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

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)**
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2017
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)**
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to
Commission File Number 001-33351

NEUROMETRIX, INC.

(Exact name of registrant as specified in its charter)

Delaware	**04-3308180**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

1000 Winter Street, Waltham, Massachusetts	**02451**
(Address of Principal Executive Offices)	(Zip Code)

(781) 890-9989
(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of exchange on which registered
Common Stock, $0.0001 par value per share	**The Nasdaq Stock Market LLC**
Preferred Stock Purchase Rights	**The Nasdaq Stock Market LLC**
Warrants to Purchase Common Stock	**The Nasdaq Stock Market LLC**

Securities registered pursuant to Section 12(g) of the Act
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

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

Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of June 30, 2017, the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of the voting stock held by non-affiliates of the registrant was approximately $4,309,853 based on the closing sale price of the common stock as reported on the Nasdaq Capital Market on June 30, 2017.

As of February 2, 2018, there were 7,141,940 shares of Common Stock outstanding.

In addition, there were 454,781 warrants to purchase shares of Common Stock listed under NUROW on the Nasdaq Capital Market stock exchange outstanding as of February 2, 2018.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents (or parts thereof) are incorporated by reference into the following parts of this Form 10-K: Certain information required by Part III of this Annual Report on Form 10-K is incorporated from the Registrant's Proxy Statement for the Annual Meeting of Stockholders to be held on May 1, 2018, or the 2018 Annual Meeting of Stockholders.

NEUROMETRIX, INC.

ANNUAL REPORT ON FORM 10-K
FOR THE YEAR ENDED DECEMBER 31, 2017

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All share amounts in this Annual Report on Form 10-K have been adjusted to reflect a 1-for-8 reverse stock split that was effected on May 11, 2017.

PART I

The statements contained in this Annual Report on Form 10-K, including under the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and other sections of this Annual Report, include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, including, without limitation, statements regarding our or our management's expectations, hopes, beliefs, intentions or strategies regarding the future, such as our estimates regarding anticipated operating losses, future revenues and projected expenses, our future liquidity and our expectations regarding our needs for and ability to raise additional capital; our ability to manage our expenses effectively and raise the funds needed to continue our business; our belief that there are unmet needs for the management of chronic pain and in the diagnosis and treatment of diabetic neuropathy; our expectations surrounding Quell and DPNCheck; our expected timing and our plans to develop and commercialize our products; our ability to meet our proposed timelines for the commercial availability of our products; our ability to obtain and maintain regulatory approval of our existing products and any future products we may develop; regulatory and legislative developments in the United States and foreign countries; the performance of our third-party manufacturers; our ability to obtain and maintain intellectual property protection for our products; the successful development of our sales and marketing capabilities; the size and growth of the potential markets for our products and our ability to serve those markets; our plan to make Quell more broadly available through retail distribution; our estimate of our customer returns of our products; the rate and degree of market acceptance of any future products; our reliance on key scientific management or personnel; the payment and reimbursement methods used by private or government third party payers; and other factors discussed elsewhere in this Annual Report on Form 10-K or any document incorporated by reference herein. The words "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect," "plan" and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. The forward-looking statements contained in this Annual Report on Form 10-K are based on our current expectations and beliefs concerning future developments and their potential effects on us. There can be no assurance that future developments affecting us will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described in the section titled "Risk Factors." Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary from those projected in these forward-looking statements. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws. Unless the context otherwise requires, all references to "we", "us", the "Company", or "NeuroMetrix" in this Annual Report on Form 10-K refer to NeuroMetrix, Inc.

ITEM 1. BUSINESS

Our Business — An Overview

NeuroMetrix is a commercial stage, innovation driven healthcare company combining bioelectrical and digital medicine to address chronic health conditions including chronic pain, sleep disorders, and diabetes. Our business is fully integrated with in-house capabilities spanning product development, manufacturing, regulatory affairs and compliance, sales and marketing, and customer support. We derive revenues from the sale of medical devices and after-market consumable products and accessories. Our products are sold in the United States and selected overseas markets, and are cleared by the U.S. Food and Drug Administration, or FDA, and regulators in foreign jurisdictions where appropriate. We have two principal product lines:

- Wearable neuro-stimulation therapeutic devices
- Point-of-care neuropathy diagnostic tests

Our core expertise in biomedical engineering has been refined over nearly two decades of designing, building and marketing medical devices that stimulate nerves and analyze nerve response for diagnostic and therapeutic purposes. We created the market for point-of-care nerve testing and were first to market with sophisticated, wearable technology for management of chronic pain. We also have an experienced management team and Board of Directors. Chronic pain is a significant public health problem. It is defined by the National Institutes of Health as any pain lasting more than 12 weeks in contrast to acute pain which is a normal bodily response to injury or trauma. Chronic pain conditions include painful diabetic neuropathy, or PDN, arthritis, fibromyalgia, sciatica, musculoskeletal pain, cancer pain and many others. Chronic pain may be triggered by an injury or there may be an ongoing cause such as disease or illness. There may also be no clear cause. Pain signals continue to be transmitted in the nervous system over extended periods of time often leading to other health problems.

These can include fatigue, sleep disturbance, decreased appetite, and mood changes which cause difficulty in carrying out important activities and contributing to disability and despair. In general, chronic pain cannot be cured. Treatment of chronic pain is focused on reducing pain and improving function. The goal is effective pain management.

Chronic pain is widespread. It affects over 100 million adults in the United States and more than 1.5 billion people worldwide. The global market for pain management drugs and devices alone was valued at $35 billion in 2012. The estimated incremental impact of chronic pain on health care costs in the United States is over $250 billion per year and lost productivity is estimated to exceed $300 billion per year. Estimated out-of-pocket spending in the United States on chronic pain is $20 billion per year.

The most common approach to chronic pain is pain medication. This includes over-the-counter drugs (such as Advil and Motrin), and prescription drugs including anti-convulsants (such as Lyrica and Neurontin) and anti-depressants (such as Cymbalta and Elavil). Topical creams may also be used (such as Zostrix and Bengay). With severe pain, narcotic pain medications may be prescribed (such as codeine, fentanyl, morphine, and oxycodone). The approach to treatment is individualized, drug combinations may be employed, and the results are often hit or miss. Side effects and the potential for addiction are real and the risks are substantial.

Reflecting the difficulty in treating chronic pain, we believe that inadequate relief leads 25% to 50% of pain sufferers to turn to the over-the-counter market for supplements or alternatives to prescription pain medications. These include non-prescription medications, topical creams, lotions, electrical stimulators, dietary products, braces, sleeves, pads and other items. In total they account for over $4 billion in annual spending in the United States on pain relief products.

High frequency nerve stimulation is an established treatment for chronic pain supported by numerous clinical studies demonstrating efficacy. In simplified outline, the mechanism of action involves intensive nerve stimulation to activate the body's central pain inhibition system resulting in widespread analgesia, or pain relief. The nerve stimulation activates brainstem pain centers leading to the release of endogenous opioids that act primarily through the delta opioid receptor to reduce pain signal transmission through the central nervous system. This therapeutic approach is available through deep brain stimulation and through implantable spinal cord stimulation, both of which require surgery and have attendant risks. Non-invasive approaches to neuro-stimulation (transcutaneous electrical nerve stimulation, or TENS) have achieved limited efficacy in practice due to device limitations, ineffective dosing and low patient compliance.

Collaboration with GSK Consumer Healthcare

On January 12, 2018, we entered into an Asset Purchase Agreement with Novartis Consumer Health S.A., an affiliate of GlaxoSmithKline, or GSK, pursuant to which we agreed to sell to GSK our Quell technology for markets outside of the United States, including certain patents and related assets. The purchase price for the assets being sold pursuant to the Asset Purchase Agreement is equal to $5 million. NeuroMetrix retains exclusive ownership of Quell technology in the U.S. market. NeuroMetrix and GSK also entered into a Development and Services Agreement on January 12, 2018, pursuant to which we agreed to provide services related to the development, regulatory approval and commercialization of the Quell technology for markets outside of the U.S. Pursuant to the Development and Services Agreement, GSK has agreed to make contingent payments of up to $21.5 million to NeuroMetrix upon the occurrence of certain development and commercialization milestones. In addition, GSK and NeuroMetrix will co-fund development of next-generation Quell technology during an initial period of 2018 through 2020, with subsequent annual renewals by mutual agreement. NeuroMetrix agreed not to compete with GSK with respect to the development and commercialization of the Quell technology and device outside of the U.S. until the tenth anniversary of the date of termination or expiration without renewal of the Development and Services Agreement.

In connection with the Asset Purchase Agreement, NeuroMetrix entered into a Contribution Agreement on December 22, 2017 with Quell Intellectual Property Corp., LLC, a newly formed Delaware limited liability company that was formed as a special purpose entity, and contributed certain intellectual property rights related to the Quell technology. Following the closing of the transactions contemplated by the Contribution Agreement and Asset Purchase Agreement, NeuroMetrix and GSK each now own a 50% interest in Quell Intellectual Property Corp, LLC. Quell Intellectual Property Corp., LLC entered into two exclusive license agreements with NeuroMetrix relating to rights to Quell intellectual property for use in the U.S. and in markets outside the U.S. Under the terms of an Assignment Agreement entered into on January 12, 2018, NeuroMetrix assigned the ex-U.S. license agreement to GSK. We refer herein to these agreements as the GSK Collaboration.

Our Strategy

There are large and important unmet medical needs in chronic pain treatment. Prescription pain medications and over-the-counter therapies are often inadequate and can lead to other health issues. We believe that controlled, personalized, neuro-stimulation to suppress pain provides an important complement to pain medications. As a medical device company with unique experience in designing devices to manage and alter peripheral nerve function, we believe we are well positioned to make neuro-stimulation widely available to chronic pain sufferers. We have direct experience with neuro-stimulation through our prescription SENSUS wearable pain management device which has been on the market for the past four and half years and Quell, our over-the-counter, or OTC, wearable device for pain relief which was launched in the second quarter of 2015 and builds upon the core SENSUS neuro-stimulation technology.

Our primary objective is revenue growth with margin expansion and declining cash consumption. We expect this to be led by the successful market adoption of Quell. We also expect an important contribution to revenue from DPNCheck, our rapid, accurate diagnostic test for diabetic peripheral neuropathy.

Our key business strategies include:

Driving Commercial Adoption of Key Proprietary Products.

- **Quell**, our OTC wearable device for pain relief, was made commercially available in the United States during the second quarter of 2015. Following commercial launch through the end of 2017, approximately 140,500 Quell devices plus electrodes and accessories were shipped to customers. Quell revenues for the years ended December 31, 2017 and 2016 were approximately $12.4 million and $7.4 million, respectively. Quell utilizes OptiTherapy, our proprietary non-invasive neuro-stimulation technology to provide relief from chronic intractable pain, such as nerve pain due to diabetes, fibromyalgia, arthritic pain, and lower back and leg pain. This advanced wearable device is lightweight and can be worn during the day while active, and at night while sleeping. It has been cleared by the FDA for treatment of chronic pain without a doctor's prescription. Users of the device have the option of using their smartphones to control pain therapy and to track sleep, activity, gait and therapy parameters. Quell is distributed in the United States via e-commerce, via direct response television, and via select retail merchandisers, and health care professionals. Distribution is supported by television promotion and digital advertising to expand product awareness.

- **DPNCheck,** our diagnostic test for peripheral neuropathies, was made commercially available in the fourth quarter of 2011. DPNCheck revenues for the years December 31, 2017 and 2016 were approximately $3.1 million and $2.5 million, respectively. Our US sales efforts focus on Medicare Advantage providers who assume financial responsibility and the associated risks for the health care costs of their patients. We believe that DPNCheck presents an attractive clinical case with early detection of neuropathy allowing for earlier clinical intervention to help mitigate the effects of neuropathy on both patient quality of life and cost of care. Also, the diagnosis and documentation of neuropathy provided by DPNCheck helps clarify the patient health profile which, in turn, may have a direct, positive effect on the Medicare Advantage premium received by the provider. We believe that attractive opportunities exist outside the United States including Japan where DPNCheck is marketed by our distribution partner Fukuda Denshi; in China where we initiated sales in 2017 via Omron Beijing Ltd.; and in Mexico where DPNCheck is marketed by Scienta Farma.

Research and Development Innovation for Competitive Advantage Our research and development, or R&D, team developed Quell, an FDA cleared, technologically sophisticated, smart phone integrated product with electrodes and other accessories. We believe that there are no comparable products on the market. Our R&D team is now responsible for maintaining and expanding Quell's competitive technological advantage, addressing opportunities to reduce Quell cost of goods sold, and enhancing our intellectual property position, through continuing innovation. We expect innovation to take the form of device and software enhancements to improve the user experience, expanded smart phone applications, and new electrode features to optimize therapy. Technological innovation will continue to be one of our top priorities.

Our Business Model

Our products consist of a medical device used in conjunction with a consumable electrode or biosensor. Other accessories and consumables are also available to customers. Our commercial objective is to build an installed base of active, satisfied customer accounts and distributors that regularly order aftermarket products to meet their needs. We successfully implemented this model when we started our business with the NC-stat system and applied it to subsequent product generations including the ADVANCE system. Our more recently developed products, Quell, SENSUS and DPNCheck, conform to this model.

Primary Marketed Products

Quell

Quell is a wearable device for relief of chronic intractable pain, such as nerve pain due to diabetes and lower back problems. It incorporates our OptiTherapy technology, a collection of proprietary approaches designed to optimize the clinical efficacy of nerve stimulation. These include high power electrical stimulation hardware with precise control, algorithms that automatically determine therapeutic stimulation intensity and compensate for nerve desensitization, and automated detection of user sleep and appropriate adjustment of stimulation level. Quell is comprised of (1) an electronic device carried in a neoprene band that is worn on the upper calf and (2) an electrode that attaches to the device and is the interface between the device and the skin. The device is lightweight and can be worn during the day while active, and at night while sleeping. It has been cleared by the FDA for treatment of chronic intractable pain and is available OTC. Users of the device have the option of using their smartphones to control pain therapy and to track sleep and therapy parameters. The device was made commercially available in June 2015. In an independent post-market clinical study of Quell initiated by NeuroMetrix, 81% of subjects reported an improvement in their chronic pain and health, and 67% reported a reduction in their use of pain medications. To encourage persons with chronic pain to try Quell, we offer a 60-day trial period during which the product can be returned for a full refund. To date, product returns have averaged approximately 25%. We estimate, over time, we will see product returns in the range of 20% to 25%, as indicated by the results of the post-market clinical study. The addressable market opportunity for Quell in the United States is estimated to be 19 million chronic pain sufferers. Quell is available via e-commerce, via direct response television, via select retail merchandisers, and via health care professionals. Distribution is supported by television promotion and digital advertising to expand product awareness. Following commercial launch through 2017 approximately 140,500 devices plus consumables and accessories were shipped to customers.

DPNCheck

DPNCheck is a fast, accurate, and quantitative nerve conduction test that is used to evaluate systemic neuropathies such as diabetic peripheral neuropathy, or DPN. It is designed to be used by primary care physicians, endocrinologists, podiatrists and other clinicians at the point-of-care to objectively detect, stage, and monitor DPN. The device measures nerve conduction velocity and response amplitude of the sural nerve, a nerve in the lower leg and ankle. These parameters are widely recognized as sensitive and specific biomarkers of DPN. DPNCheck is comprised of: (1) an electronic hand-held device and (2) a single patient use biosensor. In addition, we provide users with PC-based software that links to the device via a USB connection. This PC software allows physicians to generate reports and manage their sural nerve conduction data.

DPNCheck is a modified version of our previously marketed NC-stat nerve testing device that has the same clinical indications with respect to DPN. The modified device costs less than the original device, but has the same functionality with respect to sural nerve testing. More than 2.7 million patient studies have been performed using our NC-stat technology and there have been approximately 7.3 million nerve tests. It has been the subject of many published studies, including several studies specifically addressing the accuracy and clinical utility of the device in assessment of DPN. DPNCheck shipments commenced in late 2011 and approximately 4,000 devices plus consumables have been placed with customers through December 31, 2017.

ADVANCE System

Our legacy neurodiagnostics business is the ADVANCE System, which is a comprehensive platform for the performance of traditional nerve conduction studies. The ADVANCE System is comprised of: (1) the ADVANCE device and related modules, (2) various types of electrodes, and (3) a communication hub that enables the physician's office to network their device to their personal computers and our servers for data archiving, report generation, and other network services. The ADVANCE System is most commonly used with proprietary nerve specific electrode arrays. These electrode arrays combine multiple individual electrodes and embedded microelectronic components into a single patient-use disposable unit. We currently market seven different nerve specific electrode arrays but do not actively market the ADVANCE device.

Historically, the ADVANCE System was marketed to a broad range of physician specialties including neurologists, orthopedic surgeons, primary care physicians, and endocrinologists, and utilized for a variety of different clinical indications including assessment of carpal tunnel syndrome, or CTS, low back and leg pain, and DPN. It is most commonly used in the assessment of CTS. Numerous papers have been published on the use of this technology in this clinical application. More than 2.7 million patient studies have been performed using our NC stat technology and there have been approximately 7.3 million nerve tests, including 1.6 million sural nerve tests. As of December 31, 2017, we had an installed base of approximately 300 active customers using our ADVANCE System.

The following chart summarizes our previously marketed products and currently marketed products.

Product	Time on Market	Technology	Primary Clinical Indications	No. Patients Tested/Treated
Quell	Q2 2015 – present	Transcutaneous Electrical Nerve Stimulation	Relief for chronic, intractable pain	> 140,000
SENSUS	Q1 2013 – present	Transcutaneous Electrical Nerve Stimulation	Relief for chronic, intractable pain	> 10,000
DPNCheck	Q4 2011 – present	Nerve Conduction	Diagnosis and evaluation of peripheral neuropathies, such as DPN	> 850,000
ADVANCE	Q2 2008 – present	Nerve Conduction	Diagnosis and evaluation of CTS, low back pain, peripheral neuropathies (including DPN)	> 1,885,000 (ADVANCE and NC-stat)
NC-stat	Q2 1999 – Q3 2010	Nerve Conduction	Diagnosis and evaluation of CTS, low back pain, peripheral neuropathies (including DPN)	

Customers

Quell customers include consumers, retail merchandisers, direct response TV promoters, and health care professionals (physicians and clinics) in the United States. Through December 31, 2017, approximately 140,500 Quell devices have been shipped.

DPNCheck customers include managed care organizations, endocrinologists, podiatrists and primary care physicians in the United States and distributors in Japan, China, the Middle East and Mexico. DPNCheck shipments commenced in 2011 and approximately 4,000 devices had been placed with customers through December 31, 2017.

Our legacy ADVANCE System customers include approximately 300 active accounts covering primary care, internal medicine, orthopedic and hand surgeons, pain medicine physicians, neurologists, physical medicine and rehabilitation physicians, and neurosurgeons.

At December 31, 2017, two customers accounted for 66% of accounts receivable and one customer accounted for 19% of revenue.

Geographic Information

Substantially all of our assets, revenues, and expenses for 2017 and 2016 were located in or derived from operations in the United States. In addition, we have had sales through distributors in Europe, Asia, the Middle East, Mexico and various other regions. During 2017 and 2016, international revenues accounted for approximately 7% and 12%, respectively, of our total revenues.

Sales, Marketing, and Distribution

Quell is distributed in the United States via e-commerce including the Company's website *www.quellrelief.com* and Amazon, via direct response television including QVC, via retail merchandisers including Target, CVS, Best Buy, Bed Bath and Beyond and others, and via health care professionals. Distribution is supported by television promotion and digital advertising designed to expand product awareness.

Our U.S. sales efforts for DPNCheck focus on Medicare Advantage providers who assume financial responsibility and the associated risks for the health care costs of their patients. We believe that DPNCheck presents an attractive clinical case with early detection of neuropathy allowing for earlier clinical intervention to help mitigate the effects of neuropathy on both patient quality of life and cost of care. Also, the diagnosis and documentation of neuropathy provided by DPNCheck helps clarify the patient health profile which, in turn, may have a direct, positive effect on the Medicare Advantage premium received by the provider. We believe that attractive growth opportunities exist outside the United States, including Japan where DPNCheck is sold by our distribution partner Fukuda Denshi; in China where DPNCheck is sold by our distribution partner Omron Beijing Ltd.; and in Mexico where DPNCheck is sold by our distribution partner Scienta Farma.

Our installed base of ADVANCE accounts is supported by our customer service department. We are not actively pursuing new ADVANCE customers. Internationally, ADVANCE sales and account support is handled by our network of independent distributors.

Quell sales and marketing efforts are led by our Senior Vice President and Chief Commercial Officer. Sales and marketing efforts for DPNCheck and ADVANCE are led by our Senior Vice President, General Manager, Diagnostics.

We provide technical, clinical, and business practices training for our commercial employees including sales and marketing, and customer service.

Manufacturing and Supply

We perform final assembly and servicing of our Quell and DPNCheck devices at our manufacturing facility in Massachusetts. The ADVANCE device which is no longer in production but for which we continue to sell accessories, is serviced by us. Outside suppliers provide us the sub-assemblies and components that we use in manufacturing Quell and DPNCheck, as well as our consumable biosensors/electrodes. We maintain alternative suppliers for some but not all of the sub-assemblies and key components. Consumable biosensors/electrodes are manufactured to our specifications by two long standing suppliers. In outsourcing, we target companies that meet FDA, International Organization for Standardization, or ISO, and other quality standards supported by internal policies and procedures. Supplier performance is maintained and managed through a corrective action program ensuring all product requirements are met or exceeded. Following the receipt of products or product components from our third-party manufacturers, we conduct the necessary inspection, final assembly, packaging, and labeling at our manufacturing facility. We believe that our manufacturing relationships minimize our capital investment, provide us with manufacturing expertise, and help control costs.

Sunburst EMS, Inc. has been manufacturing devices and providing sub-assemblies to us since 2005. Sunburst currently manufactures sub-assemblies for Quell and DPNCheck at a facility in Massachusetts.

MC Assembly, Inc., a contract manufacturer, has manufactured sub-assemblies for Quell, at a facility in Massachusetts since 2016.

Johnson Medtech, LLC, or Johnson, has been manufacturing ADVANCE electrodes for us since 1999, currently at a facility in Massachusetts. Johnson is planning to shift production in the first quarter of 2018 to another Johnson facility located in Ohio.

Katecho, Inc., a full service original equipment manufacturer, or OEM, specializing in medical and cosmetic devices, manufactures biosensors for use with our DPNCheck device and electrodes for use with our Quell devices under normal commercial terms contained in our purchase orders. Katecho manufactures electrodes at its facility in Iowa.

We and our third-party manufacturers are registered with the FDA and subject to compliance with FDA quality system regulations. We are also ISO registered and undergo frequent quality system audits by a European agency. Our ADVANCE System and DPNCheck are cleared for marketing within the United States, Canada, and the European Union. DPNCheck is also cleared for marketing in Japan, China and Mexico. Our neuro-stimulation systems for chronic pain, Quell and SENSUS, are cleared for marketing in the United States, Canada, the European Economic Area, and Australia. Our facility is subject to periodic inspections by regulatory authorities, and may undergo compliance inspections conducted by the FDA and corresponding state agencies. As a registered device manufacturer, we will undergo regularly scheduled FDA quality system inspections. However, additional FDA inspections may occur if deemed necessary by the FDA.

Research and Development

We believe that we have research and development (R&D) capability that is unique to the industry with over two decades of experience in developing diagnostic and therapeutic devices involving the stimulation and measurement of nerve signals for clinical purposes. This group has extensive experience in neurophysiology, biomedical instrumentation, signal processing, biomedical sensors, and information systems.

Our R&D team works closely with our marketing group and customers to design products that are focused on improving clinical outcomes. The team consists of ten people including two who hold M.D. degrees and three who hold Ph.D. degrees. It includes the extensive involvement of our founder and Chief Executive Officer who holds both M.D. and Ph.D. degrees and who also coordinates the clinical programs that are supported by NeuroMetrix.

R&D efforts currently encompass the following areas:

- *Quell Innovation*. Quell utilizes our proprietary wearable intensive nerve stimulation (WINS) technology to provide relief from chronic pain which can encompass lower back problems, fibromyalgia, arthritis, painful diabetic neuropathy

and others. Quell is unique among OTC neuro-stimulation products in its clinical indications, technology, personalization and digital health features. Our R&D efforts to date have provided us first-to-market competitive advantage. We anticipate that success will attract competition and that we must continually innovate to maintain a leadership position. Our product development strategy is focused on the annual delivery of new features that enhance usability and biometric tracking. These include form factor changes, electrode improvements and expanding digital health integration. We intend to strengthen our intellectual property position with the development of additional know-how and a growing body of patent applications.

- *Cost of Goods Sold (COGS) Improvement*. We have identified specific opportunities to reduce Quell COGS, with both near-term and longer-term initiatives underway. Lower COGS would improve gross margins, thereby providing pricing flexibility, which may be necessary to expand Quell adoption. These COGS initiatives involve R&D support as well as investment in engineering design and equipment.
- *Support for DPNCheck.* DPNCheck is our quantitative nerve conduction test for peripheral neuropathies including DPN. Its usage is growing in the Medicare Advantage market in the United States, in Japan and in Mexico. DPNCheck received regulatory approval in China and Omron Beijing, Ltd has initiated commercial activities in that market. The characteristics of new markets often require device modification for local acceptance which, in turn, involves our R&D team.
- *Support clinical studies for our wearable technology.* Quell is an FDA-cleared Class 2 medical device. We expect that an expanding body of evidence from clinical studies will continue to build Quell credibility among health care professionals and support our marketing efforts. As an example, in 2015 we completed an independent post-market clinical study for Quell. Results were positive with 81% of subjects reporting an improvement in their chronic pain and overall health, and 67% reporting a reduction in their use of pain medications while using Quell. This was directly relevant to Quell marketing and reinforced the need to continue to build the clinical foundation for Quell. We have underway several small-scale clinical studies to assess efficacy in key pain indications, reduction in prescription opioid use in cancer patients, back pain, and improvements in sleep, among others.

