaction of a promissory note issued to her in the principal amount of \$248,832 and the assumption of liabilities related to the former operations.
- o Immediately after Closing, an investor in the Company purchased one million shares of the Company's common stock at a purchase price of \$2.00 per share (the "Equity Infusion") pursuant to a stock purchase agreement entered into prior to the Closing by and between the Company and the investor (the "Stock Purchase Agreement"). The management team and Board will be those of Corindus, and the ongoing operations of the company will be those of Corindus and Corindus Security Corporation. As a result, although the Company is the legal acquirer, Corindus is deemed to be the acquirer for accounting purposes.

NOTE 2 – DIFFERING ACCOUNTING PERIODS

The historical financial statements of the Company had been prepared using a March 31 fiscal year-end and the historical financial statements of Corindus had been prepared using a December 31 year-end date. In accordance with the rules of the SEC, financial statements with different fiscal year-end dates are permitted to be combined for pro forma financial statement purposes, provided the year-end dates are within 93 days of each other. Therefore, the Company's statement of operations data for the twelve months ended March 31, 2014 and the three months ended June 30, 2014 have been combined with Corindus' statement of operations data for the year ended December 31, 2013 and the three months ended March 31, 2014, respectively. For purposes of the pro forma balance sheet presentation, the Company's balance sheet as of June 30, 2014 has been combined with the balance sheets of Corindus as of March 31, 2014.

NOTE 3 – ACCOUNTING FOR THE SECURITIES EXCHANGE AND ACQUISITION TRANSACTION

The accounting acquirer in this Acquisition is Corindus, which will be the surviving operating company. Though the accounting for this transaction is preliminary and subject to change, these pro forma financial statements reflect the application of purchase accounting, assuming Corindus is the acquirer and the Company is the acquiree. This accounting did not give rise to any significant goodwill because the assets, liabilities and operations of the Company acquired by Corindus were immediately divested, and will not contribute any future cash flows to the combined company. The total purchase price for purposes of these pro forma financial statements was \$2.4 million, consisting of the fair value of Corindus equity issued in the transaction of \$2.0 million, and \$0.4 million of liabilities assumed. This purchase price was allocated to the cash received of \$2.0 million, and to the fair value of assets to be divested.

NOTE 4 – ACCOUNTING POLICIES

Based on Corindus' review of the Company's summary of significant accounting policies disclosed in the Company's financial statements, the nature and amount of any adjustments to the historical financial statements of the Company to conform their accounting policies to those of Corindus are not expected to be significant. Upon consummation of the transaction, further review of the Company's accounting policies and financial statements may result in required revisions to the Company's policies and classifications to conform to Corindus' accounting policies.

NOTE 5 – PRO FORMA ADJUSTMENTS FOR MARCH 31, 2014 BALANCE SHEET

The following are the pro forma adjustments to the balance sheet at March 31, 2014 and are based on preliminary estimates, which may change significantly as additional information is obtained:

(A) Represents the conversion of Corindus Preferred and Common Shares at the exchange rate of 25.00207 (the "Exchange Ratio"). Accordingly, the Company issued 73,360,287 Company Shares in exchange for 100% of the outstanding Corindus Shares. Additionally, the Corindus warrants to purchase Preferred Stock are converted into warrants to purchase Company Common Stock and, therefore, the warrant liability of \$1.4 million has been reclassified into stockholders' equity as it is no longer considered a liability.

(B) Represents the forgiveness of an amount due to a related party for past consulting services in the amount \$188,892 which occurred on July 2, 2014, the payment of accounts payable and accrued expenses, and the sale of the Company business to a former officer, director and shareholder of the Company, Lisa Grossman, in exchange for the satisfaction of a promissory note issued to her in the principal amount of \$248,832.

(C) Represents the majority shareholder of the Company and another shareholder of the Company selling 31,143,700 shares of the Company's common stock to the Company at par value, or an aggregate of \$3,114.

(D) Represents the sale of one million shares of Common Stock to a private investor in exchange for \$2 million immediately after the closing, provided certain terms and conditions are met.

NOTE 6 – PRO FORMA ADJUSTMENTS FOR THREE MONTHS ENDED MARCH 31, 2014 AND YEAR ENDED DECEMBER 31, 2013

Note: The pro forma statements of operations for the three months ended March 31, 2014 and the year ended December 31, 2013 include only those pro forma adjustments that are factual and supportable.

Corindus and the Company have not included any pro forma adjustments for the incremental costs of operating the Corindus as a public registrant. While we have not included those costs as a pro forma adjustment, we believe the incremental cost will be approximately \$1 million on an annual basis.

(a) Represents the elimination of interest expense since the notes payable of the Company would have no longer been outstanding at January 1, 2013.

(b) Represents the elimination of the warrant revaluation since upon the Closing of the Acquisition, the warrant no longer meets the definition of a liability since it is exercisable into shares of Common Stock instead of Redeemable Convertible Preferred Stock.

(c) Represents the removal of the operations of the Company since the business was sold in connection with the Acquisition.

(d) Represents the impact of the modification related to the exchange of the stock options at the transaction, resulting in stock-based compensation had the transaction occurred on January 1, 2013.

(e) The pro forma combined basic and diluted earnings per share have been adjusted to reflect the pro forma combined net loss for the fiscal year ended December 31, 2013 and the three months ended March 31, 2014. In addition, the number of shares used in calculating the pro forma combined basic and diluted net loss per share has been adjusted to reflect the estimated total number of shares of common stock of the combined company that would be outstanding as of the closing of the transaction.