Research and development expenses were approximately $3.5 million and $4.4 million for 2017 and 2016, respectively.

Clinical Program

Our clinical program operates under the direction of our Chief Executive Officer. This may from time-to-time be comprised of internal, collaborative, and external clinical studies. Internal clinical studies are designed and implemented directly by us for the purposes of product design and early clinical validation. Collaborative studies are conducted together with leading researchers around the world to provide clinical validation and to explore the clinical utility of our products. External studies are entirely independent of us, although in many cases the researchers request unrestricted grants for financial and/or material support, such as for devices and consumables. External studies may examine the clinical performance and utility of our products or our products may be used as outcomes measures. We actively seek to publish our clinical study results in leading peer-reviewed journals while also encouraging our clinical collaborators and clinical study grant recipients to do the same.

In a study published last year in the Journal of Pain Research, 81% of subjects reported a general improvement in their chronic pain and 67% reported a reduction in pain medication use after 60 days of use of Quell. Additional study findings included decreased pain interference with sleep and walking ability. Four external studies have been carried out in 2017.

- Quell TENS band for Chemotherapy-Induced Peripheral Neuropathy (CIPN), A Feasibility Study (University of Rochester Medical Center, University of Rochester, Rochester, NY). This open label study is designed to evaluate Quell efficacy, assessed by pain relief and continued device use, in subjects with CIPN. Preliminary results were presented at the American Pain Society meeting May 17-20, 2017, in Pittsburgh, PA. Among subjects completing the first 6 weeks of the study, 73% decided to continue using their Quell device. In addition, statistically significant reductions in pain, tingling, cramping and numbness were observed. A large-scale randomized sham-controlled study is planned in 2018 by the principal investigator at the University of Rochester.
- Quell Opioid Reduction and Pain Relief in Patients with Cancer (Scripps Translational Science Institute, Scripps Health, San Diego, CA). This randomized sham-controlled study is designed to evaluate opioid use reduction in patients with various forms of cancer pain. The study is completed and preliminary results are expected in early 2018.
- Efficacy of the Quell Wearable Device for Chronic Low Back Pain (Brigham and Women's Hospital, Harvard Medical School, Boston, MA). This randomized controlled study is designed to evaluate pain relief and quality of life improvements in subjects with low back pain using Quell compared to control subjects on standard therapy. The study is fully enrolled and data collection is near completion. Study results are expected in 2018.
- Prospective Validation of Quell Sleep/Wake Classification and Periodic Leg Movement Detection (Massachusetts General Hospital, Harvard Medical School, Boston, MA). This study is designed to compare Quell sleep tracking to gold standard polysomnography. The study is fully enrolled and results are expected in early 2018.

In addition, results of internal studies based on data from Quell Health Cloud have been presented at two pain research conferences.

- At the PAINWeek National Conference held September 5-9, 2017, in Las Vegas, NV, two scientific posters were presented. Results of a poster titled "Ambulatory Stride Variability Measured by a Wearable Device is a Biomarker for Chronic Pain Severity" suggested that automatic Quell gait measurements are an objective biomarker for pain severity. In another poster titled "Self-Reported Weather Sensitivity Stratifies Subjects with Chronic Pain", Quell users with and without self-reported weather sensitivity showed distinct demographic and clinical characteristics, indicating that subjects with self-reported weather sensitivity express a different chronic pain phenotype than those who report weather insensitivity.
- At the 16th Annual Pain Medicine Meeting held November 16-18, 2017, in Orlando, FL, two scientific posters were presented. In a poster titled "Will People with Severe Chronic Pain Utilize Wearable Pain Relief Technology?", analysis of results of demographic and clinical characteristics of Quell users suggested that older adults were as likely to adopt wearable and digital health technology as overall chronic pain sufferers. In another poster titled "Daily Utilization of Surface Neurostimulation is Associated with Reduced Pain Interference with Sleep, Activity and Mood in Subjects with Chronic Pain", study results suggested that optimal reduction in pain intensity and pain interference with sleep, activity, and mood is most likely achieved with daily device use.

Competition

We believe there is no direct competition to our Quell wearable neuro-stimulation device for the treatment of chronic pain. The most common approach to chronic pain is pain medication. This includes over-the-counter drugs (such as Advil and Motrin), and prescription drugs including anti-convulsants (such as Lyrica and Neurontin) and anti-depressants (such as Cymbalta and Elavil). Topical creams may also be used (such as Zostrix and Bengay). With severe pain, narcotic pain medications may be prescribed (such as codeine, fentanyl, morphine, and oxycodone). The approach to treatment is individualized, drug combinations may be employed, and the results are often hit or miss. Side effects and the potential for addiction are real and the risks are substantial.

Reflecting the difficulty in treating chronic pain, inadequate relief leads many pain sufferers to turn to the over-the-counter market for supplements or alternatives to prescription pain medications. These include non-prescription medications, topical creams, lotions, electrical stimulators, dietary products, braces, sleeves, pads and other items. In total they account for over $4 billion in annual spending in the United States on pain relief products.

High frequency nerve stimulation is an established treatment for chronic pain supported by numerous clinical studies demonstrating efficacy. In simplified outline, the mechanism of action involves intensive nerve stimulation to activate the body's central pain inhibition system resulting in widespread analgesia, or pain relief. The nerve stimulation activates brainstem pain centers leading to the release of endogenous opioids that act primarily through the delta opioid receptor to reduce pain signal transmission through the central nervous system. This therapeutic approach is available through deep brain stimulation and through implantable spinal cord stimulation; however, both require surgery and have attendant risks. Non-invasive approaches to neuro-stimulation (transcutaneous electrical nerve stimulation, or TENS) have achieved limited efficacy in practice due to device limitations, ineffective dosing and low patient compliance. We believe that our clinical and market claims with respect to our wearable technology covering chronic pain and sleep, technical characteristics of high power and automation, and the digital health integration characteristics place Quell in a unique neuro-stimulation category. There are numerous manufacturers of transcutaneous electrical nerve stimulation devices including widely marketed over-the-counter TENS such as Sanofi's IcyHot SmartRelief, Omron PM3030 and Aleve Direct Therapy.

We believe that DPNCheck is currently the only objective and standardized test for DPN widely available at the point-of-care. The American Diabetes Association, or ADA, and other organizations recommend at least annual evaluation of all people with diabetes for DPN. Due to cost and availability, this screen is typically performed with a simple (5.07/10g) monofilament. This subjective method identifies late stage neuropathy where intervention is generally limited to foot care. Experts in the field have indicated that there is an unmet need for a practical, objective, and sensitive test for diabetic neuropathy that can be widely deployed in the regular care of all people with diabetes. Monofilaments (5.07/10g) are a commodity sold by a number of medical supply companies.

There are several companies that sell neurodiagnostic devices that compete with our ADVANCE System. These companies include Cadwell Laboratories, Inc. and Natus Medical Incorporated. Natus Medical Incorporated has substantially greater financial resources than we do. Natus Medical Incorporated and Cadwell Laboratories, Inc. have established reputations as having effective worldwide distribution channels for medical instruments to neurologists and physical medicine and rehabilitation physicians.

Intellectual Property

We rely on a combination of patents, trademarks, copyrights, trade secrets, and other intellectual property laws, nondisclosure agreements and other measures to protect our proprietary technology, intellectual property rights, and know-how. We hold issued utility patents covering a number of important aspects of our Quell, SENSUS, DPNCheck and ADVANCE products. We believe that in order to have a competitive advantage, we must develop and maintain the proprietary aspects of our technologies. We also require our employees, consultants and advisors, whom we expect to work on our products, to agree to disclose and assign to us all inventions conceived, or developed using our property, or which relate to our business. Despite any measures taken to protect our intellectual property, unauthorized parties may attempt to copy aspects of our products or to obtain and use information that we regard as proprietary.

Patents

As of December 31, 2017, we had 38 issued U.S. patents, six issued foreign patents, and 36 patent applications, including 26 U.S. applications, and 25 foreign applications. Our wearable therapeutic products have six issued U.S. utility patents, two issued foreign patents, and three issued U.S. design patents plus 37 utility and design patent applications. The foreign patents for wearable therapeutics have been assigned to GSK under the terms of the GSK Collaboration. For our DPNCheck diagnostic device, seven utility patents were issued that cover the core technology and there are six additional utility patent applications.

With regard to our legacy neurodiagnostic products, our issued design patents began to expire in 2015, and our issued utility patents began to expire in 2017. In particular, seven of our issued U.S. utility patents covering various aspects of the legacy neurodiagnostic products expired on the same date in 2017. Although the patent protection for material aspects of these products covered by the claims of the patents were lost at that time, we have additional patents and patent applications directed to other novel inventions that will have patent terms extending beyond 2017.

The medical device industry is characterized by the existence of a large number of patents and frequent litigation based on allegations of patent infringement. Patent litigation can involve complex factual and legal questions, and its outcome is uncertain. Any claim relating to infringement of patents that is successfully asserted against us may require us to pay substantial damages. Even if we were to prevail, any litigation could be costly and time-consuming and would divert the attention of our management and key personnel from our business operations. Our success will also depend in part on our not infringing patents issued to others, including our competitors and potential competitors. If our products are found to infringe the patents of others, our development, manufacture, and sale of these potential products could be severely restricted or prohibited. In addition, our competitors may independently develop similar technologies. Because of the importance of our patent portfolio to our business, we may lose market share to our competitors if we fail to protect our intellectual property rights.

A patent infringement suit brought against us may force us or any strategic partners or licensees to stop or delay developing, manufacturing, or selling potential products that are claimed to infringe a third-party's intellectual property, unless that party grants us rights to use its intellectual property. In such cases, we may be required to obtain licenses to patents or proprietary rights of others in order to continue to commercialize our products. However, we may not be able to obtain any licenses required under any patents or proprietary rights of third parties on acceptable terms, or at all. Even if we were able to obtain rights to the third-party's intellectual property, these rights may be non-exclusive, thereby giving our competitors access to the same intellectual property. Ultimately, we may be unable to commercialize some of our potential products or may have to cease some of our business operations as a result of patent infringement claims, which could severely harm our business.

Trademarks

We hold domestic registrations for the trademarks NEUROMETRIX, Quell, OptiTherapy, DPNCheck, SENSUS, and NC-stat. We use a trademark for ADVANCE, and Wearable Pain Relief Technology. We hold certain foreign registrations for the marks NEUROMETRIX, Quell, OptiTherapy, NC-stat, and SENSUS.

Third-Party Reimbursement

Procedures performed with our neurodiagnostic medical devices including ADVANCE and DPNCheck may be paid for by third-party payers, including government health programs, such as Medicare, and private insurance and managed care organizations. The 2018 Physicians Fee Schedule published by CMS includes CPT 95905 for nerve conduction studies performed with pre-configured electrode arrays such as are used with the DPNCheck device and the ADVANCE System.

We believe that physicians are generally receiving reimbursement under CPT 95905 from Medicare for nerve conduction studies performed for carpal tunnel syndrome using pre-configured electrode arrays that meet the medical necessity requirements in their local Medicare region but that commercial insurers are generally not providing reimbursement. Reimbursement by third-party payers is an important element of success for medical device companies. We do not foresee a significant near-term improvement in reimbursement for procedures performed with ADVANCE and DPNCheck.

In the United States, some insured individuals are receiving their medical care through managed care programs which monitor and often require pre-approval of the services that a member will receive. Some managed care programs are paying their providers on a per capita basis a predetermined annual payment per member which puts the providers at financial risk for the services provided to their members. This is generally the case under Medicare Advantage where contracting insurers receive a monthly capitated fee from CMS to provide all necessary medical care to participating members. These capitated fees are adjusted under CMS's risk-adjustment model which uses health status indicators, or risk scores, to ensure the adequacy of payment. Members with higher risk codes generally require more healthcare resources than those with lower risk codes. In turn, the insurer fully absorbs the risk of patient health care costs. Insurers may share a portion of the risk with provider organizations such as independent practice associations (IPAs) with whom they contract to provide medical services to their members. Proper assessment of each member's health status and accurate coding helps to assure that insurers receive capitation fees consistent with the cost of treating these members. Nerve conduction testing can provide valuable, early identification of neuropathy leading to clinical interventions that can reduce health care costs. Also, these tests provide valuable input regarding each member's health risk status which can result in more appropriate capitated payments from CMS. We believe that the clinical and economic proposition for DPNCheck is attractive to Medicare Advantage insurers and risk bearing provider organizations. We are focusing our sales effort for DPNCheck on the Medicare Advantage managed care market segment.

We believe that our legacy SENSUS pain management therapeutic system is considered a durable medical equipment (DME) benefit and is reimbursed for chronic pain by Medicare and many commercial insurers under HCPCS code EO730 for the device and under HCPCS code A4595 for the consumable electrodes. These pre-existing codes apply to DME benefits employing transcutaneous electrical nerve stimulation equipment. We expect that Quell will generally not be reimbursed by third party payers in the near future.

We believe that the overall escalating cost of medical products and services has led to, and will continue to lead to, increased pressures on the healthcare industry to reduce the costs of products and services.

Our success in selling DPNCheck and ADVANCE will depend upon, among other things, our customers receiving, and our potential customers' expectation that they will receive sufficient reimbursement or patient capitated premium adjustments from third-party payers for procedures or therapies using these products. See "Risk Factors," *"If health care providers are unable to obtain sufficient reimbursement or other financial incentives from third-party health care payers related to the use of our products other than Quell, their adoption and our future product sales will be materially adversely affected."*

FDA and Other Governmental Regulation

FDA Regulation

Our products are medical devices subject to extensive regulation by the FDA under the Federal Food, Drug, and Cosmetic Act, or FDCA, and the regulations promulgated thereunder, as well as by other regulatory bodies in the United States and abroad. The FDA classifies medical devices into one of three classes on the basis of the amount of risk associated with the medical device and the controls deemed necessary to reasonably ensure their safety and effectiveness:

- Class I, requiring general controls, including labeling, device listing, reporting and, for some products, adherence to good manufacturing practices through the FDA's quality system regulations and pre-market notification;
- Class II, requiring general controls and special controls, which may include performance standards and post-market surveillance; and
- Class III, requiring general controls and pre-market approval, or PMA, which may include post-approval conditions and post-market surveillance.

Before being introduced into the market, our products must obtain market clearance or approval through the 510(k) pre-market notification process, the *de novo* review process or the PMA process, unless they qualify for an exemption from these processes. See "Risk Factors," *"We are subject to extensive regulation by the FDA which could restrict the sales and marketing of the Quell, SENSUS and DPNCheck devices and the ADVANCE System, as well as other products for which we may seek FDA clearance or approval, and could cause us to incur significant costs."*

510(k) Pre-Market Notification Process

To obtain 510(k) clearance, we must submit a pre-market notification demonstrating that the proposed device is substantially equivalent to a legally marketed Class I or II medical device or to a Class III device marketed prior to May 28, 1976 for which the FDA has not required the submission of a PMA application. In some cases, we may be required to perform clinical trials to support a claim of substantial equivalence. If clinical trials are required, we must submit an application for an investigational device exemption, or IDE, which must be cleared by the FDA prior to the start of a clinical investigation, unless the device and clinical investigation are considered non-significant risk by the FDA or are exempt from the IDE requirements. It generally takes three months from the date of the pre-market notification submission to obtain a final 510(k) decision, but it can be significantly longer.

After a medical device receives 510(k) clearance, any modification that could significantly affect its safety or effectiveness, or that would constitute a major change in its intended use, requires the submission of a new 510(k) clearance or could require *de novo* classification or PMA. The FDA allows each company to make this determination, but the FDA can review the decision. If the FDA disagrees with a company's decision not to seek FDA authorization, the FDA may require the company to seek 510(k) clearance or PMA. The FDA also can require the company to cease marketing and/or recall the medical device in question until its regulatory status is resolved.

De Novo Review Process

If a previously unclassified new medical device does not qualify for the 510(k) pre-market notification process because there is no predicate device to which it is substantially equivalent, and if the device may be adequately regulated through general controls or special controls, the device may be eligible for *de novo* classification through what is called the *de novo* review process. In order to use the de novo review process, a company must receive a letter from the FDA stating that, because the device has been found not substantially equivalent to a legally marketed Class I or II medical device or to a Class III device marketed prior to May 28, 1976 for which the FDA has not required the submission of a PMA application, it has been placed into Class III. After receiving this letter, the company, within 30 days, must submit to the FDA a request for a risk based down classification of the device from Class III to Class I or II based on the device's moderate or low risk profile which meets the definition of a Class I or Class II medical device. The FDA then has 60 days in which to decide whether to down classify the device. If the FDA agrees that a lower classification is warranted, it will issue a new regulation describing the device type and, for a Class II device, publish a Special Controls guidance document. The Special Controls guidance document specifies the scope of the device type and the recommendations for submission of subsequent devices for the same intended use. If a product is classified as Class II through the *de novo* review process, then that device may serve as a predicate device for subsequent 510(k) pre-market notifications.

PMA Process

If a medical device does not qualify for the 510(k) pre-market notification process and is not eligible for clearance through the *de novo* review process, a company must submit a PMA application. The PMA requires more extensive pre-filing testing than is required in the 510(k) and is more costly, lengthy and uncertain. The FDA will decide within 45 days of receiving a PMA whether it is sufficiently complete to permit a substantive review and if the PMA is complete, the FDA will notify the applicant that the PMA has been filed. The PMA process can take one to three years or longer, from the time the PMA application is filed with the FDA. The PMA process requires the company to prove that the medical device is safe and effective for its intended purpose. A PMA typically includes extensive pre-clinical and clinical trial data, and information about the device, its design, manufacture, labeling and components. Before approving a PMA, the FDA generally also performs an on-site inspection of manufacturing facilities for the product to ensure compliance with the FDA's quality system regulation, or QSR.

If FDA approves the PMA, the approved indications may be more limited than those originally sought. In addition, FDA's approval order may include post-approval conditions that the FDA believes necessary to ensure the safety and effectiveness of the device, including, among other things, restrictions on labeling, promotion, sale and distribution and post-market study requirements. Failure to comply with the post-approval conditions can result in adverse enforcement or administrative actions, including the withdrawal of the approval. Approval of a new PMA application or a PMA supplement may be required in the event of modifications to the device, including to its labeling, intended use or indication, or its manufacturing process that affect safety and effectiveness.

Post-Approval Obligations

After a device is placed on the market, numerous regulatory requirements continue to apply. These include:

- the FDA's QSR, which requires manufacturers, including third-party manufacturers, to follow stringent design, testing, control, documentation and other good manufacturing practice and quality assurance procedures during all aspects of the manufacturing process;
- labeling regulations and FDA prohibitions against the promotion of products for uncleared or unapproved uses (known as off-label uses), as well as requirements to provide adequate information on both risks and benefits;
- medical device reporting regulations, which require that manufacturers report to FDA any device that 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 the malfunction were to recur;
- correction and removal reporting regulations, which require that manufacturers report to the FDA field corrections and device recalls or removals if undertaken to reduce a risk to health posed by the device or to remedy a violation of the FDCA caused by the device which may present a risk to health;
- post-market surveillance regulations, which apply to Class II or III devices if the FDA has issued a post-market surveillance order and the failure of the device would be reasonably likely to have serious adverse health consequences, the device is expected to have significant use in the pediatric population, the device is intended to be implanted in the human body for more than one year, or the device is intended to be used to support or sustain life and to be used outside a user facility;
- regular and for cause inspections by FDA to review a manufacturer's facilities and their compliance with applicable FDA requirements; and
- the FDA's recall authority, whereby it can ask, or order, device manufacturers to recall from the market a product that is in violation of applicable laws and regulations.

Regulatory Approvals and Clearances

The ADVANCE System received 510(k) clearance as a Class II medical device in April 2008 for its intended use by physicians to perform nerve conduction studies and needle electromyography procedures.

The NC-stat System is also a Class II medical device and has been the subject of several 510(k) clearances, the most recent in July 2006 (K060584). The NC-stat System is cleared for use to stimulate and measure neuromuscular signals that are useful in diagnosing and evaluating systemic and entrapment neuropathies. We believe our NC-stat DPNCheck, or DPNCheck, device is a technical modification to the 510(k) cleared NC-stat device and has the same intended use, and therefore does not raise safety or effectiveness questions. Under the FDA's published guidance on 510(k) requirements for modified devices, we do not believe that a 510(k) submission is required for DPNCheck.

As transcutaneous electrical nerve stimulators, the SENSUS and Quell pain therapy devices are Class II medical devices which received 510(k) clearance from the FDA in August 2012 and July 2014, respectively. In November 2012, the FDA provided 510(k) clearance for the disposable electrode used in conjunction with the SENSUS device, and in July 2013, the FDA provided 510(k) clearance for the use of SENSUS during sleep. The intended use of the SENSUS pain management therapeutic system is the symptomatic relief and management of chronic pain. In July 2014, our Quell device received 510(k) clearance for over-the-counter use and in November 2014, our Quell disposable electrode received 510(k) clearance for over-the-counter use. In January 2016, a number of new features were added to Quell and received 510(k) clearance, most notably use with an optional mobile app that contains several convenience features. The intended use of the Quell pain management therapeutic system is the symptomatic relief and management of chronic pain. The Quell device may also be used during nighttime sleep.

Federal Trade Commission Regulatory Oversight

We are subject to Federal Trade Commission ("FTC") regulatory oversight. Under the Federal Trade Commission Act ("FTC Act"), the FTC is empowered, among other things, to (a) prevent unfair methods of competition and unfair or deceptive acts or practices in or affecting commerce; (b) seek monetary redress and other relief for conduct injurious to consumers; and (c) gather and compile information and conduct investigations relating to the organization, business, practices, and management of entities engaged in commerce. The FTC has very broad enforcement authority, and failure to abide by the substantive requirements of the FTC Act and other consumer protection laws can result in administrative or judicial penalties, including civil penalties, injunctions affecting the manner in which we would be able to market Quell in the future, or criminal prosecution.

Manufacturing Facilities

Our facility, and the facilities utilized by Sunburst and MC Assemblies, Inc., our contract sub-assembly manufacturers, have each been inspected by FDA in the past, and observations were noted. There were no findings that involved a significant violation of regulatory requirements. The responses to these observations have been accepted by the FDA and we believe that we and our contract manufacturers are in substantial compliance with the QSR. We expect that our facility and our subcontract facilities will be inspected again as required by the FDA. If the FDA finds significant violations, we could be subject to fines, recalls, requirements to halt manufacturing, or other administrative or judicial sanctions.

U.S. Anti-Kickback and False Claims Laws

In the United States, the federal Anti-Kickback Statute, as well as numerous state anti-kickback laws, prohibit the offer, payment, solicitation or receipt of kickbacks, bribes or other remuneration, whether direct or indirect, overt or covert, in cash or in kind, intended, among other things, to induce the purchase or recommendation of healthcare products and services. While the federal law applies only to products and services for which payment may be made by a federal healthcare program, the state laws may apply regardless of whether any public healthcare funds are involved. Violations of these laws can lead to severe civil and criminal penalties, including exclusion from participation in federal healthcare programs. These laws are potentially applicable to manufacturers of medical devices, such as us, and to hospitals, physicians and other potential purchasers of our products.

Also, the federal False Claims Act, as well as many state false claims statutes, provides civil and criminal penalties for presenting, or causing to be presented, to third-party payers for reimbursement, claims that are false or fraudulent, or which are for items or services that were not provided as claimed. Under the federal False Claims Act, in addition to actions initiated by federal law enforcement authorities, the statute authorizes "qui tam" actions to be brought on behalf of the federal government by a private party in certain circumstances and, if successful, that private party can share in any monetary recovery. Any challenge by federal or state enforcement officials or others under these laws, could have a material adverse effect on our business, financial condition, and results of operations.

Legacy Neurodiagnostics Business

We were founded in 1996 as a science-based health care company. Our focus had been the development of innovative products for the detection, diagnosis, and monitoring of peripheral nerve and spinal cord disorders, such as those associated with carpal tunnel syndrome, lumbosacral disc disease and spinal stenosis, and diabetes. Our NC-stat System for the performance of nerve conduction studies at the point-of-care was commercially launched in 1999. The second generation NC-stat was released in 2002. In 2008, we brought to market the more sophisticated ADVANCE System for nerve conduction testing and performance of invasive needle electromyography. These systems were general purpose with broad application in evaluating and diagnosing nerve disorders. Numerous studies demonstrating the clinical accuracy and utility of these devices have been conducted and published in high quality peer-reviewed journals. Furthermore, these devices have been used in FDA sanctioned clinical trials for pharmacological agents and large scale epidemiological studies sponsored by the NIH, Center for Disease Control, or CDC, and other governmental agencies. The products have been cleared by the FDA, field tested for over a decade and highly regarded for their ease of use, accuracy and reproducibility of results.

Following launch of NC-stat in 1999, we experienced rapid revenue growth, which led to our initial public offering in 2004. The health market, particularly the physician office segment, embraced the opportunity to perform nerve conduction tests which previously had always required referral to specialists. Point-of-care nerve testing was seen to provide a combination of improved patient care and patient convenience. The success of point-of-care nerve testing, a market which we created, was met with resistance in some sectors of the medical community, particularly by neurologists and physical medicine and rehabilitation physicians, both of which had traditionally provided nerve testing services. As a consequence of successful lobbying by these specialists, physicians using our technology experienced increased denials of coverage by third party payers resulting in their discontinuing usage and our difficulty in accruing new customer accounts. In late 2009 CMS included in the Physician Fee Schedule a new Category I CPT Code, CPT 95905, for nerve conduction studies performed using preconfigured electrode such as those employed with our products. During 2010 most Medicare fiscal intermediaries assumed coverage for CPT 95905 for at least some clinical indications; however, the health care environment was such that we were unable to secure broad coverage among private payers, which was essential to the success of our ADVANCE System product. This experience was reflected in our revenues for the legacy Neurodiagnostics business, which peaked in 2006 at $55.3 million. We reported revenue for our legacy Neurodiagnostics business of $1.5 million and $2.0 million in 2017 and 2016, respectively. We currently manage this business to optimize cash flow.

Employees

As of December 31, 2017, we had a total of 41 full time employees. Of these employees, ten were in research and development, 14 in sales and marketing, nine in production/distribution, and eight in general and administrative services. One employee holds both M.D. and Ph.D. degrees, one employee holds an M.D. degree and two additional employees hold Ph.D. degrees. Our employees are not represented by a labor union and are not subject to a collective bargaining agreement. We have never experienced a work stoppage. We believe that we have good relations with our employees.

Available Information

Access to our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to these reports filed with or furnished to the Securities and Exchange Commission, or SEC, may be obtained through the Investor Relations section of our website at *www.neurometrix.com/investor* as soon as reasonably practical after we electronically file or furnish these reports. We do not charge for access to and viewing of these reports. Information on our Investor Relations page and on our website is not part of this Annual Report on Form 10-K or any of our other securities filings unless specifically incorporated herein by reference. In addition, the public may read and copy any materials that we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. Also, our filings with the SEC may be accessed through the SEC's website at *www.sec.gov*. All statements made in any of our securities filings, including all forward-looking statements or information, are made as of the date of the document in which the statement is included, and we do not assume or undertake any obligation to update any of those statements or documents unless we are required to do so by law.

Corporate Information

NeuroMetrix was founded in June 1996 by our President and Chief Executive Officer, Shai N. Gozani, M.D., Ph.D. We originally were incorporated in Massachusetts in 1996, and we reincorporated in Delaware in 2001. Our principal offices are located at 1000 Winter Street, Waltham, Massachusetts 02451.

ITEM 1A. Risk Factors

You should carefully consider the following risks and all other information contained in this Annual Report on Form 10-K and our other public filings before making any investment decisions with respect to our securities. If any of the following risks occurs, our business, prospects, reputation, results of operations, or financial condition could be harmed. In that case, the trading price of our securities could decline, and our stockholders could lose all or part of their investment. This Annual Report also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of specific factors, including the risks described below and elsewhere in this Annual Report on Form 10-K.

We have incurred significant operating losses since inception and cannot assure you that we will achieve profitability.

We have incurred significant cumulative net losses since our inception. Our net losses for the years ended December 31, 2017 and 2016, were approximately $12.9 million and $14.9 million, respectively. At December 31, 2017, we had an accumulated deficit of $191.3 million. The extent of our future operating income or losses is highly uncertain, and we cannot assure you that we will be able to achieve or maintain profitability.

Our future capital needs are uncertain and our independent auditor has expressed substantial doubt about our ability to continue as a going concern. Our ability to continue as a going concern is dependent on our ability to achieve the GSK Collaboration milestones or to raise additional capital and our operations could be curtailed if we are unable to obtain the required additional funding when needed. We may not be able to do so when necessary, and/or the terms of any financings may not be advantageous to us.

We held cash and cash equivalents of $4.0 million as of December 31, 2017. We believe that these resources, the $5.0 million received in January 2018 under the GSK Collaboration, future GSK Collaboration milestones and payments, and the cash to be generated from future product sales will be sufficient to meet our projected operating requirements into the fourth quarter of 2018. However, the timing of GSK milestone achievement and the amount of our future product sales is difficult to predict and actual sales may not be in line with our forecasts.

Our financial statements have been prepared assuming that we will continue as a going concern which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. We expect to incur further losses as we aim to successfully commercialize Quell and DPNCheck and the operations of our business and will be dependent on funding our operations through additional public or private financing, collaborative arrangements with strategic partners, or through additional credit lines or other debt financing sources to increase the funds available to fund operations. These circumstances raise substantial doubt about our ability to continue as a going concern. As a result of this uncertainty and the substantial doubt about our ability to continue as a going concern as of December 31, 2017, the report of our independent registered public accounting firm in this Annual Report on Form 10-K for the year ended December 31, 2017 includes a going concern explanatory paragraph. Management's plans include increasing revenue through the commercialization of Quell and DPNCheck. However, no assurance can be given at this time as to whether we will be able to achieve these objectives. Our financial statements do not include any adjustment relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should we be unable to continue as a going concern.

We continue to face significant challenges and uncertainties and, as a result, our available capital resources may be consumed more rapidly than currently expected due to (a) decreases in sales of our products and the uncertainty of future revenues from new products; (b) changes we may make to the business that affect ongoing operating expenses; (c) changes we may make in our business strategy; (d) regulatory developments and inquiries affecting our existing products and delays in the FDA approval process for products under development; (e) changes in our research and development spending plans; and (f) other items affecting our forecasted level of expenditures and use of cash resources. Accordingly, we may need to raise additional funds to support our future operating and capital needs in the fourth quarter of 2018. We may attempt to obtain additional funding through public or private financing, collaborative arrangements with strategic partners, or through additional credit lines or other debt financing sources to increase the funds available to fund operations. However, we may not be able to secure such financing in a timely manner or on favorable terms, if at all. Furthermore, if we issue equity or debt securities to raise additional funds, our existing stockholders may experience dilution, and the new equity or debt securities may have rights, preferences and privileges senior to those of our existing stockholders. If we raise additional funds through collaboration, licensing or other similar arrangements, it may be necessary to relinquish valuable rights to our potential products or proprietary

technologies, or grant licenses on terms that are not favorable to us. Without additional funds, we may be forced to delay, scale back or eliminate some of our sales and marketing efforts, research and development activities, or other operations and potentially delay product development in an effort to provide sufficient funds to continue our operations. If any of these events occurs, our ability to achieve our development and commercialization goals would be adversely affected.

We are focused on the commercialization within the United States of Quell, our over-the-counter, or OTC, wearable device for chronic pain. We cannot assure you that we will be successful in this field or that our current commercial product for peripheral neuropathy, DPNCheck, or the product candidates or product enhancements in our development pipeline, will be successful.

We are focused on the commercialization within the United States of Quell, our OTC wearable device for pain relief. Quell is based on our prescription product for pain relief, SENSUS. Quell has been on the market since June 2015 and we have shipped approximately 140,500 Quell devices since then. Additionally, DPNCheck, which was launched in 2011, is a quantitative nerve conduction test for systemic neuropathies, such as DPN. We also have other product candidates and product enhancements in our development pipeline. Our future prospects are closely tied to our success with Quell and DPNCheck, which, in turn, depend upon market acceptance and growth in future revenues. We cannot assure you that our commercialization strategy will be successful. If our strategy is not successful, it could materially affect our revenues and results of operations.

Our future success could be adversely affected by a number of factors, including:

- inability to create market demand for Quell through online marketing efforts, direct response television and other retail channels;
- manufacturing issues with Quell or our other products;
- inability to increase adoption of DPNCheck within the Medicare Advantage market;
- unfavorable market response to our product in international markets;
- regulatory inquiries or issues affecting our products;
- unfavorable changes to current Medicare, Medicare Advantage and commercial payer payment policies;
- changes to payor policies under the Patient Protection and Affordable Care Act;
- unfavorable experiences by patients and physicians using Quell and our other products; and,
- physicians’ or patients' reluctance to alter their existing practices and adopt the use of our devices.

If we are unable to expand exposure and penetrate the market for Quell and/or DPNCheck, our ability to increase our revenues will be limited and our business prospects will be adversely affected.

Our current and future revenue is dependent upon commercial acceptance of Quell by the market. The failure of such acceptance will materially and adversely affect our operations.

We anticipate that as revenue from our legacy neurodiagnostics business, the ADVANCE System, continues to decrease, we will rely more heavily on revenue from sales of Quell, our OTC wearable device. As a result, we will continue to incur operating losses until such time as sales of Quell and other products or product candidates reach a mature level and we are able to generate sufficient revenue from their sale to meet our operating expenses. There can be no assurance that customers will adopt our technology and products, or that prospective customers will agree to pay for our products. In the event that we are not able to significantly increase the number of customers that purchase our products, or if we are unable to charge the necessary prices, our financial condition and results of operations will be materially and adversely affected.

We have recently entered into the GSK Collaboration, and our ability to work together with GSK to achieve the desired results of the collaboration is unproven.

In January 2018, we entered into an Asset Purchase Agreement with GSK, pursuant to which we agreed to sell to GSK our Quell technology for markets outside of the United States, including certain patents and related assets. We retain exclusive ownership of Quell technology in the U.S. market. We and GSK also entered into a Development and Services Agreement on January 12, 2018, pursuant to which we agreed to provide services related to the development, regulatory approval and commercialization of the Quell technology for markets outside of the U.S. We have agreed not to compete with GSK with respect to the development and commercialization of the Quell technology and device outside of the U.S. until the tenth anniversary of the date of termination or expiration without renewal of the Development and Services Agreement.

Pursuant to the Development and Services Agreement, GSK has agreed to make contingent payments of up to $21.5 million to us upon the occurrence of certain development and commercialization milestones, plus amounts for co-funded next-generation Quell development. As we have just recently entered into these agreements, we do not have a history of working together with GSK on which we can base the likelihood of success of this collaboration. If we are unable to achieve the anticipated milestones, we will not receive the anticipated contingent payments, and our business could be materially and adversely affected.

If health care providers are unable to obtain sufficient reimbursement or other financial incentives from third-party health care payers related to the use of our products other than Quell, their adoption and our future product sales will be materially adversely affected.

Widespread adoption of our DPNCheck products by the medical community is unlikely to occur without a financial incentive from third-party payers for the use of these products. If health care providers are unable to obtain adequate reimbursement for procedures performed using these products, if managed care organizations do not receive improved capitated payments due to more accurate patient risk assessment using our products, and if DME suppliers are not adequately reimbursed for supplying our therapeutic products, we may be unable to sell our products at levels that are sufficient to allow us to achieve and maintain profitability, and our business would suffer significantly. Additionally, even if these products and procedures are adequately reimbursed by third-party payers today, adverse changes in payers future policies toward payment would harm our ability to market and sell our products. Third-party payers include those governmental programs such as Medicare and Medicaid, private health insurers, workers' compensation programs and other organizations.

Future regulatory action by CMS or other governmental agencies or negative clinical results may diminish reimbursement payments to physicians for performing procedures using our products. Medicaid reimbursement differs from state to state, and some state Medicaid programs may not cover the procedures performed with our products or pay physicians an adequate amount for performing those procedures, if at all. Additionally, some private payers do not follow the Medicare guidelines and may reimburse for only a portion of these procedures or not at all. We are unable to predict what changes will be made in the reimbursement methods used by private or governmental third-party payers. Importantly, we cannot predict the effects that implementation of the Patient Protection and Affordable Care Act will have on CMS, commercial insurers, health care providers, and ultimately on our business.

Healthcare reform legislation could adversely affect our future revenues.

Our future revenues from SENSUS will be impacted by the CMS Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Competitive Bidding Program. Under this program, Medicare will no longer reimburse suppliers for certain products and services, including transcutaneous electrical nerve stimulation (TENS), based on the Medicare fee schedule amount. Instead CMS will provide reimbursement for those products and services based on a competitive bidding process. Our SENSUS pain management system is presently classified within TENS. The DMEPOS Competitive Bidding Program will likely require us to sell SENSUS devices and related consumables subject to Medicare reimbursement at significantly lower prices which would have a material adverse effect on SENSUS profitability. In those regions of the country where DMEPOS Competitive Bidding was implemented in January 2014, low Medicare pricing is restricting our ability to sell SENSUS. As the DMEPOS program is expanded to other regions, a similar effect will likely be seen.

We are subject to extensive regulation by the FDA which could restrict the sales and marketing of the Quell, SENSUS and DPNCheck devices and the ADVANCE System, as well as other products for which we may seek FDA clearance or approval, and could cause us to incur significant costs.

We sell medical devices that are subject to extensive regulation in the United States by the FDA with regard to manufacturing, labeling, sale, promotion, distribution, shipping and ongoing monitoring and follow-up. Before a new medical device, or a new use of or claim for an existing product, can be marketed in the United States, it must first be cleared or approved by the FDA. Medical devices may be marketed only for the indications for which they are approved or cleared. The regulatory review process can be expensive and lengthy. The FDA's process for granting 510(k) clearance typically takes approximately three to six months, but it can be significantly longer. The process for obtaining a pre-market approval, or PMA, is much more costly and onerous. By law, the time period designated for the FDA's review of a PMA is 180 days; however, this time is often extended and it is not uncommon for the PMA review process to take three years or longer from the time the application is filed with the FDA.

The FDA may remove our devices from the market or enjoin them from commercial distribution if safety or effectiveness problems develop. Further, we may not be able to obtain additional 510(k) clearances or pre-market approvals for new products or for modifications to, or additional indications for, our existing products in a timely fashion, or at all. Delays in obtaining future clearances or approvals would adversely affect our ability to introduce new or enhanced products in a timely manner, which in turn would harm our revenue and future profitability. We have made modifications to our devices in the past and may make additional modifications in the future that we believe do not or will not require additional clearances or approvals. If the FDA disagrees, and requires new clearances or approvals for the modifications, we may be required to recall and to stop marketing the modified devices. If any of these events occurs or if the FDA takes other enforcement actions, we may not be able to provide our customers with the products they require on a timely basis, our reputation could be harmed, and we could lose customers and suffer reduced revenues and increased costs.

We also are subject to numerous post-marketing regulatory requirements, including the FDA's quality system regulations, which relate to the design, manufacture, packaging, labeling, storage, installation and servicing of our products, labeling regulations, medical device reporting regulations and correction and removal reporting regulations. Our failure or the failure by any manufacturer of our products to comply with applicable regulatory requirements could result in enforcement action by the FDA. FDA enforcement actions relating to post-marketing regulatory requirements or other issues may include any of the following:

- warning letters, untitled letters, fines, injunctions, product seizures, consent decrees and civil penalties;
- requiring repair, replacement, refunds, customer notifications or recall of our products;
- imposing operating restrictions, suspension or shutdown of production;
- refusing our requests for 510(k) clearance or PMA approval of new products, new intended uses, or modifications to existing products;
- requesting voluntary rescission of 510(k) clearances or withdrawing PMA approvals that have already been granted; and
- criminal prosecution.

If any of these events were to occur, they could harm our reputation, our ability to generate revenues and our profitability.

Also, from time to time, legislation is introduced into Congress that could significantly change the statutory provisions governing the approval, manufacturing and marketing of medical devices. FDA regulations and guidance are often revised or reinterpreted by the agency in ways that may significantly affect our business and our products. It is impossible to predict whether legislative changes will be enacted, or FDA regulations, guidance or interpretations changed, and what the impact of such changes, if any, may be. The FDA has publicly stated that it is reevaluating its longstanding 510(k) review program. It is not clear when, the program will be modified and what effect the modified review process will have on our ability to bring our product candidates to market.

We depend on several single source manufacturers to produce components of our products. Any material adverse changes in our relationships with these manufacturers could prevent us from delivering products to our customers in a timely manner and may adversely impact our future revenues or costs.

We rely on third-party manufacturers to manufacture components of our Quell, DPNCheck and SENSUS systems, and to fully manufacture devices for the ADVANCE system. In the event that our manufacturers cease to manufacture sufficient quantities of our products or components in a timely manner and on terms acceptable to us, we would be forced to locate alternate manufacturers. Additionally, if our manufacturers experience a failure in their production process, are unable to obtain sufficient quantities of the components necessary to manufacture our products or otherwise fail to meet our quality requirements, we may be forced to delay the manufacture and sale of our products or locate an alternative manufacturer. We may be unable to locate suitable alternative manufacturers for our products or components for which the manufacturing process is relatively specialized, on terms acceptable to us, or at all. We have a manufacturing and supply agreement with Johnson Medtech, LLC. for the manufacture of the ADVANCE electrodes for nerve conduction testing. Katecho, Inc. manufactures biosensors for use with our DPNCheck devices and manufactures electrodes for Quell and SENSUS, and Sunburst EMS, Inc. manufactures electronic boards and other components of our Quell, DPNCheck and SENSUS products which we assemble at our Massachusetts facility to produce completed devices. Moreover, due to the recent commercialization of Quell and the limited amount of our sales to date we do not have long-standing relationships with our manufacturers, other than Katecho, Inc., and may not be able to convince suppliers to continue to make components available to us unless there is demand for such

components from their other customers. As a result, there is a risk that certain components could be discontinued and no longer available to us.

We have experienced transient inventory shortages on new products, including Quell, during the initial production ramp-up phase. If any materially adverse changes in our relationships with these manufacturers occur, our ability to supply our customers will be severely limited until we are able to engage an alternate manufacturer or, if applicable, resolve any quality issues with our existing manufacturer. This situation could prevent us from delivering products to our customers in a timely manner, lead to decreased sales or increased costs, or harm our reputation with our customers.

If our manufacturers are unable to supply us with an adequate supply of product components as we expand our markets, we could lose customers, our potential future growth could be limited and our business could be harmed.

In order for us to successfully expand our business, our contract manufacturers must be able to provide us with substantial quantities of components of our products in compliance with regulatory requirements, in accordance with agreed upon specifications, at acceptable cost and on a timely basis. Our potential future growth could strain the ability of our manufacturers to deliver products and obtain materials and components in sufficient quantities. Manufacturers often experience difficulties in scaling up production, including problems with production yields and quality control and assurance. If we are unable to obtain sufficient quantities of high quality products to meet customer demand on a timely basis, we could lose customers, our growth may be limited and our business could be harmed.

If we or our manufacturers fail to comply with the FDA's quality system regulation, the manufacturing and distribution of our products could be interrupted, and our product sales and operating results could suffer.

We and our contract manufacturers are required to comply with the FDA's quality system regulation, or QSR, which is a complex regulation that governs the procedures and documentation of the design, testing, production, control, quality assurance, labeling, packaging, sterilization, storage and shipping of our devices. The FDA enforces the QSR through periodic inspections. We cannot assure you that our facilities or the facilities of the manufacturers of our products would pass any future inspection. If our facilities or any of the facilities of the manufacturers of our products fail an inspection, the manufacturing or distribution of our products could be interrupted and our operations disrupted. Failure to take adequate and timely corrective action in response to an adverse inspection could result in a suspension or shutdown of our packaging and labeling operations and the operations of the manufacturers of our products or a recall of our products, or other administrative or judicial sanctions. If any of these events occurs, we may not be able to provide our customers with the quantity of products they require on a timely basis, our reputation could be harmed, and we could lose customers and suffer reduced revenues and increased costs.

We are subject to Federal Trade Commission regulatory oversight. Exercise of this regulatory oversight could lead to an outcome which would constrain our marketing of Quell, cause us to incur significant costs and penalties, and adversely affect our financial results.

Under the Federal Trade Commission Act ("FTC Act"), the FTC is empowered, among other things, to (a) prevent unfair methods of competition and unfair or deceptive acts or practices in or affecting commerce; (b) seek monetary redress and other relief for conduct injurious to consumers; and (c) gather and compile information and conduct investigations relating to the organization, business, practices, and management of entities engaged in commerce. The FTC has very broad enforcement authority, and failure to abide by the substantive requirements of the FTC Act and other consumer protection laws can result in administrative or judicial penalties, including civil penalties, injunctions affecting the manner in which we would be able to market Quell in the future, or criminal prosecution.

In 2017, we received a Civil Investigative Demand ("CID") from the FTC. The CID requests information in connection with an FTC review for compliance of our representations about Quell with Sections 5 and 12 of the FTC Act. We are in the process of producing documents and information in response to the CID. To our knowledge, no complaint has been filed against us; however, no assurance can be given as to the timing or outcome of the investigation.

Our products may be subject to recalls, even after receiving FDA clearance or approval, which would harm our reputation, business and financial results.

We are subject to the medical device reporting regulations, which require us to report to the FDA if our products may have caused or contributed to a death or serious injury, or have malfunctioned in a way that would likely cause or contribute to a death or serious injury if the malfunction were to occur. We are also subject to the correction and removal reporting regulations, which require us to report to the FDA any field corrections and device recalls or removals that we undertake to reduce a risk to health posed by the device or to remedy a violation of the Federal Food, Drug and Cosmetic Act, or FDCA, caused by the device which may present a risk to health. In addition, the FDA and similar governmental agencies in other countries have the authority to require the recall of our products if there is a reasonable probability that the products would cause serious adverse health consequences or death. A government-mandated or voluntary recall by us could occur as a result of manufacturing defects, labeling deficiencies, packaging defects or other failures to comply with applicable regulations. Any recall would divert management attention and financial resources and harm our reputation with customers and could have a material adverse effect on our financial condition and results of operations.

The success of our business depends upon our ability to advance our pipeline products to commercialization.

We commenced commercialization of Quell in June 2015. We have additional product candidates and enhancements of our existing products in our R&D pipeline. We expect that advancing our pipeline products will require significant time and resources. We may not be successful in our commercialization efforts for any of the product candidates or product enhancements currently in our pipeline and we may not be successful in developing, acquiring, or in-licensing additional product candidates, to the extent we decide to do so. If we are not successful advancing new products through our development pipeline, the regulatory process and commercial launch, our business, financial condition, and results of operations will be adversely affected.

Our ability to achieve profitability depends in part on maintaining or increasing our gross margins on product sales which we may not be able to achieve.

A number of factors may adversely impact our gross margins on product sales and services, including:

- lower than expected manufacturing yields of high cost components leading to increased manufacturing costs;
- low production volume which will result in high levels of overhead cost per unit of production;
- the timing of revenue recognition and revenue deferrals;
- increased material or labor costs;
- increased service or warranty costs or the failure to reduce service or warranty costs;
- increased price competition;
- variation in the margins across products in a particular period; and
- how well we execute on our strategic and operating plans.

If we are unable to maintain or increase our gross margins on product sales, our results of operations could be adversely impacted, we may not achieve profitability and our stock price could decline.

The patent rights we rely upon to protect the intellectual property underlying our products may not be adequate, which could enable third parties to use our technology and would harm our ability to compete in the market.

Our success will depend in part on our ability to develop or acquire commercially valuable patent rights and to protect these rights adequately. The risks and uncertainties that we face with respect to our patents and other related rights include the following:

- the pending patent applications we have filed or to which we have exclusive rights may not result in issued patents or may take longer than we expect to result in issued patents;
- the claims of any patents that are issued may not provide meaningful protection;
- we may not be able to develop additional proprietary technologies that are patentable;
- other parties may challenge patents, patent claims or patent applications licensed or issued to us; and
- other companies may design around technologies we have patented, licensed or developed.

Our issued and filed patents for our wearable therapeutic products are recent. With regard to our legacy neurodiagnostic products, our issued design patents began to expire in 2015, and our issued utility patents began to expire in 2017. In particular, seven of our issued U.S. utility patents covering various aspects of the legacy neurodiagnostic business expired on the same day

in 2017. Although the patent protection for material aspects of these products covered by the claims of the patents were lost at that time, we have additional patents and patent applications directed to other novel inventions that will have patent terms extending beyond 2017. We may not be able to protect our patent rights effectively in some foreign countries. For a variety of reasons, we may decide not to file for patent protection in the United States or in particular foreign countries. Our patent rights underlying our products may not be adequate, and our competitors or customers may design around our proprietary technologies or independently develop similar or alternative technologies or products that are equal or superior to our technology and products without infringing on any of our patent rights. In addition, the patents licensed or issued to us may not provide a competitive advantage. If any of these events were to occur, our ability to compete in the market would be harmed.

Other rights and measures we have taken to protect our intellectual property may not be adequate, which would harm our ability to compete in the market.

In addition to patents, we rely on a combination of trade secrets, copyright and trademark laws, confidentiality, nondisclosure and assignment of invention agreements and other contractual provisions and technical measures to protect our intellectual property rights. We rely on trade secrets to protect the technology and algorithms we use in our customer data processing and warehousing information system. While we currently require employees, consultants and other third parties to enter into confidentiality, non-disclosure or assignment of invention agreements or a combination thereof where appropriate, any of the following could still occur:

- the agreements may be breached or not enforced in a particular jurisdiction;
- we may have inadequate remedies for any breach;
- trade secrets and other proprietary information could be disclosed to our competitors; or
- others may independently develop substantially equivalent proprietary information and techniques or otherwise gain access to our trade secrets or disclose such technologies.

If, for any of the above reasons, our intellectual property is disclosed or misappropriated, it would harm our ability to protect our rights and our competitive position.

We may need to initiate lawsuits to protect or enforce our patents and other intellectual property rights, which could be expensive and, if we lose, could cause us to lose some of our intellectual property rights, which would harm our ability to compete in the market.

We rely on patents to protect a portion of our intellectual property and our competitive position. Patent law relating to the scope of claims in the technology fields in which we operate is still evolving and, consequently, patent positions in the medical device industry are generally uncertain. In order to protect or enforce our patent rights, we may initiate patent litigation against third parties, such as infringement suits or interference proceedings. Litigation may be necessary to:

- assert claims of infringement;
- enforce our patents;
- protect our trade secrets or know-how; or
- determine the enforceability, scope and validity of the proprietary rights of others.

Any lawsuits that we initiate could be expensive, take significant time and divert management's attention from other business concerns. Litigation also puts our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing. Additionally, we may provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded, if any, may not be commercially valuable. The occurrence of any of these events could harm our business, our ability to compete in the market or our reputation.

Claims that our products infringe on the proprietary rights of others could adversely affect our ability to sell our products and increase our costs.

Substantial litigation over intellectual property rights exists in the medical device industry. We expect that our products could be increasingly subject to third-party infringement claims as the number of competitors grows and the functionality of products and technology in different industry segments overlap. Third parties may currently have, or may eventually be issued, patents on which our products or technologies may infringe. Any of these third parties might make a claim of infringement against us. Any litigation regardless of its impact would likely result in the expenditure of significant financial resources and the diversion of management's time and resources. In addition, litigation in which we are accused of infringement may cause negative publicity, adversely impact prospective customers, cause product shipment delays or require us to develop non-

infringing technology, make substantial payments to third parties, or enter into royalty or license agreements, which may not be available on acceptable terms, or at all. If a successful claim of infringement were made against us and we could not develop non-infringing technology or license the infringed or similar technology on a timely and cost-effective basis, our revenues may decrease substantially and we could be exposed to significant liability.

We are subject to federal and state laws prohibiting "kickbacks" and false or fraudulent claims, which, if violated, could subject us to substantial penalties. Additionally, any challenge to or investigation into our practices under these laws could cause adverse publicity and be costly to respond to, and thus could harm our business.

A federal law commonly known as the federal anti-kickback law, and several similar state laws, prohibit the payment of any remuneration that is intended to induce physicians or others either to refer patients or to acquire or arrange for or recommend the acquisition of health care products or services. These laws constrain a medical device company's sales, marketing and other promotional activities by limiting the kinds of business relationships and financial arrangements, including sales programs we may have with hospitals, physicians or other potential purchasers of medical devices. Other federal and state laws generally prohibit individuals or entities from knowingly presenting, or causing to be presented, claims for payment to Medicare, Medicaid or other third-party payers that are false or fraudulent, or for items or services that were not provided as claimed. From time to time, we may provide coding and billing information as product support to purchasers of our products. Anti-kickback and false claims laws prescribe civil and criminal penalties for noncompliance, which can be quite substantial including exclusion from participation in federal health care programs. A number of states have enacted laws that require pharmaceutical and medical device companies to monitor and report payments, gifts and other remuneration made to physicians and other health care professionals and health care organizations. Some state statutes, such as the one in Massachusetts, impose an outright ban on gifts to physicians. These laws are often referred to as "gift ban" or "aggregate spend" laws and carry substantial fines if they are violated. Similar legislation, known as the Physician Payments Sunshine Act, was enacted by Congress during 2014. In the event that we are found to have violated these laws or determine to settle a claim that we have done so, our business may be materially adversely affected as a result of any payments required to be made, restrictions on our future operations or actions required to be taken, damage to our business reputation or adverse publicity in connection with such a finding or settlement or other adverse effects relating thereto. Additionally, even an unsuccessful challenge or investigation into our practices could cause adverse publicity, and be costly to respond to, and thus could harm our business and results of operations.

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, damage our reputation and harm our business.

There are a number of federal and state laws protecting the confidentiality of individually identifiable 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. We do not believe that we are subject to the HIPAA rules. However, if we are found to be in violation of the privacy rules under HIPAA, we could be subject to civil or criminal penalties, which could increase our liabilities and harm our reputation or our business.

The use of our products could result in product liability claims that could be expensive, damage our reputation and harm our business.

Our business exposes us to an inherent risk of potential product liability claims related to the manufacturing, marketing and sale of medical devices. The medical device industry historically has been litigious, and we face financial exposure to product liability claims if the use of our products were to cause or contribute to injury or death. Our products may be susceptible to claims of injury because their use involves the electric stimulation of a patient's nerves. Although we maintain product liability insurance for our products and other commercial insurance, the coverage limits of these policies may not be adequate to cover future claims. As sales and use of our products increase, we may be unable to maintain sufficient product liability or other commercial insurance on acceptable terms or at reasonable costs, and this insurance may not provide us with adequate coverage against potential liabilities. A successful claim brought against us in excess of, or outside of, our insurance coverage could have a material adverse effect on our financial condition and results of operations. A product liability claim, regardless of its merit or

eventual outcome, could result in substantial costs to us, a substantial diversion of management attention and adverse publicity. A product liability claim could also harm our reputation and result in a decline in revenues and an increase in expenses.

Our products are complex in design, and defects may not be discovered prior to shipment to customers, which could result in warranty obligations or product liability or other claims, reducing our revenues and increasing our costs and liabilities.

We depend upon third parties for the manufacture of our products or components. Our products, particularly our electrodes, require a significant degree of technical expertise to produce. If these manufacturers fail to produce our products to specification, or if the manufacturers use defective materials or workmanship in the manufacturing process, the reliability and performance of our products will be compromised.

If our products contain defects that cannot be repaired quickly, easily and inexpensively, we may experience:

- loss of customer orders and delay in order fulfillment;
- damage to our brand reputation;
- increased cost of our warranty program due to product repair or replacement;
- inability to attract new customers;
- diversion of resources from our manufacturing and research and development departments into our service department; and
- legal action.

The occurrence of any one or more of the foregoing could harm our reputation and materially reduce our revenues and increase our costs and liabilities.

If we lose any of our officers or key employees, our management and technical expertise could be weakened significantly.

Our success largely depends on the skills, experience, and efforts of our executive officers, including Shai N. Gozani, M.D., Ph.D., our founder, Chairman, President and Chief Executive Officer, Thomas T. Higgins, our Senior Vice President and Chief Financial Officer; and Francis X. McGillin, our Senior Vice President and Chief Commercial Officer. We do not maintain key person life insurance policies covering any of our employees. The loss of any of our executive officers could weaken our management and technical expertise significantly and harm our business.

If we are unable to recruit, hire and retain skilled and experienced personnel, our ability to manage and expand our business will be harmed, which would impair our future revenues and profitability.

We are a small company with 41 employees as of December 31, 2017, and our ability to retain our skilled labor force and our success in attracting and hiring new skilled employees will be a critical factor in determining our future performance. We may not be able to meet our future hiring needs or retain existing personnel, particularly given the challenges faced by our business. We will face challenges and risks in hiring, training, managing and retaining engineering and sales and marketing employees. Failure to attract and retain personnel, particularly technical and sales and marketing personnel would materially harm our ability to compete effectively and grow our business.

Failure to develop or enter into relationships to sell products other than our existing products or enhance our existing products could have an adverse effect on our business prospects.

Our future business and financial success will depend, in part, on our ability to effectively market our products, such as Quell and DPNCheck, and enhance these products in response to customer demand. Developing new products and upgrades to existing and future products imposes burdens on our research and development department and our management. This process is costly, and we cannot assure you that we will be able to successfully develop new products or enhance our current products. We also may not be able to enter into relationships with other companies to sell additional products. In addition, as we develop the market for our products, future competitors may develop desirable product features earlier than we do which could make our competitors' products less expensive or more effective than our products and could render our products obsolete or unmarketable. If our product development efforts are unsuccessful, we will have incurred significant costs without recognizing the expected benefits and our business prospects may suffer.

If we are unable to develop new products or enhance existing products, we may be unable to attract or retain customers.

Our success depends on the successful development, regulatory clearance or approval (if required), introduction and commercialization of new generations of products, treatment systems, and enhancements to and/or simplification of existing products. Quell and DPNCheck must keep pace with, among other things, the products of our competitors. We are making significant investments in long-term growth initiatives. Such initiatives require significant capital commitments, involvement of senior management and other investments on our part, which we may be unable to recover. Our timeline for the development of new products or enhancements may not be achieved and price and profitability targets may not prove feasible. Commercialization of new products may prove challenging, and we may be required to invest more time and money than expected to successfully introduce them. Once introduced, new products may adversely impact orders and sales of our existing products, or make them less desirable or even obsolete. Compliance with regulations, competitive alternatives, and shifting market preferences may also impact the successful implementation of new products or enhancements.

Our ability to successfully develop and introduce new products and product enhancements, and the revenues and costs associated with these efforts, may be affected by our ability to:

- properly identify customer needs;
- prove feasibility of new products in a timely manner;
- educate physicians about the use of new products and procedures;
- comply with internal quality assurance systems and processes timely and efficiently;
- comply with regulatory requirements relating to our products, and limit the timing and cost of obtaining required regulatory approvals or clearances;
- accurately predict and control costs associated with inventory overruns caused by phase-in of new products and phase-out of old products;
- price new products competitively;
- manufacture and deliver our products in sufficient volumes on time, and accurately predict and control costs associated with manufacture of the products; and
- meet our product development plan and launch timelines.

Even if customers accept new products or product enhancements, the revenues from these products may not be sufficient to offset the significant costs associated with making them available to customers. Failure to successfully develop, obtain regulatory approval or clearance for, manufacture or introduce new products or to complete these processes in a timely and efficient manner could result in delays that could affect our ability to attract and retain customers, or could cause customers to delay or cancel orders, causing our backlog, revenues and operating results to suffer.

We currently compete, and may in the future need to compete, against other medical device and consumer companies with greater resources, more established distribution channels and other competitive advantages, and the success of these competitors may harm our ability to generate revenues.

We currently do, and in the future may need to, compete directly and indirectly with a number of other companies that may have competitive advantages over us. Our diagnostic devices for nerve testing compete with companies that sell traditional nerve conduction study and electromyography equipment including Cadwell Laboratories, Inc. and Natus Medical Incorporated. These companies enjoy significant competitive advantages, including:

- greater resources for product development, sales and marketing;
- more established distribution networks;
- greater name recognition;
- more established relationships with health care professionals, customers and third-party payers; and
- additional lines of products and the ability to offer rebates or bundle products to offer discounts or incentives.

As we develop the market for wearable technology for chronic pain, we will be faced with competition from other companies that decide and are able to enter the market as well as competition from other forms of treatment for chronic pain. Some or all of our future competitors in the diagnostic nerve testing market and the consumer market for pain relief may enjoy competitive advantages such as those described above. If we are unable to compete effectively against existing and future competitors, our sales will decline and our business will be harmed.

Security breaches and other disruptions could compromise our information and expose us to liability, which could cause our business and reputation to suffer.

In the ordinary course of our business, we collect and store sensitive data in our data centers, on our networks, including intellectual property, our proprietary business information, and that of our customers, suppliers and business partners, and personally identifiable information of our employees. The secure processing, maintenance and transmission of this information is critical to our operations. Despite our security measures, our information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise our networks and the information stored there could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure or other loss of information could result in legal claims or proceedings, disrupt our operations, damage our reputation, and cause a loss of confidence in our products and services, which could have a material adverse effect on our business, financial condition, results of operations or cash flows.

If future clinical studies or other articles are published, or physician associations or other organizations announce positions that are unfavorable to our products, our sales efforts and revenues may be negatively affected.

Future clinical studies or other articles regarding our existing products or any competing products may be published that either support a claim, or are perceived to support a claim, that a competitor's product is more accurate or effective than our products or that our products are not as accurate or effective as we claim or previous clinical studies have concluded. Additionally, physician associations or other organizations that may be viewed as authoritative or have an economic interest in nerve conduction studies and in related electrodiagnostic procedures or other procedures that may be performed using our products or in neurostimulation therapies using our devices could endorse products or methods that compete with our products or otherwise announce positions that are unfavorable to our products. Any of these events may negatively affect our sales efforts and result in decreased revenues.

As we expand into foreign markets with respect to products other than Quell, we will be affected by new business risks that may adversely impact our financial condition or results of operations.

Foreign markets represented approximately 7% and 12% of our revenues in 2017 and 2016, respectively. We are working to expand market penetration, particularly in Asia. Any such expansion will subject us to the possibility of new business risks, including:

- failure to fulfill foreign regulatory requirements, if applicable, to market our products;
- availability of, and changes in, reimbursement within prevailing foreign health care payment systems;
- adapting to the differing business practices and laws in foreign countries;
- difficulties in managing foreign relationships and operations, including any relationships that we establish with foreign distributors or sales or marketing agents;
- limited protection for intellectual property rights in some countries;
- difficulty in collecting accounts receivable and longer collection periods;
- costs of enforcing contractual obligations in foreign jurisdictions;
- recessions in economies outside of the United States;
- political instability and unexpected changes in diplomatic and trade relationships;
- currency exchange rate fluctuations; and
- potentially adverse tax consequences.

If we are successful in introducing our products other than Quell into foreign markets, we will be affected by these additional business risks, which may adversely impact our financial condition or results of operations. In addition, expansion into foreign markets imposes additional burdens on our executive and administrative personnel, research and sales departments, and general managerial resources. Our efforts to introduce our products other than Quell into foreign markets may not be successful, in which case we may have expended significant resources without realizing the expected benefit.

Our loan and security agreement with a bank, which we refer to as our credit facility, contains financial and operating restrictions that may limit our access to credit. If we fail to comply with covenants in the credit facility, we may be required to repay any indebtedness thereunder, which may have an adverse effect on our liquidity.

Although we have not borrowed any funds under the credit facility, provisions in the credit facility impose restrictions on our ability to, among other things:

- incur additional indebtedness;
- create liens;
- replace certain of our executive officers;
- enter into transactions with affiliates;
- transfer assets;
- pay dividends or make distributions on, or repurchase, our capital stock; and
- merge or consolidate.

In addition, we are required to meet certain financial covenants customary with this type of credit facility, including maintaining a minimum specified tangible net worth. The credit facility also contains other customary covenants, which we may not be able to comply with in the future. Our failure to comply with these covenants may result in the declaration of an event of default and could cause us to be unable to borrow under the credit facility. In addition to preventing additional borrowings under the credit facility, an event of default, if not cured or waived, may result in the acceleration of the maturity of indebtedness outstanding under the credit facility at the time of the default, which would require us to pay all amounts outstanding. If an event of default occurs, we may not be able to cure it within any applicable cure period, if at all. If the maturity of our indebtedness is accelerated, we may not have sufficient funds available for repayment or we may not have the ability to borrow or obtain sufficient funds to replace the accelerated indebtedness on terms acceptable to us, or at all. We have not borrowed any funds under this agreement; however, as of February 8, 2018, $0.2 million of the amounts available under the agreement are restricted to support letters of credit issued in favor of our landlords.

If we sell additional shares, our stock price may decline as a result of the dilution which will occur to existing stockholders.

Until we are profitable, we will need significant additional funds to develop our business and sustain our operations. We sold shares of convertible preferred stock and warrants on several occasions, including July 2017, January 2017 and June 2016, and any additional sales of shares of our common stock or other securities exercisable into our common stock are likely to have a dilutive effect on some or all of our then existing stockholders. Resales of newly issued shares in the open market could also have the effect of lowering our stock price, thereby increasing the number of shares we may need to issue in the future to raise the same dollar amount and consequently further diluting our outstanding shares.

The perceived risk associated with the possible sale of a large number of shares could cause some of our stockholders to sell their stock, thus causing the price of our stock to decline. In addition, actual or anticipated downward pressure on our stock price due to actual or anticipated issuances or sales of stock could cause some institutions or individuals to engage in short sales of our common stock, which may itself cause the price of our stock to decline.

If our stock price declines, we may be unable to raise additional capital. A sustained inability to raise capital could force us to go out of business. Significant declines in the price of our common stock could also impair our ability to attract and retain qualified employees, reduce the liquidity of our common stock and result in the delisting of our common stock from The Nasdaq Stock Market LLC, or Nasdaq.

The trading price of our common stock has been volatile and is likely to be volatile in the future.

The trading price of our common stock has been highly volatile. For the two-year period ended December 31, 2017, our stock price has fluctuated from a low of $1.45 to a high of $18.88, as adjusted for stock splits during that time. The market price for our common stock will be affected by a number of factors, including:

- the effectiveness of the GSK Collaboration announced in January 2018, particularly the achievement of development and commercialization milestones;
- the denial or delay of regulatory clearances or approvals for our products under development or receipt of regulatory approval of competing products;
- our ability to accomplish clinical, regulatory and other product development and commercialization milestones and to do so in accordance with our timing estimates;
- changes in policies affecting third-party coverage and reimbursement in the United States and other countries;

- changes in government regulations and standards affecting the medical device industry and our products;
- ability of our products to achieve market success;
- the performance of third-party contract manufacturers and component suppliers;
- actual or anticipated variations in our results of operations or those of our competitors;
- announcements of new products, technological innovations or product advancements by us or our competitors;
- developments with respect to patents and other intellectual property rights;
- sales of common stock or other securities by us or our stockholders in the future;
- additions or departures of key scientific or management personnel;
- disputes or other developments relating to proprietary rights, including patents, litigation matters and our ability to obtain patent protection for our technologies;
- trading volume of our common stock;
- regulatory inquiries or developments affecting our products;
- changes in earnings estimates or recommendations by securities analysts, failure to obtain or maintain analyst coverage of our common stock or our failure to achieve analyst earnings estimates;
- public statements by analysts or clinicians regarding their perceptions of our clinical results or the effectiveness of our products;
- decreases in market valuations of medical device companies; and
- general market conditions and other factors unrelated to our operating performance or the operating performance of our competitors.

The stock prices of many companies in the medical device industry have experienced wide fluctuations that have often been unrelated to the operating performance of these companies. Periods of volatility in the market price of a company's securities can result in securities class action litigation against a company. If class action litigation is initiated against us, we may incur substantial costs and our management's attention may be diverted from our operations, which could significantly harm our business.

There can be no assurance that we will be able to comply with the continued listing standard of The Nasdaq Capital Market.

We cannot assure you that we will be able to comply with the standards that we are required to meet in order to maintain a listing of our common stock on the Nasdaq Capital Market. On February 2, 2017, we received a notice from the Listing Qualifications Department of the Nasdaq Stock Market indicating that, for the preceding 30 consecutive business days, the bid price for our common stock had closed below the minimum $1.00 per share required for continued inclusion on The Nasdaq Capital Market under Nasdaq Listing Rule 5550(a)(2). The notification letter stated that pursuant to Nasdaq Listing Rule 5810(c)(3)(A) the Company would be afforded 180 calendar days, or until August 1, 2017, to regain compliance with the minimum bid price requirement.

We regained compliance with this requirement on May 25, 2017, after implementing a reverse split of our common stock. If we fail to continue to meet all applicable Nasdaq Capital Market requirements in the future and Nasdaq determines to delist our common stock, the delisting could substantially decrease trading in our common stock and adversely affect the market liquidity of our common stock; adversely affect our ability to obtain financing on acceptable terms, if at all, for the continuation of our operations; and harm our business. Additionally, the market price of our common stock may decline further and stockholders may lose some or all of their investment.

If we fail to maintain compliance with any Nasdaq listing requirements, we could be delisted and our stock would be considered a penny stock under regulations of the Securities and Exchange Commission, or SEC, and would therefore be subject to rules that impose additional sales practice requirements on broker-dealers who sell our securities. The additional burdens imposed upon broker-dealers by these requirements could discourage broker-dealers from effecting transactions in our common stock, which could severely limit the market liquidity of our common stock and your ability to sell our securities in the secondary market.

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Anti-takeover provisions in our organizational documents and Delaware law, and the shareholder rights plan that we adopted in 2007, may discourage or prevent a change of control, even if an acquisition would be beneficial to our stockholders, which could affect our stock price adversely and prevent attempts by our stockholders to replace or remove our current management.

Our certificate of incorporation and bylaws contain provisions that could delay or prevent a change of control of our Company or changes in our Board of Directors that our stockholders might consider favorable. Some of these provisions:

- authorize the issuance of preferred stock which can be created and issued by the Board of Directors without prior stockholder approval, with rights senior to those of our common stock;
- provide for a classified Board of Directors, with each director serving a staggered three-year term;
- prohibit our stockholders from filling board vacancies, calling special stockholder meetings, or taking action by written consent;
- provide for the removal of a director only with cause and by the affirmative vote of the holders of 75% or more of the shares then entitled to vote at an election of our directors; and
- require advance written notice of stockholder proposals and director nominations.

We have also adopted a shareholder rights plan that could make it more difficult for a third party to acquire, or could discourage a third party from acquiring, us or a large block of our common stock. A third party that acquires 15% or more of our common stock could suffer substantial dilution of its ownership interest under the terms of the shareholder rights plan through the issuance of common stock to all stockholders other than the acquiring person.

In addition, we are subject to the provisions of Section 203 of the Delaware General Corporation Law, which may prohibit certain business combinations with stockholders owning 15% or more of our outstanding voting stock. These and other provisions in our certificate of incorporation, bylaws and Delaware law could make it more difficult for stockholders or potential acquirers to obtain control of our Board of Directors or initiate actions that are opposed by our then-current Board of Directors, including a merger, tender offer, or proxy contest involving our Company. Any delay or prevention of a change of control transaction or changes in our Board of Directors could cause the market price of our common stock to decline.

We do not intend to pay cash dividends.

We have never declared or paid cash dividends on our capital stock. We currently intend to retain all available funds and any future earnings for use in the operation and expansion of our business and do not anticipate paying any cash dividends in the foreseeable future. In addition, the terms of our credit facility preclude us from paying any dividends. As a result, capital appreciation, if any, of our common stock will be our stockholders' sole source of potential gain for the foreseeable future.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our headquarters and engineering activities are located in an approximately 12,000 square foot leased facility in Waltham, Massachusetts and our manufacturing and fulfillment activities are located in a 6,000 square foot leased facility in Woburn, Massachusetts. We believe these facilities will be adequate for our needs during the foreseeable future.

ITEM 3. LEGAL PROCEEDINGS

While we are not currently a party to any material legal proceedings, we could become subject to legal proceedings in the ordinary course of business. We do not expect any such potential items to have a significant impact on our financial position.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our common stock is traded on the Nasdaq Capital Market under the symbol "NURO". The price range per share reflected in the table below is the high and low sales prices of our common stock as reported by Nasdaq (rounded to the nearest penny) for the periods presented and has been adjusted to reflect a 1-for-8 reverse stock split of our common stock completed on May 11, 2017.

	Years ended December 31,			
	2017		2016	
	High	Low	High	Low
First quarter	$ 7.20	$ 4.64	$ 18.80	$ 10.80
Second quarter	5.84	2.65	18.88	12.08
Third quarter	2.86	1.66	14.40	10.88
Fourth quarter	2.83	1.45	12.80	4.80

Stockholders

On February 2, 2018, there were approximately 65 stockholders of record of our common stock. This number does not include stockholders for whom shares were held in a "nominee" or "street" name. On February 2, 2018, the last reported sale price per share of our common stock on the Nasdaq Capital Market was $1.51.

Dividends

We have never declared or paid any cash dividends on our common stock. We currently intend to retain future earnings, if any, to finance the expansion and growth of our business and do not expect to pay any cash dividends in the foreseeable future. Payment of future cash dividends, if any, will be at the discretion of our board of directors after taking into account various factors, including our financial condition, operating results, current and anticipated cash needs, and plans for expansion. Additionally, the credit facility restricts our ability to pay dividends.

ITEM 6. SELECTED FINANCIAL DATA

The information required by this item may be found on pages F-1 through F-22 of this Annual Report on Form 10-K.

ITEM 7. 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 our selected financial data, our financial statements, and the accompanying notes to those financial statements included elsewhere in this Annual Report on Form 10-K. This discussion contains forward-looking statements that involve risks and uncertainties. For a description of factors that may cause our actual results to differ materially from those anticipated in these forward-looking statements, please refer to the section titled "Risk Factors", contained in Item 1A of this Annual Report on Form 10-K.

Overview

NeuroMetrix is a commercial stage, innovation driven healthcare company combining bioelectrical and digital medicine to address chronic health conditions including chronic pain, sleep disorders, and diabetes. Our business is fully integrated with in-house capabilities spanning product development, manufacturing, regulatory affairs and compliance, sales and marketing, and customer support. We derive revenues from the sale of medical devices and after-market consumable products and accessories. Our products are sold in the United States and selected overseas markets, and are cleared by the U.S. Food and Drug Administration, or FDA, and regulators in foreign jurisdictions where appropriate. We have two principal product lines:

- Wearable neuro-stimulation therapeutic devices
- Point-of-care neuropathy diagnostic tests

Our core expertise in biomedical engineering has been refined over nearly two decades of designing, building and marketing medical devices that stimulate nerves and analyze nerve response for diagnostic and therapeutic purposes. We created the market for point-of-care nerve testing and were first to market with sophisticated, wearable technology for management of chronic pain. We also have an experienced management team and Board of Directors.

Chronic pain is a significant public health problem. It is defined by the National Institutes of Health as any pain lasting more than 12 weeks in contrast to acute pain, which is a normal bodily response to injury or trauma. Chronic pain conditions include painful diabetic neuropathy, or PDN, arthritis, fibromyalgia, sciatica, musculoskeletal pain, cancer pain and many others. Chronic pain may be triggered by an injury or there may be an ongoing cause such as disease or illness. There may also be no clear cause. Pain signals continue to be transmitted in the nervous system over extended periods of time often leading to other health problems. These can include fatigue, sleep disturbance, decreased appetite, and mood changes which cause difficulty in carrying out important activities and contributing to disability and despair. In general, chronic pain cannot be cured. Treatment of chronic pain is focused on reducing pain and improving function. The goal is effective pain management.

Chronic pain is widespread. It affects over 100 million adults in the United States and more than 1.5 billion people worldwide. The global market for pain management drugs and devices alone was valued at $35 billion in 2012. The estimated incremental impact of chronic pain on health care costs in the United States is over $250 billion per year and lost productivity is estimated to exceed $300 billion per year. Estimated out-of-pocket spending in the United States on chronic pain is $20 billion per year.

The most common approach to chronic pain is pain medication. This includes over-the-counter drugs (such as Advil and Motrin), and prescription drugs including anti-convulsants (such as Lyrica and Neurontin) and anti-depressants (such as Cymbalta and Elavil). Topical creams may also be used (such as Zostrix and Bengay). With severe pain, narcotic pain medications may be prescribed (such as codeine, fentanyl, morphine, and oxycodone). The approach to treatment is individualized, drug combinations may be employed, and the results are often hit or miss. Side effects and the potential for addiction are real and the risks are substantial.

Reflecting the difficulty in treating chronic pain, we believe that inadequate relief leads 25% to 50% of pain sufferers to turn to the over-the-counter market for supplements or alternatives to prescription pain medications. These include non-prescription medications, topical creams, lotions, electrical stimulators, dietary products, braces, sleeves, pads and other items. In total they account for over $4 billion in annual spending in the United States on pain relief products.

High frequency nerve stimulation is an established treatment for chronic pain supported by numerous clinical studies demonstrating efficacy. In simplified outline, the mechanism of action involves intensive nerve stimulation to activate the body's central pain inhibition system resulting in widespread analgesia, or pain relief. The nerve stimulation activates brainstem pain centers leading to the release of endogenous opioids that act primarily through the delta opioid receptor to reduce pain

signal transmission through the central nervous system. This therapeutic approach is available through deep brain stimulation and through implantable spinal cord stimulation, both of which require surgery and have attendant risks. Non-invasive approaches to neuro-stimulation (transcutaneous electrical nerve stimulation, or TENS) have achieved limited efficacy in practice due to device limitations, ineffective dosing and low patient compliance.

Quell, our OTC wearable device for pain relief, was made commercially available in the United States during the second quarter of 2015. Following commercial launch through the end of 2017, approximately 140,500 Quell devices plus electrodes and accessories were shipped to consumers. Quell utilizes our patented 100% drug-free neuro-stimulation technology to provide relief from chronic intractable pain, such as nerve pain due to diabetes, fibromyalgia, arthritic pain, and lower back and leg pain. This advanced wearable device is lightweight and can be worn during the day while active, and at night while sleeping. It has been cleared by the U.S. Food and Drug Administration (the "FDA") for treatment of chronic intractable pain without a doctor's prescription. Users of the device have the option of using their smartphones to control pain therapy and to track sleep, activity, gait and therapy parameters. Quell is distributed in North America via e-commerce, including the Company's website (*www.quellrelief.com*) and Amazon, via direct response television including QVC, via retail merchandisers including Target, CVS, Best Buy, Bed Bath and Beyond and others, and via health care professionals such as pain management physician practices and podiatry practices. Distribution is supported by television promotion to expand product awareness.

DPNCheck, our diagnostic test for peripheral neuropathies, was made commercially available in the fourth quarter of 2011. DPNCheck revenues for 2017 and 2016 were approximately $3.1 million and $2.5 million, respectively. Our U.S. sales efforts focus on Medicare Advantage providers who assume financial responsibility and the associated risks for the health care costs of their patients. We believe that DPNCheck presents an attractive clinical case with early detection of neuropathy allowing for earlier clinical intervention to help mitigate the effects of neuropathy on both patient quality of life and cost of care. Also, the diagnosis and documentation of neuropathy provided by DPNCheck helps clarify the patient health profile which, in turn, may have a direct, positive effect on the Medicare Advantage premium received by the provider. We believe that attractive opportunities exist outside the United States, including Japan where DPNCheck is marketed by our distribution partner Fukuda Denshi; in China where we initiated sales in 2017 via OMRON Beijing Ltd.; and in Mexico where DPNCheck is marketed by Scienta Farma.

Our products consist of a medical device used in conjunction with a consumable electrode or biosensor. Other accessories and consumables are also available to customers. Our commercial objective is to build an installed base of active customer accounts and distributors that regularly order aftermarket products to meet their needs. We successfully implemented this model when we started our business with the NC-stat system and applied it to subsequent product generations including ADVANCE. Our more recently developed products, Quell, SENSUS and DPNCheck, conform to this model. Other products in our development pipeline are based on the device plus consumables business model.

Results of Operations

Comparison of Years Ended December 31, 2017 and December 31, 2016

Revenues

The following table summarizes our revenues:

	Years Ended December 31,			
	2017	2016	Change	% Change
	(in thousands)			
Revenues	$ 17,092.3	$ 12,027.5	$ 5,064.8	42.1%

During 2017 total revenues increased by approximately $5.1 million, or 42.1%, from 2016.

Quell revenues were approximately $12.4 million and $7.4 million in 2017 and 2016, respectively. This increase of approximately $5.0 million was the largest contributor to overall revenue growth.

During 2017, 80,930 Quell devices and 121,402 electrode reorder packages were shipped to Quell customers. In the comparative period of 2016, we shipped 45,726 Quell devices and 52,658 electrode reorder packages.

In 2017, DPNCheck revenue of approximately $3.1 million reflected sales of 647 DPNCheck devices plus 189,050 biosensors. This compared with approximately $2.5 million in revenue in 2016 reflecting sales of 630 DPNCheck devices and 188,925 biosensors.

ADVANCE neurodiagnostic products contributed approximately $1.5 million in revenue for 2017, as compared to approximately $2.0 million in 2016. SENSUS, our prescription wearable device for chronic pain had revenues of approximately $0.1 million in 2017 and 2016.

Cost of Revenues and Gross Profit

The following table summarizes our cost of revenues and gross profit:

	Years Ended December 31,			
	2017	2016	Change	% Change
	(in thousands)			
Cost of revenues	$ 10,235.5	$ 7,113.0	$ 3,122.5	43.9%
Gross profit	$ 6,856.8	$ 4,914.5	$ 1,942.3	39.5%

Our cost of revenues increased to approximately $10.2 million in 2017, compared to approximately $7.1 million in 2016, primarily due to the increase in orders and shipment volumes during the comparable periods. Gross margin decreased to 40.1% in 2017 compared to 40.9% in 2016. The contraction in gross margin conforms to the early stages of our plan for building a business with a high level of recurring revenue from an installed product base of medical devices. It reflects two factors: growing Quell sales which are heavily weighted toward lower margin devices rather than higher margin electrodes, and operating costs of our new manufacturing facility. As we build our installed base of Quell users we expect growth in recurring electrode sales at higher margins. Also, we expect continued growth in Quell sales to improve manufacturing cost absorption, contributing to future margin gains.

Operating Expenses

The following table summarizes our operating expenses:

	Years Ended December 31,			
	2017	2016	Change	% Change
	(in thousands)			
Operating expenses:				
Research and development	$ 3,497.6	$ 4,394.4	$ (896.8)	(20.4)%
Sales and marketing	10,751.9	10,855.4	(103.5)	(1.0)%
General and administrative	5,689.9	4,872.7	817.2	16.8 %
Total operating expenses	$ 19,939.4	$ 20,122.5	$ (183.1)	(0.9)%

Research and Development

Research and development expenses for 2017 and 2016 were approximately $3.5 million and $4.4 million, respectively. The decrease of approximately $0.9 million primarily related to decreased spending of $1.2 million in consulting fees used to develop the next product generation of Quell.

Sales and Marketing

Sales and marketing expenses decreased to approximately $10.8 million in 2017 from approximately $10.9 million in 2016. The approximately 0.1 million decrease in spending was primarily attributable to a reduction of approximately $0.5 million in personnel, travel and trade show expenses partially offset by an approximately $0.5 million increase in TV advertising, on-line advertising and paid search.

General and Administrative

General and administrative expenses increased by approximately $0.8 million to $5.7 million in 2017 compared to $4.9 million in the prior year. The increase was primarily due to banking and legal related professional fees which increased by approximately $0.8 million.

Interest Income

Interest income was approximately $14,900 and $19,100 during 2017 and 2016, respectively. Interest income was earned from investments in cash equivalents.

Change in fair value of warrant liability

The change in fair value of warrant liability was $0.2 million and $0.3 million during 2017 and 2016, respectively. The lower 2017 change in valuation primarily reflects the effects of the Q3 2017 financing exchange of warrant liability for Series F Preferred Stock of $40,772 (See "Liquidity and Capital Resources"). During 2017, we repurchased and retired all outstanding liability classified warrants.

Net loss per common share applicable to common stockholders, basic and diluted

The net loss per common share applicable to common stockholders, basic and diluted, was $11.60 and $58.21 for 2017 and 2016, respectively.

Net loss per common share applicable to common stockholders in 2017 of $11.60 reflected a deemed dividend attributable to preferred stockholders of $4.0 million, or $2.38 per share, related to our Q1 2017 equity offering; a deemed dividend attributable to preferred stockholders of $2.8 million, or $1.66 per share, related to our Q3 2017 equity offering; and our 2017 net loss reported in our Statement of Operations of $12.9 million, or $7.56 per share. Per share amounts are calculated using 1,701,481 weighted average shares outstanding in 2017.

Net loss per common share applicable to common stockholders in 2016 of $58.21 reflected a deemed dividend attributable to preferred stockholders of $19.8 million, or $33.24 per share, related to our June 2016 equity offering; and our 2016 net loss reported in our Statement of Operations of $14.9 million, or $24.97 per share. Per share amounts are calculated using 597,130 weighted average shares outstanding in 2016.

Liquidity and Capital Resources

Our principal source of liquidity is our cash and cash equivalents. As of December 31, 2017, cash and cash equivalents totaled $4.0 million. Our ability to generate revenue to fund our operations will largely depend on the success of our wearable therapeutic products for chronic pain and our diagnostic products for neuropathy. A low level of market interest in Quell or DPNCheck, an accelerated decline in our neurodiagnostics consumables sales, or unanticipated increases in our operating costs would have an adverse effect on our liquidity and cash generated from operations. The following table sets forth information relating to our cash and cash equivalents:

	December 31, 2017	December 31, 2016	Change	% Change
		(in thousands)		
Cash and cash equivalents	$ 4,043.7	$ 3,949.1	$ 94.6	2.4%

During 2017 our cash and cash equivalents remained essentially unchanged from 2016 reflecting the net proceeds of $12.9 million provided by our 2017 equity offerings, offset by $12.7 million of net cash used in operations and $0.2 million used in investing activities.

In the third quarter of 2017, we completed a private equity offering providing for the issuance of 7,000 shares of Series F convertible preferred stock at a price of $1,000 per share and resetting the conversion price of 14,052.93 shares of Series D convertible preferred stock and 7,000 shares of Series E convertible preferred stock to $2.63 per share. This offering resulted in approximately $6.6 million in net proceeds after deducting fees and expenses.

In the first quarter of 2017, we completed a private equity offering providing for the issuance of i) 7,000 shares of Series E convertible preferred stock (the "Series E Preferred Stock") at a price of $1,000 per share, and (ii) warrants to purchase up to 1,250,000 shares of Common Stock at an exercise price of $5.60 per share. The offerings resulted in approximately $6.3 million in net proceeds after deducting fees and expenses.

The Company is party to a Loan and Security Agreement, or the credit facility, with a bank. As of December 31, 2017 the credit facility permitted the Company to borrow up to $2.5 million on a revolving basis. The credit facility was subsequently amended, most recently on January 17, 2018, and extended until January 15, 2019. Amounts borrowed under the credit facility will bear interest equal to the prime rate plus 0.5%. Any borrowings under the credit facility will be collateralized by the Company's cash, accounts receivable, inventory, and equipment. The credit facility also includes traditional lending and reporting covenants. These include certain financial covenants applicable to liquidity that are to be maintained by the Company. As of December 31, 2017, the Company was in compliance with these covenants and had not borrowed any funds under the credit facility. However, $0.2 million of the amount under the credit facility is restricted to support letters of credit issued in favor of our facilities landlords. Consequently, the amount available for borrowing under the credit facility as of December 31, 2017 was approximately $2.3 million.

In managing working capital, we focus on two important financial measurements as presented below:

	Years Ended December 31,	
	2017	2016
Days sales outstanding (days)	19	23
Inventory turnover rate (times per year)	7.8	6.1

Customer payment terms generally vary from payment-on-order for Quell e-commerce sales to 120 days from invoice date. Both days sales outstanding and inventory turnover improved during 2017.

The following sets forth information relating to sources and uses of our cash:

	Years Ended December 31,	
	2017	2016
	(in thousands)	
Net cash used in operating activities	$ (12,652.4)	$ (15,080.3)
Net cash used in investing activities	(163.1)	(100.5)
Net cash provided by financing activities	12,910.0	6,667.0

Our operating activities used approximately $12.7 million for the year ended December 31, 2017 primarily attributable to our net loss of $12.9 million. This loss included non-cash credits of approximately $0.2 million for revaluing outstanding warrants at fair value. In addition, operating activities included increases in accrued expenses of $0.6 million and accrued compensation of $0.5 million, partially offset by increases in prepaid and other current assets of $0.9 million.

During the year ended December 31, 2017, our investing activities reflected $0.2 million spent for the acquisition of fixed assets, primarily related to production system upgrades.

We held cash and cash equivalents of $4.0 million as of December 31, 2017. Under the terms of the GSK Collaboration entered in January 2018, we received payment of $5.0 million, the agreement by GSK to make contingent payments of up to $21.5 million upon the achievement of certain development and commercialization milestones, plus the amounts for co-funded next generation Quell development during an initial period of 2018 through 2020. We believe that these resources and the cash to be generated from expected product sales will be sufficient to meet our projected operating requirements into the fourth quarter of 2018. We continue to face significant challenges and uncertainties and, as a result, our available capital resources

may be consumed more rapidly than currently expected due to (a) decreases in sales of our products; (b) changes we may make to the business that affect ongoing operating expenses; (c) changes we may make in our business strategy; (d) regulatory developments affecting our existing products; (e) changes we may make in our research and development spending plans; and (f) other items affecting our forecasted level of expenditures and use of cash resources. Accordingly, we may need to raise additional funds to support our operating and capital needs in the fourth quarter of 2018. These factors raise substantial doubt about our ability to continue as a going concern for the one year period from the date of issuance of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. We may attempt to obtain additional funding through public or private financing, collaborative arrangements with strategic partners, or through additional credit lines or other debt financing sources. However, we may not be able to secure such financing in a timely manner or on favorable terms, if at all. We filed a shelf registration statement on Form S-3 with the SEC covering shares of our common stock and other securities for sale, giving us the opportunity to raise funding when needed or otherwise considered appropriate at prices and on terms to be determined at the time of any such offerings. However, pursuant to the instructions to Form S-3, we only have the ability to sell shares under the shelf registration statement, during any 12-month period, in an amount less than or equal to one-third of the aggregate market value of our common stock held by non-affiliates. If we raise additional funds by issuing equity or debt securities, either through the sale of securities pursuant to a registration statement or by other means, our existing stockholders may experience dilution, and the new equity or debt securities may have rights, preferences and privileges senior to those of our existing stockholders. If we raise additional funds through collaboration, licensing or other similar arrangements, it may be necessary to relinquish valuable rights to our potential products or proprietary technologies, or grant licenses on terms that are not favorable to us. Without additional funds, we may be forced to delay, scale back or eliminate some of our sales and marketing efforts, research and development activities, or other operations and potentially delay product development in an effort to provide sufficient funds to continue our operations. If any of these events occurs, our ability to achieve our development and commercialization goals would be adversely affected.

At December 31, 2017, the Company has federal and state net operating loss carryforwards ("NOL") of approximately $145.2 million and $51.6 million, respectively, as well as federal and state tax credits of approximately $1.5 million and $1.1 million, respectively, which may be available to reduce future taxable income and the related taxes theron. The federal NOL's begin to expire in 2019 and the state NOL's begin to expire in 2018. The federal and state R&D credits both begin to expire in 2018. A full valuation allowance has been provided against our NOL carryforwards and research and development credit carryforwards and, if an adjustment is required, this adjustment would be offset by an adjustment to the valuation allowance. Thus, there would be no impact to the balance sheet or statement of operations if an adjustment were required.

Off-Balance Sheet Arrangements, Contractual Obligations, and Contingent Liabilities and Commitments

As of December 31, 2017, we did not have any off-balance sheet financing arrangements.

The following table summarizes our principal contractual obligations as of December 31, 2017 and the effects such obligations are expected to have on our liquidity and cash flows in future periods.

		Payments due in			
Contractual Obligations	**Total**	**Less than 1 year**	**1 – 3 years**	**3 – 5 years**	**More than 5 years**
Operating lease obligations	$ 2,167,173	$ 573,421	$ 1,024,811	$ 568,941	$ —
Purchase order obligations	4,218,229	4,218,229	—	—	—
Total contractual obligations	$ 6,385,402	$ 4,791,650	$ 1,024,811	$ 568,941	$ —

Critical Accounting Policies and Estimates

Our financial statements are based on the selection and application of generally accepted accounting principles, which require us to make estimates and assumptions about future events that affect the amounts reported in our financial statements and the accompanying notes. Future events and their effects cannot be determined with certainty. Therefore, the determination of estimates requires the exercise of judgment. Actual results could differ significantly from those estimates, and any such differences may be material to our financial statements. We believe that the policies set forth below may involve a higher degree of judgment and complexity in their application than our other accounting policies and represent the critical accounting policies used in the preparation of our financial statements. If different assumptions or conditions were to prevail, the results

could be materially different from our reported results. Our significant accounting policies are presented within Note 2 to our Financial Statements.

Revenue Recognition and Accounts Receivable

We recognize revenue when the following criteria have been met: persuasive evidence of an arrangement exists, delivery has occurred and risk of loss has passed, the seller's price to the buyer is fixed or determinable, and collection is reasonably assured. Revenues associated with our medical devices and consumables, including single use nerve specific electrodes and other accessories are generally recognized upon shipment, assuming all other revenue criteria have been met.

Revenue recognition involves judgments, including assessments of expected returns and expected customer relationship periods. We analyze various factors, including a review of specific transactions, its historical product returns, average customer relationship periods, customer usage, customer balances, and market and economic conditions. Changes in judgments or estimates on these factors could materially impact the timing and amount of revenues and costs recognized. Should market or economic conditions deteriorate, our actual return or bad debt experience could exceed its estimate. Certain product sales are made with a 30-day or 60-day right of return. Where we can reasonably estimate future returns, we recognize revenues upon shipment and record as a reduction of revenue a provision for estimated returns. Where we cannot reasonably estimate future returns, we defer revenues until we gain sufficient experience to estimate returns or until the right of return lapses.

Trade accounts receivable are recorded at the invoiced amount and do not bear interest.

Accounts receivable are recorded net of the allowance for doubtful accounts receivable. The allowance for doubtful accounts is our best estimate of the amount of probable credit losses in our existing accounts receivable. We review our allowance for doubtful accounts and determine the allowance based on an analysis of customer past payment history, product usage activity, and recent communications between us and the customer. Individual customer balances which are past due and over 90 days outstanding are reviewed individually for collectability. Account balances are written-off against the allowance when we feel it is probable the receivable will not be recovered. We do not have any off-balance sheet credit exposure related to our customers.

Inventories

Inventories, consisting primarily of finished goods and purchased components, are stated at the lower of cost or net realizable value. Cost is determined using the first-in, first-out method. We write down inventory to its net realizable value for excess or obsolete inventory. The realizable value of inventories is based upon the types and levels of inventories held, forecasted demand, pricing, competition, and changes in technology. Our consumables have an eighteen to twenty-four month shelf life. Should current market and economic conditions deteriorate, our actual recoveries could be less than our estimates.

Recently Issued or Adopted Accounting Pronouncements

In February 2016, the FASB issued Accounting Standards Update No. 2016-02, *Leases (Topic 842)* ("ASU 2016-02"). ASU 2016-02 requires that lessees will need to recognize virtually all of their leases on the balance sheet, by recording a right-of-use asset and lease liability. The provisions of this guidance are effective for annual periods beginning after December 31, 2018, and for interim periods therein. The Company is in the process of evaluating the new standard and assessing the impact, if any, ASU 2016-02 will have on the Company's financial statements.

In May 2014, the FASB and the International Accounting Standards Board ("IASB") jointly issued Accounting Standards Update ("ASU") No. 2014-9, *Revenue from Contracts with Customers* ("ASU 2014-9"), a comprehensive new revenue recognition standard that will supersede nearly all existing revenue recognition guidance. The objective of ASU 2014-9 is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. While the Company is still in the process of completing its evaluation of the standard, it believes the most significant impact will be related to the timing of recognition of sales to certain consumer retail distributors. Upon adoption of ASU 2014-09, the Company will no longer be permitted to defer revenue under the sell-through model, but rather, will be required to estimate the effects of returns and allowances provided to distributors and record revenue at the time of sale to the distributor resulting in earlier recognition of revenues. The Company expects to adopt ASU 2014-09, using the full retrospective method, upon its effective date of January

1, 2018. The Company anticipates the impact of adoption will be a credit to accumulated deficit of approximately $0.3 million as of January 1, 2018.

ITEM 7A. Quantitative and Qualitative Disclosures about Market Risk

We do not use derivative financial instruments in our investment portfolio and have no foreign exchange contracts. Our financial instruments consist of cash and cash equivalents. We consider investments that, when purchased, have a remaining maturity of 90 days or less to be cash equivalents. The primary objectives of our investment strategy are to preserve principal, maintain proper liquidity to meet operating needs, and maximize yields. To minimize our exposure to an adverse shift in interest rates, we invest mainly in cash equivalents and short-term investments with a maturity of twelve months or less and maintain an average maturity of twelve months or less. We do not believe that a notional or hypothetical 10% change in interest rate percentages would have a material impact on the fair value of our investment portfolio or our interest income.

ITEM 8. Financial Statements and Supplementary Data

The information required by this item may be found on pages F-1 through F-22 of this Annual Report on Form 10-K.

ITEM 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not Applicable.

ITEM 9A. Controls and Procedures

(a) Evaluation of disclosure controls and procedures.

Our principal executive officer and principal financial officer, after evaluating the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of the end of the period covered by this Form 10-K, have concluded that, based on such evaluation, our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

(b) Management's Report on Internal Control Over Financial Reporting.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2017 based on the criteria in *Internal Control — Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on our evaluation under the framework in *Internal Control — Integrated Framework* (2013) issued by the COSO, our management concluded that our internal control over financial reporting was effective as of December 31, 2017.

This Annual Report on Form 10-K does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our independent registered public accounting firm pursuant to rules of the SEC that permit us to provide only management's report in this Annual Report on Form 10-K.

(c) Changes in internal control over financial reporting.

There have been no changes to our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended December 31, 2017 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. Other Information

The Company has received a Civil Investigative Demand ("CID") from the United States Federal Trade Commission ("FTC"). The CID requests information in connection with an FTC review for compliance of the Company's representations about Quell with Sections 5 and 12 of the FTC Act. The Company is in the process of producing documents and information in response to the CID. To the knowledge of the Company, no complaint has been filed against the Company; however, no assurance can be given as to the timing or outcome of the investigation.

The Company intends to repurchase, from time to time, warrants to purchase its common stock that are traded on Nasdaq under the symbol NUROW. The Company may expend up to $25,000 in making these purchases on Nasdaq from time to time.

On February 5, 2018, we entered into Amendment No. 10 to our Shareholder Rights Agreement ("Amendment No. 10") with American Stock Transfer & Trust Company, LLC dated as of March 7, 2007, as amended. Amendment No. 10 extends the term of the Shareholder Rights Agreement by an additional year. The foregoing description of Amendment No. 10 is subject to, and is qualified in its entirety by reference to, the full text of Amendment No. 10, a copy of which is set forth as Exhibit 4.2.10 to this Annual Report on Form 10-K and is incorporated herein by reference

PART III

ITEM 10. Directors, Executive Officers and Corporate Governance

DIRECTORS AND EXECUTIVE OFFICERS

The following table and biographical descriptions set forth information regarding our executive officers and directors, based on information furnished to us by each executive officer and director, as of December 31, 2017:

Name	Age	Position
Shai N. Gozani, M.D., Ph.D.	53	Chairman of the Board, Chief Executive Officer, President and Secretary
Thomas T. Higgins	66	Senior Vice President, Chief Financial Officer and Treasurer
Francis X. McGillin	57	Senior Vice President and Chief Commercial Officer
David E. Goodman, M.D.(1)(2)	61	Director
Nancy E. Katz(1)	58	Director
Timothy R. Surgenor(1)(3)	58	Director
David Van Avermaete	66	Director

(1)Member of Audit Committee

(2)Member of Compensation Committee

(3)Member of Nominating and Corporate Governance Committee

Shai N. Gozani, M.D., Ph.D. founded our Company in 1996 and currently serves as Chairman of our Board of Directors and as our President, Chief Executive Officer and Secretary. Since founding our Company in 1996, Dr. Gozani has served in a number of positions at our company including Chairman since 1996, President from 1996 to 1998 and from 2002 to the present, Chief Executive Officer since 1997 and Secretary since July 2008. Dr. Gozani holds a B.A. in computer science, an M.S. in Biomedical Engineering and a Ph.D. in Neurobiology, from the University of California, Berkeley. He also received an M.D. from Harvard Medical School and the Harvard-M.I.T. Division of Health Sciences at M.I.T. Prior to forming our Company, Dr. Gozani completed a neurophysiology research fellowship in the laboratory of Dr. Gerald Fischbach at Harvard Medical School. Dr. Gozani has published articles in the areas of basic and clinical neurophysiology, biomedical engineering and computational chemistry. The Board has concluded that Dr. Gozani should serve as a director because Dr. Gozani's extensive knowledge of engineering and neurophysiology, combined with the unique understanding of our technology and business he has gained as our founder and as a key executive, provides invaluable insight to our Board and to the entire organization.

Thomas T. Higgins has served as our Senior Vice President, Chief Financial Officer and Treasurer since September 2009. Prior to joining NeuroMetrix, from January 2005 to March 2008, Mr. Higgins was Executive Vice President and Chief Financial Officer at Caliper Life Sciences, Inc., a provider of technology and services for life sciences research. Before Caliper, Mr. Higgins was Executive Vice President, Operations and Chief Financial Officer at V.I. Technologies, Inc. (Vitex), a biotechnology company addressing blood safety. Before Vitex, Mr. Higgins served at Cabot Corporation in various senior finance and operations roles. His last position at Cabot was President of Distrigas of Massachusetts Corporation, a subsidiary involved in the liquefied natural gas business, and prior to that he was responsible for Cabot's Asia Pacific carbon black operations. Before joining Cabot, Mr. Higgins was with PricewaterhouseCoopers where he started his career. Mr. Higgins holds a BBA with honors from Boston University.

Francis X. McGillin has served as Senior Vice President and Chief Commercial Officer since August 2014. Prior to joining NeuroMetrix, from September 2001 to January 2014, Mr. McGillin was Vice President and General Manager at Philips, having served in a number of senior marketing and management positions in the company's consumer and healthcare businesses. His last role with Philips, was leading the globalization of Philips Sonicare business. Before Philips, Mr. McGillin, was Executive Director, Marketing at Johnson & Johnson, working across a number of the company's global consumer brands. Mr. McGillin holds a MBA from Fordham University and a BS degree from Northeastern University.

David E. Goodman, M.D., M.S.E. has served as a member of our Board of Directors since June 2004. Since 2013, Dr. Goodman has served as CEO of FeetFirst, a technology-focused healthcare services company he co-founded that is committed to preventing the devastating and expensive microvascular complications of diabetes. From 2014 – 2016, Dr. Goodman served as a director of Xtant Medical (OTC QX: BONE), a comprehensive supplier of orthopedic and spine surgery products. From 2012 – 2015, Dr. Goodman served as CMO of FirstVitals, a healthcare services company focused on wellness and prevention. Since 2011, Dr. Goodman has also served as an independent consultant. During 2010, Dr. Goodman served as President and Chief Executive Officer of SEDline, Inc., a research-focused company with the mission to expand the scope and applications for neuromonitoring. From 2008 to 2009, Dr. Goodman served as Executive Vice President of Business Development for Masimo Corporation, a manufacturer of non-invasive patient monitors. From 2006 to 2008, Dr. Goodman served as an independent consultant providing product design, regulatory and analytical consulting services to medical device and biopharmaceutical companies and also served in this capacity from 2003 to 2004 and from 2001 to 2002. From 2005 to 2006, Dr. Goodman served as President and Chief Executive Officer of BaroSense, Inc., a medical device company focused on developing minimally invasive devices for the long-term treatment of obesity. From 2004 to 2005, Dr. Goodman served as President and Chief Executive Officer of Interventional Therapeutic Solutions, Inc., an implantable drug delivery systems company. From 2002 to 2003, Dr. Goodman served as Chairman, President and Chief Executive Officer of Pherin Pharmaceuticals, a pharmaceutical discovery and development company. From 1994 to 2001, Dr. Goodman held various positions, including Chief Executive Officer, Chief Medical Officer and director, for LifeMasters Supported SelfCare, Inc., a disease management services company that Dr. Goodman founded. Dr. Goodman also served as a director of Sound Surgical Technologies LLC, a private manufacturer of aesthetic surgical tools from 2011 until its acquisition by Solta Medical (Nasdaq:SLTM) in 2013. Dr. Goodman holds a B.A.S. in applied science and bioengineering and a M.S.E. in bioengineering from the University of Pennsylvania. He also received an M.D. from Harvard Medical School and the Harvard-M.I.T. Division of Health Sciences and Technology. Dr. Goodman holds 22 issued and pending patents and is a practicing physician with licenses in California and Hawaii. The Board has concluded that Dr. Goodman should serve as a director because Dr. Goodman's medical and engineering background and his many years of executive experience in the medical device industry provide important experience and expertise to the Board.

Nancy E. Katz has served as a member of our Board of Directors since December 2010. From May 2011 to August 2014, Ms. Katz served as Vice President, Consumer Marketing at Medtronic, Inc., a medical technology company. From July 2005 to July 2010, Ms. Katz was Senior Vice President, Bayer Diabetes Care — North America. Prior to this position, she was President and Chief Executive Officer of Calypte Biomedical Corporation, a manufacturer of HIV diagnostics, President of Zila Pharmaceutical, Inc., a manufacturer of oral care products, and held senior marketing positions with the Lifescan division of Johnson & Johnson (blood glucose diabetes products), Schering-Plough Healthcare Products, and with American Home Products. Since October 2016, Ms. Katz has served on the Board of Directors of Cyanotech Corporation (Nasdaq: CYAN). She has previously served on the Boards of Directors of Neoprobe Corporation (AMEX: NEOP), Calypte Biomedical Corporation, LXN Corporation and Pepgen Corporation. She received a B.S. in business from the University of South Florida. The Board has concluded that Ms. Katz should serve as a director because her experience in diabetes care and marketing into the diabetes sector provides valuable insight to the Board and management in our diabetes strategy.

Timothy R. Surgenor has served as a member of our Board of Directors since April 2009. Since April 2009, Mr. Surgenor has been a partner at Red Sky Partners, LLC, a provider of general management consulting services to the biotechnology industry. Since July 2012 Mr. Surgenor has also served as a director of Precision Ventures, a developer of medical and consumer devices. From 2003 to 2009, Mr. Surgenor served as President, Chief Executive Officer and director of Cyberkinetics Neurotechnology Systems (OTC: CYKN.PK), a medical device company. From January 1999 to January 2003, Mr. Surgenor was Executive Vice President at Haemonetics Corporation, which is a medical device company. From 1994 to 1999, Mr. Surgenor was President of Genzyme Tissue Repair, the cell therapy division of Genzyme Corporation. Previously, Mr. Surgenor was Executive Vice President and Chief Financial Officer of BioSurface Technology, Inc. and also held various positions in operations at Integrated Genetics. Mr. Surgenor received a B.A. in Biochemistry from Williams College and an M.B.A. from Harvard Business School. The Board has concluded that Mr. Surgenor should serve as a director because Mr. Surgenor's long career in the medical device and biotechnology business as both an entrepreneur and in senior executive positions in public companies provides the Board with important industry experience as well as valuable finance, accounting and executive management expertise.

David Van Avermaete has served as a member of our Board of Directors since September 2013. Since January 2015, Mr. Van Avermaete has served as President of Inject Safe Technologies, a privately held company that has developed a bandage specifically designed to support injections. From April 2004 to February 2013, Mr. Van Avermaete served as Chief Executive Officer of VeraLight, Inc., a medical device company he founded, that focuses on non-invasive screening for type 2 diabetes.

From 2000 to 2004, Mr. Van Avermaete served as Senior Vice President Non-Invasive Technology of InLight Solutions, a Johnson & Johnson company focused on transformational technology in the diabetes field. From 1998 to 2000, Mr. Van Avermaete served as U.S. President of the LifeScan division of Johnson & Johnson and, from 1990 to 1998, in various senior level positions at LifeScan concentrating in sales and marketing. Previously, Mr. Van Avermaete served as Vice President Sales and Marketing at Biotope, Director of Marketing at Roche Diagnostics, and Director of Marketing and Sales at Syntex Medical Diagnostics. Mr. Van Avermaete received a Master of Business Administration and a Master of Science Degree in Microbiology from the University of Arizona and a Bachelor of Science Degree in medical technology and chemistry from Ball State University. The Board has concluded that Mr. Van Avermaete should serve as a director because his executive level experience in the medical device and diabetes field, as well as in entrepreneurial ventures, provides the Board with a valuable perspective in commercializing medical device products.

BOARD MATTERS AND CORPORATE GOVERNANCE

Board of Directors

Our amended and restated certificate of incorporation, as amended, provides for a classified board of directors consisting of three staggered classes of directors (Class I, Class II and Class III). The members of each class of our Board of Directors serve for staggered three-year terms, with the terms of our Class II, Class III and Class I directors expiring upon the election and qualification of directors at the annual meetings of stockholders to be held in 2018, 2019, and 2020, respectively. Currently:

- our Class I director is Timothy R. Surgenor;
- our Class II directors are Shai N. Gozani, M.D., Ph.D. and David Van Avermaete; and
- our Class III directors are David E. Goodman, M.D. and Nancy E. Katz.

Our Board of Directors has determined that Dr. Goodman, Mr. Surgenor, Ms. Katz, and Mr. Van Avermaete are independent directors for purposes of the corporate governance rules contained in the Nasdaq Marketplace Rules, or the Nasdaq rules.

Our Board of Directors has an Audit Committee, a Compensation Committee, and a Nominating and Corporate Governance Committee.

The Audit Committee currently consists of Mr. Surgenor, Chairman, Dr. Goodman, and Ms. Katz. The Audit Committee operates pursuant to a charter that was approved by our Board of Directors, a copy of which is available on our website at *http://www.neurometrix.com* under the heading "Investor Relations" and subheading "Corporate Governance". The purposes of the Audit Committee are to, among other functions, assist the Board of Directors in overseeing the operation of a comprehensive system of internal controls covering the integrity of our financial statements and reports, compliance with laws, regulations and corporate policies, and the qualifications, performance and independence of our registered public accounting firm. Mr. Surgenor, Dr. Goodman, and Ms. Katz are all "independent" as that term is defined in the rules of the SEC and the applicable Nasdaq rules relating to audit committee members. Our Board of Directors has determined that Mr. Surgenor qualifies as an "audit committee financial expert" as such term is defined in the rules of the SEC. The Audit Committee held six meetings during 2017.

Procedures by which Stockholders May Nominate Directors

There have been no changes to the procedures disclosed in our proxy statement for the 2017 annual meeting of stockholders by which stockholders may nominate directors.

Code of Business Conduct and Ethics

We have adopted a Code of Business Conduct and Ethics that applies to all of our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller and persons performing similar functions. A current copy of the Code of Business Conduct and Ethics is available on our website at *http://www.neurometrix.com* under the heading "Investor Relations" and subheading "Corporate Governance," and we intend to disclose on this website any amendment to, or waiver of, any provision of the Code of Business Conduct and Ethics applicable to our directors or executive officers that would otherwise be required to be disclosed under the SEC rules, to the extent permitted, by the Nasdaq rules. A current copy of the Code of Business Conduct and Ethics may also be obtained, without

charge, upon written request directed to us at: NeuroMetrix, Inc., 1000 Winter Street, Waltham, Massachusetts 02451, Attention: Compliance Officer.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors and executive officers and holders of more than 10% of our common stock (collectively, "Reporting Persons") to file with the SEC initial reports of ownership and reports of changes in ownership of our common stock. Such Reporting Persons are required by regulations of the SEC to furnish us with copies of all such filings. Our records reflect that all reports which were required to be filed pursuant to Section 16(a) of the Exchange Act were filed on a timely basis. We received a written statement from our directors, officers, and 10% stockholders or know from other means that any required Forms 5 were filed or that no Forms 5 were required to be filed.

ITEM 11. Executive Compensation

Directors' Compensation

As of December 31, 2017, the non-employee members of our Board of Directors were entitled to receive annual cash compensation in the amount of $15,000 for service as a member of our Board of Directors, which is paid following each annual meeting of our stockholders. In addition, these non-employee directors were entitled to receive $2,000 for each board or committee meeting that they attend, provided that they are not entitled to additional compensation for attending committee meetings that occur on the same day as a board meeting which they attend. This cash compensation is in addition to any stock options or other equity compensation that we determine to grant to our directors. Dr. Gozani, the only member of our Board of Directors who is also an employee, is not separately compensated for his service on our Board of Directors.

In addition to the compensation described above, we reimburse all non-employee directors for their reasonable out-of-pocket expenses incurred in attending meetings of our Board of Directors or any committees thereof.

The following table shows compensation information with respect to services rendered to us in all capacities during the fiscal year ended December 31, 2017 for each non-employee member of the Board of Directors.

Director Compensation Table — 2017

Name	Fees Earned or Paid in Cash ($)	Option Awards ($)(1)	Total Compensation ($)
David E. Goodman, M.D.(2)	45,000	1,130	46,130
Nancy E. Katz(3)	45,000	1,130	46,130
Timothy R. Surgenor(4)	50,000	1,130	51,130
David Van Avermaete(5)	33,000	1,130	34,130

(1)These amounts represent the aggregate grant date fair value for 1,000 stock options granted to each director during fiscal year 2017.

(2)As of December 31, 2017, Dr. Goodman held options to purchase 1,971 shares of common stock, 428 of which were vested.

(3)As of December 31, 2017, Ms. Katz held options to purchase 1,971 shares of common stock, 428 of which were vested.

(4)As of December 31, 2017, Mr. Surgenor held options to purchase 1,971 shares of common stock, 428 of which were vested.

(5)As of December 31, 2017, Mr. Van Avermaete held options to purchase 2,252 shares of common stock, 709 of which were vested.

Summary of Executive Compensation

The following table sets forth the total compensation paid or accrued during the fiscal years ended December 31, 2017 and 2016 to (i) our Chief Executive Officer, and (ii) our two next most highly compensated executive officers who earned more

than $100,000 during the fiscal year ended December 31, 2017 and were serving as executive officers as of such date (we refer to these individuals as the "named executive officers"):

Name and Principal Position	Year	Salary ($)	Bonus ($)	Option Awards(1) ($)	All Other Compensation ($)	Total ($)
Shai N. Gozani, M.D. Ph.D. Chairman of the Board, Chief Executive Officer, President and Secretary	2017	415,000	194,531	—	—	609,531
	2016	415,000	—	170,091	—	585,091
Thomas T. Higgins Senior Vice President, Chief Financial Officer and Treasurer	2017	325,000	121,875	—	—	446,875
	2016	325,000	—	85,045	—	410,045
Frank McGillin Senior Vice President, Chief Commercial Officer	2017	325,000	97,500	—	—	422,500
	2016	325,000	—	85,045	—	410,045

(1)These amounts include the aggregate grant date fair value for option awards granted during fiscal years 2017 and 2016 computed in accordance with FASB ASC Topic 718. The amount of each grant is set forth below under "Discussion of Summary Compensation Table — Long-Term Incentive Compensation." A discussion of the assumptions used in determining grant date fair value may be found in Note 3 to our Financial Statements, included elsewhere in this Annual Report on Form 10-K.

Discussion of Summary Compensation Table

The compensation paid to the named executive officers may include salary, cash incentive compensation, and equity incentive compensation. The terms of employment agreements that we have entered into with our named executive officers are described below under "Employment Agreements and Potential Payments upon Termination or Change-in-Control."

Cash Compensation

We pay our executive officers a base salary which we review and determine annually. As of December 31, 2017, base salaries for our executive officers are Dr. Gozani — $415,000, Mr. Higgins — $325,000, and Mr. McGillin — $325,000.

Bonus Payments

Each executive officer has an annual bonus target which is expressed as a percentage of base salary. For 2017, executive officer bonus targets as a percentage of base salary were as follows: Dr. Gozani — 62.5%; Mr. Higgins — 50%; and Mr. McGillin — 40%.

The Compensation Committee has established a process for annual assessment of corporate performance which is the foundation for decisions regarding bonus payments to executive officers. Metrics are established following approval by the Board of Directors of the annual operating budget. These are monitored quarterly during the year and assessed after the end of the year. The Compensation Committee evaluates performance against these metrics and also applies judgment in arriving at an overall corporate performance rating or "factor". In concept, the management bonus pool is activated by achievement of a single threshold or "gating" metric. Following activation, value is then created within the pool by achievement toward specific performance metrics.

The management pool metrics for 2017 encompassed targets for new equity funding, strategic collaboration, sales revenue, and product development.

Long-Term Incentive Compensation

We grant long-term equity incentive awards in the form of stock options and restricted shares to executives as part of our total compensation package. During 2017 there were no equity grants to the executive officers. The Compensation Committee awarded in August 2016 the following equity grants comprised of stock options, to our named executive officers under our 2004 Stock Plan in the following amounts: Dr. Gozani — 25,000 options; Mr. Higgins — 12,500 options; and Mr. McGillin — 12,500 options.

Stock options referred to above have a term of ten years and vest over four years with 25% of the total award vesting after one year and the remainder vesting in equal quarterly installments thereafter. Generally, to the extent vested, each stock option is exercisable during the term of the option while the grantee is employed by us and for a period of three months thereafter, unless such termination is upon death or disability, in which case the grantee may continue to exercise the option for a period of 12 months, or for cause, in which case the option terminates immediately. Vesting of stock options is also subject to acceleration in some certain circumstances in connection with a change-in-control as described below in "Employment Agreements and Potential Payments upon Termination or Change-in-Control."

Management Retention and Incentive Plan

Our board of directors implemented the Management Retention and Incentive Plan, or the MRIP, under which a portion of the consideration payable upon a change of control transaction, as defined in the MRIP, would be paid to our executive officers and certain other key employees. The MRIP was designed to retain these individuals during the critical, early commercialization phases of our diabetes and pain initiatives while providing management with an incentive to rapidly build corporate value potentially leading to a change of control transaction. The MRIP has been structured to work in conjunction with, and not replace, our other incentive programs such as our equity plans, severance arrangements, compensation and bonus plan, and other benefits. The MRIP is designed to provide an appropriate, market-based incentive to our executive officers and key employees which will be reduced over time as a result of any future equity grants to participants. Effectively, the MRIP has an embedded self-liquidation feature.

In the event of a change of control transaction, subject to the participant's continued employment or service with us, the participant shall receive cash consideration equal to a fixed percentage of the value of the change of control transaction to be received by the Corporation or our stockholders, net of expenses. Each participant's payment shall be reduced by (i) any payments to be made to the participant in the change of control transaction as a result of securities issued pursuant to our equity plans, (ii) the value then held by the participant of securities previously issued to the participant under our equity plans; and (iii) the then current value of shares issued to the participant under our equity plans and previously sold by the participant, excluding any founders shares.

Outstanding Equity Awards at Fiscal Year-End

The table below sets forth information with respect to our named executive officers concerning the outstanding equity awards as of December 31, 2017.

	Option Awards				
	Number of Securities Underlying Unexercised Options			Option Exercise Price ($)	Option Expiration Date
	Exercisable (#)	Unexercisable (#)			
Shai N. Gozani, M.D., Ph.D.	7,813	17,187	(1)	11.76	8/22/2026
Thomas T. Higgins	3,907	8,593	(2)	11.76	8/22/2026
Frank McGillin	3,907	8,593	(2)	11.76	8/22/2026

(1)Reflects the unexercised portion of a stock option for 25,000 shares of common stock that was granted on August 22, 2016. The option vests 25% on the first anniversary of the vesting start date and then 1/16th each quarter thereafter until fully vested.

(2)Reflects the unexercised portion of a stock option for 12,500 shares of common stock that was granted on August 22, 2016. The option vests 25% on the first anniversary of the vesting start date and then 1/16th each quarter thereafter until fully vested

Employment Agreements and Potential Payments upon Termination or Change-in-Control

Shai N. Gozani, M.D., Ph.D.

We entered into an employment agreement with Dr. Gozani, effective as of June 21, 2004 and amended on December 31, 2008. Under the terms of the employment agreement, Dr. Gozani is to be paid an annual base salary determined by the Compensation Committee. Dr. Gozani's salary for 2017 was $415,000. Dr. Gozani is also eligible to receive an annual cash performance bonus of up to 62.5% of his annual salary if certain performance objectives, determined by Dr. Gozani and our Compensation Committee, are met.

The employment agreement may be terminated by us with or without cause or by Dr. Gozani. Under the terms of the employment agreement, if (1) we terminate Dr. Gozani for any reason other than willful non-performance of his duties under the employment agreement, intentional fraud or dishonesty with respect to our business or conviction of a felony, which we refer to as a termination without cause, or (2) Dr. Gozani resigns as a result of a reduction in his responsibilities with us, reduction in his status with us, reduction of his salary, relocation of our corporate offices more than 35 miles from their current location or breach by us of the employment agreement, which we refer to as a termination for good reason, Dr. Gozani will be entitled to his full base salary at his then-current annual rate of pay, plus benefits and applicable bonus payments, through the date of his termination. In addition, in the event of such a termination, we will continue to pay Dr. Gozani his then-current annual base salary for one year following the termination. Additionally, Dr. Gozani will be entitled to his full annual cash performance bonus in the year that any of the following transactions occurs:

- a sale of substantially all of our assets;
- a merger or combination with another entity, unless the merger or combination does not result in a change in ownership of our voting securities of more than 50%; or
- the sale or transfer of more than 50% of our voting securities.

Thomas T. Higgins

We entered an Employment Agreement with Mr. Higgins on October 27, 2014 which provides for our employment of Mr. Higgins as our Senior Vice President, Chief Financial Officer and Treasurer at an annual salary of $325,000, subject to periodic review and adjustment at our discretion. Under the Employment Agreement, Mr. Higgins is also eligible to receive an annual performance bonus, payable in cash or stock, of up to 50% of his annual salary. Under the terms of the Employment Agreement, if (1) we terminate Mr. Higgins for cause or if he resigns for other than good reason, Mr. Higgins will not be entitled to any separation benefits; (2) we terminate Mr. Higgins' employment without cause other than within 6 months prior to or 12 months following a change in control of the company or Mr. Higgins resigns for good reason, he will be entitled to receive separation benefits equal to his base salary, target bonus amount and continuation of health benefits for a period of twelve months from the date of such termination; (3) we terminate Mr. Higgins' employment within 6 months prior to or 12 months following a change in control of the company or Mr. Higgins resigns for good reason, he will be entitled to the same benefits as described in (2) above, and in addition, we will accelerate his rights to exercise shares under any stock option grants; and (4) Mr. Higgins dies or becomes totally disabled, we will accelerate the rights of his representative to exercise shares under and stock option grants. In connection with the Employment Agreement, Mr. Higgins executed a Confidentiality & Non-Compete Agreement with the Company.

Frank McGillin

We entered an Employment Agreement with Mr. McGillin on August 14, 2014 in connection with his joining the Company which provides for our employment of Mr. McGillin as our Senior Vice President and Chief Commercial Officer at an annual salary of $325,000, subject to periodic review and adjustment at our discretion. Under the Employment Agreement, Mr. McGillin is also eligible to receive an annual performance bonus, payable in cash or stock, of up to 40% of his annual salary. Under the terms of the Employment Agreement, if (1) we terminate Mr. McGillin for cause or if he resigns for other than good reason, Mr. McGillin will not be entitled to any separation benefits; (2) we terminate Mr. McGillin's employment without cause other than within 6 months prior to or 12 months following a change in control of the company or Mr. McGillin resigns for good reason, he will be entitled to receive separation benefits equal to his base salary, target bonus amount and continuation of

health benefits for a period of twelve months from the date of such termination; (3) we terminate Mr. McGillin's employment within 6 months prior to or 12 months following a change in control of the company or Mr. McGillin resigns for good reason, he will be entitled to the same benefits as described in (2) above, and in addition, we will accelerate his rights to exercise shares under any stock option grants; and (4) Mr. McGillin dies or becomes totally disabled, we will accelerate the rights of his representative to exercise shares under and stock option grants. In connection with the Employment Agreement, Mr. McGillin executed a Confidentiality & Non-Compete Agreement with the Company.

Confidentiality and Non-Competition Agreements

Dr. Gozani, Mr. Higgins, and Mr. McGillin have each entered into a confidentiality and non-competition agreement with us, which provides for protection of our confidential information, assignment to us of intellectual property developed by the executive officer and non-compete and non-solicitation obligations that are effective during, and for 12 months following termination of, the executive officer's employment.

ITEM 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

PRINCIPAL AND MANAGEMENT STOCKHOLDERS

The following table sets forth certain information concerning beneficial ownership as of February 2, 2018, except as noted below, of our common stock by:

- each of our directors;
- each of our named executive officers;
- all of our directors and executive officers as a group; and
- each stockholder known by us to beneficially own more than five percent of our common stock.

The number of common shares "beneficially owned" by each stockholder is determined under rules issued by the SEC regarding the beneficial ownership of securities. This information is not necessarily indicative of beneficial ownership for any other purpose. Under these rules, beneficial ownership of common stock includes (1) any shares as to which the person or entity has sole or shared voting power or investment power and (2) any shares as to which the person or entity has the right to acquire beneficial ownership within 60 days after February 2, 2018, including any shares that could be purchased by the exercise of options or warrants on or within 60 days after February 2, 2018. Each stockholder's percentage ownership is based on 7,141,940 shares of our common stock outstanding as of February 2, 2018, plus the number of shares of common stock that may be acquired by such stockholder upon exercise of options or warrants that are exercisable on or within 60 days after February 2, 2018.

Unless otherwise indicated below, to our knowledge, all persons named in the table have sole voting and investment power with respect to their shares of common stock, except to the extent authority is shared by spouses under community property laws.

	Amount and Nature of Beneficial Ownership			
Name and Address(1) of Beneficial Owner	Common Stock	Options(2)	Total	Percent of Class of Total
Directors and Executive Officers				
Shai N. Gozani, M.D., Ph.D.	61,196	84,376	145,572	2.0%
Thomas T. Higgins	27,463	42,189	69,652	1.0%
Francis X. McGillin	4,735	42,189	46,924	*
David E. Goodman, M.D.	26	447	473	*
Timothy R. Surgenor	229	447	676	*
Nancy E. Katz	26	447	473	*
David Van Avermaete	—	728	728	*
All Current Directors and Executive Officers as a group (7 persons)	93,675	170,823	264,498	3.6%

Name and Address(1) of Beneficial Owner	Amount and Nature of Beneficial Ownership			Percent of Class of Total
	Common Stock	Preferred Stock(3)	Total	
Beneficial Owner of 5% or More Other than Directors and Executive Officers				
Sabby Management, LLC(3)	—	792,667	792,667	9.99%

* Represents less than 1% of the outstanding shares of common stock.

(1)Unless otherwise indicated, the address of each stockholder is c/o NeuroMetrix, Inc., 1000 Winter Street, Waltham, Massachusetts 02451.

(2)Includes all options that are exercisable on or within 60 days from February 2, 2018 by the beneficial owner, except as otherwise noted.

(3)Reflects shares of common stock issuable upon the conversion of preferred stock beneficially owned by Sabby Healthcare Master Fund, Ltd. ("SHMF") and Sabby Volatility Warrant Master Fund ("SVWMF"). The amount does not include 59,307 shares of common stock issuable upon the exercise of warrants issued to SHMF and SVWMF in 2015 and an aggregate of 5,790,460 shares of common stock issuable upon the conversion of 14,052.93 shares of Series D convertible preferred stock and 3,260.70 shares of Series E convertible preferred stock issued to SHMF and SVWMF. All convertible preferred stock held by SHMF and SVWMF is subject to a 9.99% beneficial ownership limitation. Sabby Management, LLC and Hal Mintz do not directly own shares of common stock, but are deemed to have beneficial ownership over these shares of common stock because Sabby Management, LLC is the investment manager for both SHMF and SVWMF and Hal Mintz is the manager of Sabby Management, LLC. The address for the reporting persons is 10 Mountainview Road, Suite 205, Upper Saddle River, New Jersey 07458.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth information as of December 31, 2017 regarding the number of securities to be issued upon exercise, and the weighted average exercise price of outstanding options, warrants, and rights under our equity compensation plans and the number of securities available for future issuance under our equity compensation plans.

Equity Compensation Plan Information as of December 31, 2017

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column a)	
	(a)	(b)	(c)	
Equity compensation plans approved by security holders(1)	80,537	$ 19.32	618,305	(2)
Equity compensation plans not approved by security holders(3)	—	—	12,500	
Totals	80,537	$ 19.32	630,805	

(1)Includes information related to our Amended and Restated 1996 Stock Option/Restricted Stock Plan, Amended and Restated 1998 Equity Incentive Plan, Ninth Amended and Restated 2004 Stock Option and Incentive Plan, and Third Amended and Restated 2010 Employee Stock Purchase Plan.

(2)As of December 31, 2017, there were 618,247 shares available for future grant under the Ninth Amended and Restated 2004 Stock Option and Incentive Plan and 58 shares available under the Third Amended and Restated 2010 Employee Stock Purchase Plan. No new stock grants or awards will be made under the Amended and Restated 1996 Stock Option/Restricted Stock Plan or the Amended and Restated 1998 Equity Incentive Plan.

(3)Includes information related to our Amended and Restated 2009 Non-Qualified Inducement Stock Plan, which is designed to provide equity grants to new employees. Pursuant to this plan, we were authorized to issue Non-Qualified Stock Options, Restricted Stock Awards and Unrestricted Stock Awards.

ITEM 13. Certain Relationships and Related Transactions, and Director Independence

TRANSACTIONS WITH RELATED PERSONS

Except as otherwise set forth below, we did not engage in any related person transactions during the years ended December 31, 2017 and December 31, 2016. Pursuant to our audit committee charter currently in effect, the audit committee is responsible for reviewing and approving, prior to our entry into any such transaction, all transactions in which we are a participant and in which any parties related to us has or will have a direct or indirect material interest.

Private Offering of Convertible Preferred Stock; exchange of Warrants for Convertible Preferred Stock;

In the third quarter of 2017, we completed a private equity offering, or the Q3 2017 Offering, with entities affiliated with Sabby Management, LLC and its affiliates, or Sabby, a principal stockholder, providing for the issuance of (i) 7,000 shares of Series F convertible preferred stock at a price of $1,000 per share and (ii) 3,621 shares of Series F Preferred Stock in exchange for the repurchase and retirement of 4,184,483 warrants to purchase common stock valued by an independent party at $3,622,219. The Q3 2017 Offering also reset the conversion price of 14,052.93 shares of Series D convertible preferred stock and 7,000 shares of Series E convertible preferred stock that were held by Sabby to $2.63 per share. The Q3 2017 Offering resulted in gross proceeds of $7.0 million, and after deducting fees and expenses, net proceeds were $6.6 million. Each share of Series F convertible preferred stock has a stated value of $1,000 and is convertible, at any time at the option of the holder thereof, into a number of shares of our common stock determined by dividing the stated value by the initial conversion price of $2.63, subject to a 4.99% beneficial ownership limitation.

Private Offering of Convertible Preferred Stock and Warrants;

In the first quarter of 2017, we completed a private equity offering, or the Q1 2017 Offering, with Sabby, providing for the issuance of (i) 7,000 shares of Series E convertible preferred stock at a price of $1,000 per share, and (ii) warrants to purchase up to 1,250,000 shares of common stock, par value $0.0001 per share (the "Common Stock"), at an exercise price of $5.60 per share. As a part of this offering, the Company reset (i) the conversion price of 19,458.90 shares of Series D convertible preferred stock that were held by Sabby to $5.60 per share, and (ii) the exercise price of warrants to purchase up to 2,934,484 shares of Common Stock that were held by Sabby to $5.60 per share. The Q1 2017 Offering resulted in gross proceeds of $7.0 million, and after deducting fees and expenses, net proceeds were $6.3 million. Each share of Series E convertible preferred stock has a stated value of $1,000 and is convertible, at any time at the option of the holder thereof, into a number of shares of our common stock determined by dividing the stated value by the adjusted conversion price of $2.63, subject to a 4.99% beneficial ownership limitation.

Private Offering of Convertible Preferred Stock and Warrants; Repurchase of Series C Convertible Preferred Stock

In June 2016, we completed a private equity offering, or the 2016 June Offering, with entities affiliated with Sabby, a principal stockholder, providing for the issuance of (i) 21,300 shares of Series D convertible preferred stock at a price of $1,000 per share, and (ii) warrants to purchase up to 1,475,069 shares of our common stock at an exercise price of $13.52 per share. As a part of this offering, the Company redeemed 13,800 shares of Series C convertible preferred stock issued in a December 2015 offering that were held by Sabby. The June 2016 Offering resulted in proceeds of $7.5 million. After fees and expenses, net proceeds of the June 2016 Offering were $6.7 million. Each share of Series D convertible preferred stock has a stated value of $1,000 and is convertible, at any time at the option of the holder thereof, into a number of shares of our common stock determined by dividing the stated value by the adjusted conversion price of $2.63, subject to a 4.99% beneficial ownership limitation.

DIRECTOR INDEPENDENCE

See Item 10, "Directors, Executive Officers and Corporate Governance — Board Matters and Corporate Governance".

ITEM 14. Principal Accounting Fees and Services

ACCOUNTING FEES

Aggregate fees for professional services rendered by Moody, Famiglietti, & Andronico, LLP for the year ended December 31, 2017 are as follows:

Audit Fees

The audit fees for Moody, Famiglietti, & Andronico, LLP for professional services rendered for the 2017 audit of our annual financial statements and the review of the financial statements included in our quarterly reports on Form 10-Q, issuance of consents, and review of documents filed with the SEC totaled $107,600, of which $54,800 was billed in 2017 and $52,800 was billed in 2018.

Audit-Related Fees

There were no audit-related fees for Moody, Famiglietti, & Andronico, LLP in 2017.

All Other Fees

There were no other fees for Moody, Famiglietti, & Andronico, LLP in 2017.

Tax Fees

There were no tax fees for Moody, Famiglietti, & Andronico, LLP in 2017.

Aggregate fees for professional services rendered by our prior audit firm PricewaterhouseCoopers LLP for the years ended December 31, 2017 and 2016 are as follows:

Audit Fees

The audit fees for PricewaterhouseCoopers LLP for professional services rendered in 2017 for issuance of consents and review of documents filed with the SEC totaled $80,500, of which $45,500 was billed in 2017 and $35,000 was billed in 2018.

The audit fees for PricewaterhouseCoopers LLP for professional services rendered for the 2016 audit of our annual financial statements and the review of the financial statements included in our quarterly reports on Form 10-Q, issuance of comfort letter, issuance of consents, and review of documents filed with the SEC totaled $609,250, of which $406,000 was billed in 2016 and $203,250 was billed in 2017.

Audit-Related Fees

There were no audit-related fees for PricewaterhouseCoopers LLP in 2016.

All Other Fees

Fees for PricewaterhouseCoopers LLP for services other than audit-related services were $1,800 for 2017 and 2016, for a software subscription used to review accounting literature.

Tax Fees

There were no tax fees for PricewaterhouseCoopers LLP in 2016.

Pre-Approval Policies and Procedures

The Audit Committee approved all audit and non-audit services provided to us by Moody, Famiglietti, & Andronico, LLP and PricewaterhouseCoopers LLP during the 2017 and 2016 fiscal years.

PART IV

ITEM 15. Exhibits and Financial Statement Schedule

(a) 1. *Financial Statements*

The financial statements are listed in the accompanying index to financial statements on page F-1.

2. *Financial Statement Schedule*

The financial statement schedule is listed in the accompanying index to financial statements on page F-1. Other financial statement schedules required under this Item and Item 8 are omitted because they are not applicable or the required information is shown in the financial statements or the footnotes thereto.

3. *Exhibit Index*

The following is a list of exhibits filed as part of this Annual Report on Form 10-K:

Exhibit Number	Exhibit Description	Filed with this Report	Incorporated by Reference herein from Form or Schedule	Filing Date	SEC File/ Registration Number
3.1.1	Third Amended and Restated Certificate of Incorporation of NeuroMetrix, Inc. dated July 27, 2004		S-8 (Exhibit 4.1)	8/9/2004	333-118059
3.1.2	Certificate of Designations for Series A Junior Cumulative Preferred Stock, par value $0.001 per share, dated March 7, 2007		8-A12(b) (Exhibit 3.1)	3/8/2007	001-33351
3.1.3	Certificate of Amendment to Restated Certificate of Incorporation of NeuroMetrix, Inc. dated September 1, 2011		8-K (Exhibit 3.1)	9/1/2011	001-33351
3.1.4	Certificate of Amendment to Restated Certificate of Incorporation of NeuroMetrix, Inc. dated February 15, 2013		8-K (Exhibit 3.1)	2/15/2013	001-33351
3.1.5	Certificate of Amendment to Restated Certificate of Incorporation of NeuroMetrix, Inc. dated December 1, 2015		8-K (Exhibit 3.1)	12/1/2015	001-33351
3.1.6	Certificate of Designation of Preferences, Rights and Limitations of Series A-1 Convertible Preferred Stock, par value $0.001 per share, dated June 5, 2013		8-K (Exhibit 3.1)	6/6/2013	001-33351
3.1.7	Certificate of Designation of Preferences, Rights and Limitations of Series A-2 Convertible Preferred Stock, par value $0.001 per share, dated June 5, 2013		8-K (Exhibit 3.2)	6/6/2013	001-33351
3.1.8	Certificate of Designation of Preferences, Rights and Limitations of Series A-3 Convertible Preferred Stock, par value $0.001 per share, dated June 24, 2014		8-K (Exhibit 3.1)	6/25/2014	001-33351
3.1.9	Certificate of Designation of Preferences, Rights and Limitations of Series A-4 Convertible Preferred Stock, par value $0.001 per share, dated June 24, 2014		8-K (Exhibit 3.2)	6/25/2014	001-33351
3.1.10	Certificate of Designation of Preferences, Rights and Limitations of Series B Convertible Preferred Stock, par value $0.001 per share, dated May 26, 2015		8-K (Exhibit 3.1)	5/29/2015	001-33351

Exhibit Number	Exhibit Description	Filed with this Report	Incorporated by Reference herein from Form or Schedule	Filing Date	SEC File/ Registration Number
3.1.11	Certificate of Designation of Preferences, Rights and Limitations of Series C Convertible Preferred Stock, par value $0.001 per share, dated December 30, 2015		8-K (Exhibit 3.1)	12/30/2015	001-33351
3.1.12	Certificate of Designation of Preferences, Rights and Limitations of Series D Convertible Preferred Stock, par value $0.001 per share, dated June 3, 2016		8-K (Exhibit 3.1)	6/3/2016	001-33351
3.1.12	Certificate of Designation of Preferences, Rights and Limitations of Series E Convertible Preferred Stock, par value $0.001 per share, dated December 28, 2016		8-K (Exhibit 3.1)	12/29/2016	001-33351
3.2.1	Second Amended and Restated Bylaws of NeuroMetrix, Inc.		S-8 (Exhibit 4.2)	8/9/2004	333-118059
3.2.2	Amendment No. 1 to Second Amended and Restated Bylaws of NeuroMetrix, Inc.		8-K (Exhibit 3.1)	9/17/2007	001-33351
4.1	Specimen Certificate for Shares of Common Stock		S-1/A (Exhibit 4.1)	7/19/2004	333-115440
4.2.1	Shareholder Rights Agreement, dated as of March 7, 2007, between NeuroMetrix, Inc. and American Stock Transfer & Trust Company, as Rights Agent		8-A12(b) (Exhibit 4.1)	3/8/2007	001-33351
4.2.2	Amendment to Shareholder Rights Agreement, dated September 8, 2009, between NeuroMetrix, Inc. and American Stock Transfer & Trust Company, as Rights Agent		8-K (Exhibit 4.1)	9/14/2009	001-33351
4.2.3	Amendment No. 2 to Shareholder Rights Agreement, dated June 5, 2013, between NeuroMetrix, Inc. and American Stock Transfer & Trust Company, as Rights Agent		8-K (Exhibit 4.2)	6/6/2013	001-33351
4.2.4	Amendment No. 3 to Shareholder Rights Agreement, dated June 25, 2014, between NeuroMetrix, Inc. and American Stock Transfer & Trust Company, as Rights Agent		8-K (Exhibit 4.2)	6/25/2014	001-33351
4.2.5	Amendment No. 4 to Shareholder Rights Agreement, dated May 28, 2015, between NeuroMetrix, Inc. and American Stock Transfer & Trust Company, as Rights Agent		10-Q (Exhibit 4.1)	7/23/2015	001-33351
4.2.6	Amendment No. 5 to Shareholder Rights Agreement, dated December 29, 2015, between NeuroMetrix, Inc. and American Stock Transfer & Trust Company, as Rights Agent		8-K (Exhibit 4.3)	12/30/2015	001-33351
4.2.7	Amendment No. 6 to Shareholder Rights Agreement, dated June 3, 2016, between NeuroMetrix, Inc. and American Stock Transfer & Trust Company, as Rights Agent		8-K (Exhibit 4.2)	6/3/2016	001-33351
4.2.8	Amendment No. 7 to Shareholder Rights Agreement, dated December 28, 2016, between NeuroMetrix, Inc. and American Stock Transfer & Trust Company, as Rights Agent		8-K (Exhibit 4.2)	12/29/2016	001-33351

Exhibit Number	Exhibit Description	Filed with this Report	Incorporated by Reference herein from Form or Schedule	Filing Date	SEC File/ Registration Number
4.2.9	Amendment No. 8 to Shareholder Rights Agreement, dated February 8, 2017, between NeuroMetrix, Inc. and American Stock Transfer & Trust Company, as Rights Agent		10-K (Exhibit 4.2.9)	2/8/2017	001-33351
4.2.10	Amendment No. 9 to Shareholder Rights Agreement, dated February 8, 2017, between NeuroMetrix, Inc. and American Stock Transfer & Trust Company, as Rights Agent		8-K (Exhibit 4.2)	7/11/2017	001-33351
4.2.11	Amendment No. 10 to Shareholder Rights Agreement, dated February 5, 2017, between NeuroMetrix, Inc. and American Stock Transfer & Trust Company, as Rights Agent	X			
4.3.1	Form of Unit Warrant to purchase Common Stock (February 2012)		S-1/A (Exhibit 4.5)	1/31/2012	333-178165
4.3.2	Form of Placement Agent Warrant (February 2012)		S-1/A (Exhibit 4.6)	1/31/2012	333-178165
4.4	Form of Common Stock Purchase Warrant (June 2013)		8-K/A (Exhibit 4.1)	6/7/2013	001-33351
4.5	Form of Common Stock Purchase Warrant (June 2014)		8-K (Exhibit 4.1)	6/25/2014	001-33351
4.6.1	Form of Warrant (2015) issued as part of a Unit on May 29, 2015		S-1/A (Exhibit 4.3)	5/4/2015	333-188133
4.6.2	Form of Underwriter's Warrant (2015) issued on May 29, 2015		S-1/A (Exhibit 4.5)	4/13/2015	333-188133
4.7	Form of Series A Common Stock Purchase Warrant (December 2015)		8-K (Exhibit 4.1)	12/30/2015	001-33351
4.8	Form of Series B Common Stock Purchase Warrant (December 2015)		8-K (Exhibit 4.2)	12/30/2015	001-33351
4.9	Form of Common Stock Purchase Warrant (June 2016)		8-K (Exhibit 4.1)	6/3/2016	001-33351
4.10	Form of Common Stock Purchase Warrant (December 2016)		8-K (Exhibit 4.1)	12/29/2016	001-33351
Lease Agreements					
10.1.1	Lease Agreement, dated August 27, 2014, between Cummings Properties, LLC and NeuroMetrix, Inc.		10-Q (Exhibit 10.1)	10/28/2014	011-33351
10.1.2	Lease Agreement, dated September 10, 2014, between, Boston Properties, Inc. and NeuroMetrix, Inc.		10-Q (Exhibit 10.2)	10/28/2014	011-33351
Credit Facilities, Loan and Equity Agreements					
10.2.1	Loan and Security Agreement between NeuroMetrix, Inc. and Comerica Bank, dated March 5, 2010		10-Q (Exhibit 10.1)	5/14/2010	001-33351
10.2.2	First Modification to Loan and Security Agreement between NeuroMetrix, Inc. and Comerica Bank, dated March 1, 2011		8-K (Exhibit 10.1)	3/3/2011	001-33351
10.2.3	Fifth Modification to Loan and Security Agreement between NeuroMetrix, Inc. and Comerica Bank, dated January 31, 2014		10-Q (Exhibit 10.1)	4/24/2014	001-33351

Exhibit Number	Exhibit Description	Filed with this Report	Incorporated by Reference herein from Form or Schedule	Filing Date	SEC File/ Registration Number
10.2.4	Sixth Modification to Loan and Security Agreement with Comerica Bank, dated January 23, 2015		10-Q (Exhibit 10.1)	4/24/2015	001-33351
10.2.5	Seventh Modification to Loan and Security Agreement with Comerica Bank, dated January 14, 2016		10-K (Exhibit 10.2.5)	2/12/2016	001-33351
10.2.6	Eighth Modification to Loan and Security Agreement with Comerica Bank, dated December 27, 2016		10-K (Exhibit 10.2.6)	2/9/2017	001-33351
10.2.7	Ninth Modification to Loan and Security Agreement with Comerica Bank, dated January 17, 2018	X			
10.3	Repurchase and Forfeiture Agreement by and between NeuroMetrix, Inc. and the parties named therein		10-Q (Exhibit 10.1)	7/23/2015	001-33351
10.4.1	Securities Purchase Agreement by and between NeuroMetrix, Inc. and the purchasers named therein, dated December 29, 2015		8-K (Exhibit 10.1)	12/30/2015	001-33351
10.4.2	Registration Rights Agreement by and between NeuroMetrix, Inc. and the purchasers named therein, dated December 29, 2015		8-K (Exhibit 10.2)	12/30/2015	001-33351
10.5.1	Securities Purchase Agreement by and between NeuroMetrix, Inc. and the purchasers named therein, dated June 2, 2016		8-K (Exhibit 10.1)	6/3/2016	001-33351
10.5.2	Registration Rights Agreement by and between NeuroMetrix, Inc. and the purchasers named therein, dated June 2, 2016		8-K (Exhibit 10.2)	6/3/2016	001-33351
10.6.1	Securities Purchase Agreement by and between NeuroMetrix, Inc. and the purchasers named therein, dated December 28, 2016		8-K (Exhibit 10.1)	12/29/2016	001-33351
10.6.2	Registration Rights Agreement by and between NeuroMetrix, Inc. and the purchasers named therein, dated December 28, 2016		8-K (Exhibit 10.2)	12/29/2016	001-33351
10.7.1	Engagement Agreement with Rodman & Renshaw, dated as of June 2, 2016		S-1/A (Exhibit 10.8.1)	11/23/2016	333-207566
10.7.2	Amendment to Engagement Agreement with Rodman & Renshaw, dated as of December 19, 2016		8-K (Exhibit 1.1)	12/29/2016	001-33351
10.7.3	Amendment to Engagement Agreement with Rodman & Renshaw, as amended, dated as of January 3, 2017		S-3 (Exhibit 10.3)	1/27/2017	333-215792
Equity Compensation Plans					
10.8+	Amended and Restated 1996 Stock Option/Restricted Stock Plan		S-1/A (Exhibit 10.2)	6/22/2004	333-115440
10.9.1+	Amended and Restated 1998 Equity Incentive Plan		S-1/A (Exhibit 10.3)	6/22/2004	333-115440
10.9.2+	Second Amendment to Amended and Restated 1998 Equity Incentive Plan		S-1 (Exhibit 10.18)	6/22/2004	333-115440

Exhibit Number	Exhibit Description	Filed with this Report	Incorporated by Reference herein from Form or Schedule	Filing Date	SEC File/ Registration Number
10.10.1+	Seventh Amended and Restated 2004 Stock Option and Incentive Plan		14A (Appendix A)	3/30/2015	001-33351
10.10.2+	Form of Restricted Stock Agreement		10-Q (Exhibit 10.4)	5/14/2010	001-33351
10.10.3+	Form of Incentive Stock Option Agreement		10-Q (Exhibit 10.1)	11/15/2004	000-50856
10.10.4+	Form of Non-Qualified Stock Option Agreement For Company Employees		10-Q (Exhibit 10.2)	11/15/2004	000-50856
10.10.5+	Form of Non-Qualified Stock Option Agreement For Non-Employee Directors		10-Q (Exhibit 10.3)	11/15/2004	000-50856
10.11+	2009 Non-Qualified Inducement Stock Plan		S-8 (Exhibit 99.1)	6/3/2009	333-159712
10.12.1+	Third Amended and Restated 2010 Employee Stock Purchase Plan		14A (Appendix B)	3/17/2016	001-33351
Agreements with Executive Officers and Directors					
10.13+	Form of Indemnification Agreement between NeuroMetrix, Inc. and each of its directors		S-1/A (Exhibit 10.8)	6/22/2004	333-115440
10.14.1+	Employment Agreement, dated June 21, 2004, by and between NeuroMetrix, Inc. and Shai N. Gozani, M.D., Ph.D.		S-1/A (Exhibit 10.9)	6/22/2004	333-115440
10.14.2+	First Amendment to Employment Agreement dated December 31, 2008, by and between NeuroMetrix, Inc. and Shai N. Gozani, M.D., Ph.D.		10-K (Exhibit 10.11)	3/20/2009	001-33351
10.14.3+	Indemnification Agreement dated June 21, 2004, by and between Shai N. Gozani, M.D., Ph.D., and NeuroMetrix, Inc.		S-1/A (Exhibit 10.20)	6/22/2004	333-115440
10.14.4+	NeuroMetrix, Inc. Non-Statutory Stock Option Agreement (pursuant to the Amended and Restated 1998 Equity Incentive Plan), dated as of June 21, 2004, by and between Shai N. Gozani M.D., Ph.D., and NeuroMetrix, Inc.		S-1/A (Exhibit 10.17)	6/22/2004	333-115440
10.15.1+	Letter Agreement, dated August 31, 2009, between NeuroMetrix, Inc. and Thomas T. Higgins		8-K (Exhibit 10.1)	9/15/2009	001-33351
10.15.2+	Indemnification Agreement, dated September 10, 2009, by and between NeuroMetrix, Inc. and Thomas T. Higgins		8-K (Exhibit 10.2)	9/15/2009	001-33351
10.15.3+	Employment Agreement, dated October 27, 2014 by and between NeuroMetrix, Inc. and Thomas T. Higgins		10-Q (Exhibit 10.4)	10/28/2014	001-33351
10.16.1+	Letter Agreement, dated August 14, 2014, between NeuroMetrix, Inc. and Francis X. McGillin		10-Q (Exhibit 10.5)	10/28/2014	001-33351
10.17+	Amended and Restated Management Retention and Incentive Plan, as modified, dated February 3, 2017		10-K (Exhibit 10.17)	2/9/2017	001-33351
Agreements with Respect to Collaborations, Licenses, Research and Development					

Exhibit Number	Exhibit Description	Filed with this Report	Incorporated by Reference herein from Form or Schedule	Filing Date	SEC File/ Registration Number
10.18†	Manufacturing and Supply Agreement, dated as of August 2, 2006, by and between Parlex Polymer Flexible Circuits, Inc. and NeuroMetrix, Inc.		8-K (Exhibit 99.1)	8/2/2006	000-50856
10.19*	Asset Purchase Agreement, dated as of January 12, 2018, by and between Novartis Consumer Health S.A. and NeuroMetrix, Inc.	X			
10.20*	Development and Services Agreement, dated as of January 12, 2018, by and between Novartis Consumer Health S.A. and NeuroMetrix, Inc.	X			
10.21*	Contribution Agreement, dated as of December 22, 2017, by and between Quell Intellectual Property Corp., LLC and NeuroMetrix, Inc.	X			
10.22*	Amended and Restated Limited Liability Company Agreement of Quell Intellectual Property Corp., LLC, dated as of January 12, 2018, by and between Novartis Consumer Health S.A. and NeuroMetrix, Inc.	X			
10.23	Neurometrix License Agreement, dated as of December 21, 2017, by and between Quell Intellectual Property Corp., LLC and NeuroMetrix, Inc.	X			
10.24	GSK License Agreement, dated as of December 21, 2017, by and between Quell Intellectual Property Corp., LLC and NeuroMetrix, Inc.	X			
10.25	Assignment Agreement, dated as of January 12, 2018, by and between Novartis Consumer Health S.A. and NeuroMetrix, Inc.	X			
23.1	Consent of Moody, Famiglietti & Andronico, LLP, an independent registered public accounting firm.	X			
23.2	Consent of Pricewaterhouse Coopers LLP, an independent registered public accounting firm.	X			
31.1	Certification of Principal Executive Officer under Section 302 of the Sarbanes-Oxley Act of 2002.	X			
31.2	Certification of Principal Accounting and Financial Officer under Section 302 of the Sarbanes-Oxley Act of 2002.	X			
32	Certification of the Principal Executive Officer and the Principal Accounting and Financial Officer under Section 906 of the Sarbanes-Oxley Act of 2002.	X			

Exhibit Number	Exhibit Description	Filed with this Report	Incorporated by Reference herein from Form or Schedule	Filing Date	SEC File/ Registration Number
101	The following materials from NeuroMetrix, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2017, formatted in XBRL (Extensible Business Reporting Language): (i) Balance Sheets as of December 31, 2017 and 2016, (ii) Statements of Operations for the years ended December 31, 2017 and 2016, (iii) Statements of Changes in Stockholders' Equity for the years ended December 31, 2017 and 2016, (iv) Statements of Cash Flows for the years ended December 31, 2017 and 2016, and (v) Notes to Financial Statements.	X			

+ Indicates management contract or any compensatory plan, contract or arrangement.

† Confidential treatment has been granted with respect to certain portions of this Exhibit, which portions have been omitted and filed separately with the Securities and Exchange Commission as part of an application for confidential treatment pursuant to the Securities Exchange Act of 1934, as amended.

* Confidential treatment has been requested with respect to certain portions of this Exhibit, which portions have been omitted and filed separately with the Securities and Exchange Commission as part of an application for confidential treatment pursuant to the Securities Exchange Act of 1934, as amended.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NEUROMETRIX, INC.

By: /s/ SHAI N. GOZANI, M.D., PH.D.

Shai N. Gozani, M.D., Ph.D.
Chairman, President and Chief Executive Officer

Date: February 8, 2018

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant on February 8, 2018 in the capacities indicated below.

Name	Title
/s/ SHAI N. GOZANI, M.D., PH.D. Shai N. Gozani, M.D., Ph.D.	Chairman, President and Chief Executive Officer (Principal Executive Officer)
/s/ THOMAS T. HIGGINS Thomas T. Higgins	Senior Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer and Principal Accounting Officer)
/s/ DAVID E. GOODMAN, M.D. David E. Goodman, M.D.	Director
/s/ NANCY E. KATZ Nancy E. Katz	Director
/s/ TIMOTHY R. SURGENOR Timothy R. Surgenor	Director
/s/ DAVID VAN AVERMAETE David Van Avermaete	Director

INDEX TO FINANCIAL STATEMENTS

NeuroMetrix, Inc.

Years ended December 31, 2017 and 2016

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of NeuroMetrix, Inc.

Opinion on the Financial Statements

We have audited the accompanying balance sheet of NeuroMetrix, Inc. (the Company) as of December 31, 2017, and the related statements of operations, changes in stockholders' equity, and cash flows for the year then ended, and the related notes and schedule (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Going Concern Uncertainty

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has suffered recurring losses from operations, negative cash flows from operating activities and has an accumulated deficit 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 financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting, 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.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

We have served as the Company's auditor since 2017.

/s/ Moody, Famiglietti, and Andronico, LLP

Moody, Famiglietti, and Andronico, LLP
Tewksbury, Massachusetts
February 8, 2018

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of NeuroMetrix, Inc.

In our opinion, the accompanying balance sheet and the related statements of operations, of changes in stockholders' equity, and of cash flows present fairly, in all material respects, the financial position of NeuroMetrix, Inc. as of December 31, 2016, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the accompanying index for the year ended December 31, 2016 presents fairly, in all material respects, the information set forth therein when read in conjunction with the related financial statements. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audit. We conducted our audit of these financial statements 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. An audit 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 audit provides a reasonable basis for our opinion.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has suffered recurring losses from operations and negative cash flows from operating activities that raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ PricewaterhouseCoopers LLP

Boston, Massachusetts

February 9, 2017 except for the effects of the reverse stock split discussed in Note 13 to the financial statements, as to which the date is February 8, 2018

NeuroMetrix, Inc.

Balance Sheets

	December 31,	
	2017	**2016**
Assets		
Current assets:		
Cash and cash equivalents	$ 4,043,681	$ 3,949,135
Accounts receivable, net of allowances of $25,000 at December 31, 2017 and 2016	1,049,329	738,729
Inventories	1,369,647	1,252,238
Prepaid expenses and other current assets	2,640,717	1,646,821
Total current assets	9,103,374	7,586,923
Fixed assets, net	440,842	532,706
Other long-term assets	55,008	164,262
Total assets	$ 9,599,224	$ 8,283,891
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 733,305	$ 734,048
Accrued compensation	786,184	307,471
Accrued expenses	2,242,315	1,648,731
Deferred revenue	820,031	628,236
Total current liabilities	4,581,835	3,318,486
Common stock warrants	—	4,641
Total liabilities	4,581,835	3,323,127
Commitments and contingencies (Note 8)		
Stockholders' equity		
Preferred stock	—	—
Convertible preferred stock	30	18
Common stock, $0.0001 par value; 100,000,000 authorized at December 31, 2017 and 2016; 2,706,066 and 836,863 shares issued and outstanding at December 31, 2017 and 2016, respectively	271	84
Additional paid-in capital	196,355,142	183,439,463
Accumulated deficit	(191,338,054)	(178,478,801)
Total stockholders' equity	5,017,389	4,960,764
Total liabilities and stockholders' equity	$ 9,599,224	$ 8,283,891

The accompanying notes are an integral part of these financial statements.

NeuroMetrix, Inc.

Statements of Operations

	Years Ended December 31,	
	2017	**2016**
Revenues	$ 17,092,336	$ 12,027,528
Cost of revenues	10,235,538	7,113,005
Gross profit	6,856,798	4,914,523
Operating expenses:		
Research and development	3,497,636	4,394,353
Sales and marketing	10,751,863	10,855,445
General and administrative	5,689,917	4,872,670
Total operating expenses	19,939,416	20,122,468
Loss from operations	(13,082,618)	(15,207,945)
Interest income	14,885	19,132
Change in fair value of warrant liability	208,480	275,662
Net loss	(12,859,253)	(14,913,151)
Net loss applicable to common stockholders:		
Deemed dividends attributable to preferred shareholders (Note 12)	(6,874,780)	(19,846,377)
Net loss applicable to common stockholders	$ (19,734,033)	$ (34,759,528)
Net loss per common share applicable to common stockholders, basic and diluted	$ (11.60)	$ (58.21)
Weighted average number of common shares outstanding, basic and diluted	1,701,481	597,130

The accompanying notes are an integral part of these financial statements.

NeuroMetrix, Inc.

Statements of Changes in Stockholders' Equity

	Series B – F Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total
	Number of Shares	Amount	Number of Shares	Amount			
Balance at December 31, 2015	20,946.00	$ 21	505,917	$ 51	$ 176,128,286	$ (163,565,650)	$ 12,562,708
Stock-based compensation expense	—	—	—	—	225,408	—	225,408
Issuance of Series D preferred stock and warrants and redemption of Series C preferred stock under purchase agreement	7,500.00	8	—	—	6,738,492	—	6,738,500
Issuance of common stock upon conversion of preferred stock	(10,743.35)	(11)	304,311	30	(19)	—	—
Issuance of common stock under employees stock purchase plan	—	—	4,375	1	28,537	—	28,538
Common stock issued to settle incentive compensation obligations	—	—	22,260	2	318,759	—	318,761
Net loss	—	—	—	—	—	(14,913,151)	(14,913,151)
Balance at December 31, 2016	17,702.65	$ 18	836,863	$ 84	$ 183,439,463	$ (178,478,801)	$ 4,960,764
Stock-based compensation expense	—	$ —	—	$ —	$ 209,691	$ —	$ 209,691
Issuance of Series E preferred stock and warrants and repricing other holdings under purchase agreement	7,000.00	$ 7	—	$ —	$ 6,057,382	$ —	$ 6,057,389
Issuance of Series F preferred stock and repurchase of certain warrants under purchase agreement	10,621.00	$ 11	—	$ —	$ 6,628,019	$ —	$ 6,628,030
Issuance of common stock upon conversion of preferred stock	(5,843.67)	$ (6)	1,833,240	$ 184	$ (178)	$ —	$ —
Issuance of common stock under employees stock purchase plan	—	$ —	11,583	$ 1	$ 20,767	$ —	$ 20,768
Issuance of common stock in exchange for warrants	—	$ —	24,380	$ 2	$ (2)	$ —	$ —
Net loss	—	$ —	—	$ —	$ —	$ (12,859,253)	$ (12,859,253)
Balance at December 31, 2017	29,479.98	$ 30	2,706,066	$ 271	$ 196,355,142	$ (191,338,054)	$ 5,017,389

The accompanying notes are an integral part of these financial statements.

NeuroMetrix, Inc.

Statements of Cash Flows

	Years Ended December 31,	
	2017	**2016**
Cash flows for operating activities:		
Net loss	$ (12,859,253)	$ (14,913,151)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	262,334	251,327
Stock-based compensation	209,691	225,408
Change in fair value of warrant liability	(208,480)	(275,662)
Changes in operating assets and liabilities:		
Accounts receivable	(310,600)	69,096
Inventories	(117,409)	(163,154)
Prepaid expenses and other current and long-term assets	(884,642)	(754,797)
Accounts payable	(8,117)	(267,583)
Accrued expenses and compensation	1,072,297	347,176
Deferred revenue	191,795	401,064
Net cash used in operating activities	(12,652,384)	(15,080,276)
Cash flows for investing activities:		
Purchases of fixed assets	(163,096)	(100,499)
Net cash used in investing activities	(163,096)	(100,499)
Cash flows from financing activities:		
Net proceeds from issuance of stock and warrants, including private offerings and equity plans	12,910,026	6,667,038
Net cash provided by financing activities	12,910,026	6,667,038
Net (decrease) increase in cash and cash equivalents	94,546	(8,513,737)
Cash and cash equivalents, beginning of year	3,949,135	12,462,872
Cash and cash equivalents, end of year	$ 4,043,681	$ 3,949,135
Supplemental disclosure of cash flow information:		
Fixed asset additions included in accounts payable	$ 7,374	$ —
Change in fair value of warrant liability from repricing	$ 244,611	$ —
Exchange of warrant liability for Series F Preferred Stock	$ 40,772	$ —
Common stock issued to settle employee incentive compensation obligation	$ —	$ 318,761

The accompanying notes are an integral part of these financial statements.

1. Description of Business and Basis of Presentation

NeuroMetrix, or the Company, is a commercial stage, innovation driven healthcare company combining bioelectrical and digital medicine to address chronic health conditions including chronic pain, sleep disorders, and diabetes. The Company's lead product is Quell, an over-the-counter wearable therapeutic device for chronic pain. Quell is integrated into a digital health platform that helps patients optimize their therapy and decrease the impact of chronic pain on their quality of life. The Company also markets DPNCheck®, a rapid point-of-care test for diabetic neuropathy, which is the most common long-term complication of Type 2 diabetes. The Company maintains an active research effort. The company is located in Waltham, Massachusetts and was founded as a spinoff from the Harvard-MIT Division of Health Sciences and Technology in 1996.

During 2017 the Company completed two equity offerings, detailed in Note 12 to the financial statements, which resulted in gross proceeds of $14.0 million and realized net proceeds of approximately $12.9 million after deducting fees and expenses.

The accompanying financial statements have been prepared on a basis which assumes that the Company will continue as a going concern and which contemplates the realization of assets and satisfaction of liabilities and commitments in the normal course of business. The Company has suffered recurring losses from operations and negative cash flows from operating activities. At December 31, 2017, the Company had an accumulated deficit of $191.3 million. The Company held cash and cash equivalents of $4.0 million as of December 31, 2017. The Company believes that these resources, the $5.0 million received in January 2018 under the GSK Collaboration, as well as certain of the $21.5 million in contingent payments under development and commercialization milestones (Note 15), and the cash to be generated from expected product sales will be sufficient to meet its projected operating requirements into the fourth quarter of 2018. The Company continues to face significant challenges and uncertainties and, as a result, the Company's available capital resources may be consumed more rapidly than currently expected due to (a) decreases in sales of the Company's products and the uncertainty of future revenues from new products; (b) changes the Company may make to the business that affect ongoing operating expenses; (c) changes the Company may make in its business strategy; (d) regulatory developments affecting the Company's existing products; (e) changes the Company may make in its research and development spending plans; and (f) other items affecting the Company's forecasted level of expenditures and use of cash resources. Accordingly, the Company may need to raise additional funds to support its operating and capital needs in the fourth quarter of 2018. These factors raise substantial doubt about the Company's ability to continue as a going concern for the one year period from the date of issuance of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. The Company intends to obtain additional funding through achievement of milestones under the GSK Collaboration, public or private financing, collaborative arrangements with strategic partners, or through additional credit lines or other debt financing sources to increase the funds available to fund operations. However, the Company may not be able to secure such financing in a timely manner or on favorable terms, if at all. Furthermore, if the Company issues equity or debt securities to raise additional funds, its existing stockholders may experience dilution, and the new equity or debt securities may have rights, preferences and privileges senior to those of the Company's existing stockholders. If the Company raises additional funds through collaboration, licensing or other similar arrangements, it may be necessary to relinquish valuable rights to its potential products or proprietary technologies, or grant licenses on terms that are not favorable to the Company. Without additional funds, the Company may be forced to delay, scale back or eliminate some of its sales and marketing efforts, research and development activities, or other operations and potentially delay product development in an effort to provide sufficient funds to continue its operations. If any of these events occurs, the Company's ability to achieve its development and commercialization goals would be adversely affected.

2. Summary of Significant Accounting Policies

Use of Estimates and Assumptions

The preparation of financial statements in conformity with United States generally accepted accounting principles requires management to make significant estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during reporting periods. Actual results could differ from those estimates.

The Company bases its estimates on historical experience and various other assumptions that it believes to be reasonable under the circumstances and regularly assesses these estimates, but actual results could differ materially from these estimates. Effects of changes in estimates are recorded in the period in which they occur.

NeuroMetrix, Inc.

Notes to Financial Statements

2. Summary of Significant Accounting Policies - (continued)

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of ninety days or less to be cash equivalents. Cash equivalents are recorded at cost which approximates fair value. The Company invests cash primarily in a money market account and other investments which management believes are subject to minimal credit and market risk.

Concentrations of Credit Risk

Financial instruments that potentially expose the Company to concentrations of credit risk consist primarily of cash and cash equivalents in bank deposit accounts and trade receivables. The Company invests its funds in highly rated institutions and limits its investment in any individual account so that they do not exceed FDIC limits. The Company has not experienced significant losses related to cash and cash equivalents and does not believe it is exposed to any significant credit risks relating to its cash and cash equivalents.

At December 31, 2017 and 2016, two customers accounted for 66% and 41% of accounts receivable, respectively. For the years ended December 31, 2017 and 2016, customers accounting for more than 10% of revenue were 19% and zero of revenues, respectively.

The Company relies on in-house assembly and four third-party manufacturers to manufacture the major portion of its current products and product components. The disruption or termination of the supply of these products or a significant increase in the cost of these products from these sources could have an adverse effect on the Company's business, financial position, and results of operations.

Inventories

Inventories, consisting primarily of finished goods and purchased components, are stated at the lower of cost or net realizable value. Cost is determined using the first-in, first-out method. The Company writes down inventory to its net realizable value for excess or obsolete inventory.

Fair Value

The carrying amounts of the Company's accounts receivable, accounts payable, and accrued expenses approximate their fair value at December 31, 2017 and 2016 due to the short-term nature of these assets and liabilities. The Company's cash equivalents and its warrant liability are carried at fair value determined according to the fair value hierarchy described in Note 9.

Revenue Recognition

The Company recognizes revenue when the following criteria have been met: persuasive evidence of an arrangement exists, delivery has occurred and risk of loss has passed, the seller's price to the buyer is fixed or determinable, and collection is reasonably assured. Revenues associated with the Company's medical devices and consumables are generally recognized upon shipment, assuming all other revenue recognition criteria have been met. Revenue associated with shipments made to distributors who have the right to return any unsold product is recognized once the product is sold by the distributor to the end customer (i.e. under a sell-through model), assuming all other revenue recognition criteria have been met. Cash received prior to all the conditions for revenue recognition being met is recorded as deferred revenue.

As of December 31, 2017, the total value of shipments made to sell-through distributors but not yet sold through to end customers totaled $3,010,734. Of this total, $2,190,703 was recorded as a reduction to accounts receivable and $820,031 was recorded in deferred revenue, as cash had been received. As of December 31, 2016, the total value of shipments that had been made to sell-through distributors but have not yet been sold through to end customers totaled $1,247,545. Of this total, $619,309 was recorded as a reduction to accounts receivable and $628,236 was recorded in deferred revenue, as cash had been received. Related costs of goods sold of $2,106,988 and $910,595 have been deferred and recorded in prepaid expenses and other current assets as of December 31, 2017 and 2016, respectively.

NeuroMetrix, Inc.

Notes to Financial Statements

2. Summary of Significant Accounting Policies - (continued)

Revenue recognition involves judgments, including assessments of expected returns from customers who have the right to return product for any reason under 30-day or 60-day rights of return. Where the Company can reasonably estimate future returns, it recognizes revenues and records as a reduction of revenue a provision for estimated returns. The Company analyzes various factors, including its historical product returns in arriving at this judgment. Changes in judgments or estimates could materially impact the timing and amount of revenues and costs recognized. The provision for expected returns recorded as accrued expense was $666,375 and $488,200 as of December 31, 2017 and 2016, respectively.

Accounts Receivable

Accounts receivable are recorded net of the allowance for doubtful accounts receivable. The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in our existing accounts receivable. The Company reviews the allowance for doubtful accounts and determines the allowance based on an analysis of customer past payment history, product usage activity, and recent communications with the customer. Individual customer balances which are past due and over 90 days outstanding are reviewed individually for collectability. Account balances are written-off against the allowance when the Company feels it is probable the receivable will not be recovered. The Company does not have any off-balance sheet credit exposure related to our customers.

Income Taxes

The Company records income taxes using the asset and liability method. Deferred income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective income tax bases, and operating loss and tax credit carryforwards. The Company's financial statements contain certain deferred tax assets, which have arisen primarily as a result of operating losses, as well as other temporary differences between financial and tax accounting. In accordance with the provisions of the Income Taxes topic of the Codification, the Company is required to establish a valuation allowance if the likelihood of realization of the deferred tax assets is reduced based on an evaluation of objective verifiable evidence. Significant management judgment is required in determining the Company's provision for income taxes, the Company's deferred tax assets and liabilities and any valuation allowance recorded against those net deferred tax assets. The Company evaluates the weight of all available evidence to determine whether it is more likely than not that some portion or all of the net deferred income tax assets will not be realized.

Utilization of the NOL and research and development credit carryforwards may be subject to a substantial annual limitation due to ownership change limitations that have occurred previously or that could occur in the future, as provided by Section 382 of the Internal Revenue Code of 1986, as well as similar state provisions. Ownership changes may limit the amount of NOL and tax credit carryforwards that can be utilized to offset future taxable income and tax, respectively. In general, an ownership change, as defined by Section 382, results from transactions increasing the ownership of certain shareholders or public groups in the stock of a corporation by more than 50 percentage points over a three-year period. If the Company has experienced a change of control, utilization of its NOL or tax credits carryforwards would be subject to an annual limitation under Section 382. Any limitation may result in expiration of a portion of the NOL or research and development credit carryforwards before utilization. Subsequent ownership changes could further impact the limitation in future years. Further, until a study is completed and any limitation known, no amounts are being presented as an uncertain tax position. A full valuation allowance has been provided against the Company's NOL carryforwards and research and development credit carryforwards and, if an adjustment is required, this adjustment would be offset by an adjustment to the valuation allowance. Thus, there would be no impact to the balance sheet or statement of operations if an adjustment were required.

Management performed a two-step evaluation of all tax positions, ensuring that these tax return positions meet the "more likely than not" recognition threshold and can be measured with sufficient precision to determine the benefit recognized in the financial statements. These evaluations provide management with a comprehensive model for how a company should recognize, measure, present, and disclose in its financial statements certain tax positions that the Company has taken or expects to take on income tax returns.

Research and Development

Costs incurred in research and development are expensed as incurred. Included in research and development costs are wages, benefits, product design consulting, and other operating costs such as facilities, supplies, and overhead directly related to the Company's research and development efforts.

NeuroMetrix, Inc.

Notes to Financial Statements

2. Summary of Significant Accounting Policies - (continued)

Product Warranty Costs

The Company accrues estimated product warranty costs at the time of sale which are included in cost of sales in the statements of operations. The amount of the accrued warranty liability is based on historical information such as past experience, product failure rates, number of units repaired, and estimated cost of material and labor. The liabilities for product warranty costs of $127,361 and $45,879 at December 31, 2017 and 2016, respectively, are included in accrued expenses in the accompanying balance sheets.

Fixed Assets and Long-Lived Assets

Fixed assets are recorded at cost and depreciated using the straight-line method over the estimated useful life of each asset. Expenditures for repairs and maintenance are charged to expense as incurred. On disposal, the related assets and accumulated depreciation are eliminated from the accounts and any resulting gain or loss is included in the Company's statement of operations. Leasehold improvements are amortized over the shorter of the estimated useful life of the improvement or the remaining term of the lease.

The Company periodically evaluates the recoverability of its fixed assets and other long-lived assets whenever events or changes in circumstances indicate that an event of impairment may have occurred. This periodic review may result in an adjustment of estimated depreciable lives or asset impairment. When indicators of impairment are present, the carrying values of the asset are evaluated in relation to the assets operating performance and future undiscounted cash flows of the underlying assets. If the future undiscounted cash flows are less than their book value, an impairment may exist. The impairment is measured as the difference between the book value and the fair value of the underlying asset. Fair values are based on estimates of the market prices and assumptions concerning the amount and timing of estimated future cash flows and assumed discount rates, reflecting varying degrees of perceived risk.

Accounting for Stock-Based Compensation

Stock-based compensation cost is generally recognized ratably over the requisite service period. The Company uses the Black-Scholes option pricing model for determining the fair value of its stock options and amortizes its stock-based compensation expense using the straight-line method. The Black-Scholes model requires certain assumptions that involve judgment. Such assumptions are the expected share price volatility, expected life of options, expected annual dividend yield, and risk-free interest rate (See Note 3 — Stock-Based Compensation and Stockholders' Equity).

Net Loss per Common Share

Basic net loss per common share is computed by dividing net loss applicable to common stockholders by the weighted average number of common shares outstanding during the period. Unvested restricted shares, although legally issued and outstanding, are not considered outstanding for purposes of calculating basic net loss per common share. Diluted net loss per common share is computed by dividing net loss by the weighted average number of common shares outstanding during the period plus the dilutive effect of the weighted average number of outstanding instruments such as options, warrants, restricted stock, and preferred stock. Because the Company has reported a net loss for all periods presented, diluted loss per common share is the same as basic loss per common share, as the effect of utilizing the fully diluted share count would have reduced the net loss per common share. Therefore, in calculating net loss per share amounts, shares underlying the following potentially dilutive weighted average number of common stock equivalents were excluded from the calculation of diluted net loss per common share because their effect was anti-dilutive for each of the periods presented:

	Years Ended December 31,	
	2017	2016
Options	99,344	52,725
Warrants	2,742,266	2,848,791
Convertible preferred stock	5,961,679	1,075,379
Total	8,803,289	3,976,895

NeuroMetrix, Inc.

Notes to Financial Statements

2. Summary of Significant Accounting Policies - (continued)

Advertising and Promotional Costs

Advertising and promotional costs are expensed as incurred. Advertising and promotion expense were approximately $6,851,000 and $6,311,000, in 2017 and 2016, respectively.

Accumulated Other Comprehensive Items

For 2017 and 2016, the Company had no components of other comprehensive income or loss other than net loss.

Segments

The Company operates in one segment for the sale of medical equipment and consumables. Substantially all of the Company's assets, revenues, and expenses for 2017 and 2016, were located at or derived from operations in the United States. Revenues from sales outside the United States accounted for approximately 7% and 12% of total revenues in 2017 and 2016, respectively.

Risks and Uncertainties

The Company is subject to risks common to companies in the medical device industry, including, but not limited to, development by the Company or its competitors of new technological innovations, dependence on key personnel, customers' reimbursement from third-party payers, protection of proprietary technology, and compliance with regulations of the FDA and other governmental agencies.

Recently Issued or Adopted Accounting Pronouncements

In February 2016, the FASB issued Accounting Standards Update No. 2016-2, *Leases (Topic 842)* ("ASU 2016-2"). ASU 2016-2 requires that lessees will need to recognize virtually all of their leases on the balance sheet, by recording a right-of-use asset and lease liability. The provisions of this guidance are effective for annual periods beginning after December 31, 2018, and for interim periods therein. The Company is in the process of evaluating the new standard and assessing the impact, if any, ASU 2016-2 will have on the Company's Financial Statements.

In May 2014, the FASB and the International Accounting Standards Board ("IASB") jointly issued Accounting Standards Update ("ASU") No. 2014-9, *Revenue from Contracts with Customers* ("ASU 2014-9"), a comprehensive new revenue recognition standard that will supersede nearly all existing revenue recognition guidance. The objective of ASU 2014-9 is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. While the Company is still in the process of completing its evaluation of the standard, it believes the most significant impact will be related to the timing of recognition of sales to certain consumer retail distributors. Upon adoption of ASU 2014-09, the Company will no longer be permitted to defer revenue under the sell-through model, but rather, will be required to estimate the effects of returns and allowances provided to distributors and record revenue at the time of sale to the distributor resulting in earlier recognition of revenues. The Company expects to adopt ASU 2014-09, using the full retrospective method, upon its effective date of January 1, 2018. The Company anticipates the impact of adoption will be a credit to accumulated deficit of approximately $0.3 million as of January 1, 2018.

3. Stock-Based Compensation

During 2004, the Company adopted the 2004 Stock Option and Incentive Plan, as amended and restated most recently in 2016. At the Annual Meeting of Stockholders held on May 2, 2017, the stockholders of the Company approved the Company's Ninth Amended and Restated 2004 Stock Option and Incentive Plan (the "2004 Stock Plan"), which, among other things, increased the number of shares of the Company's common stock authorized for issuance thereunder by 600,000 shares. The 2004 Stock Plan, among other things, provides for granting of incentive and nonqualified stock option and stock bonus awards to officers, employees and outside consultants. Outstanding options under the 2004 Stock Plan generally vest over three or four years and terminate 10 years after the grant date, or earlier if the option holder is no longer an executive officer, employee,

3. Stock-Based Compensation - (continued)

consultant, advisor or director, as applicable, of the Company. As of December 31, 2017, 728,946 shares of common stock were authorized for issuance under the 2004 Stock Plan, of which 30,162 shares had been issued, 80,537 shares were subject to outstanding options at a weighted average exercise price of $19.32 per share and 618,247 shares were available for future grant.

During May 2009, the Company adopted the 2009 Non-Qualified Inducement Stock Plan (the "2009 Inducement Plan"). The 2009 Inducement Plan is intended to encourage and enable employees, including prospective employees, of the Company upon whose judgment, initiative, and efforts the Company largely depends for the successful conduct of its business to acquire a proprietary interest in the Company. The 2009 Inducement Plan, among other things, provides for the granting of awards, including non-qualified stock options, restricted stock, and unrestricted stock. As of December 31, 2017, 12,500 shares of common stock were authorized for issuance and were available for future grant under the 2009 Inducement Plan.

The exercise price of stock options awarded under the 2004 Stock Plan and the 2009 Inducement Plan may not be less than the fair value of the common stock on the date of the option grant. For holders of more than 10% of the Company's total combined voting power of all classes of stock, incentive stock options may not be granted at less than 110% of the fair value of the Company's common stock at the date of grant and for a term not to exceed five years.

In June 2004, the Company adopted the 2004 Employee Stock Purchase Plan (the "2004 ESPP"). All of the Company's employees who had been employed by the Company for at least 60 days and whose customary employment is for more than 20 hours per week and for more than five months in any calendar year were eligible to participate and any employee who owned 5% or more of the voting power or value of the Company's stock was not eligible to participate. The 2004 ESPP authorized the issuance of up to a total of 326 shares of the Company's common stock to participating employees.

In May 2010, the Company adopted the 2010 Employee Stock Purchase Plan (the "2010 ESPP"). The 2010 ESPP initially authorized the issuance of up to a total of 217 shares, of the Company's common stock to participating employees plus an annual increase on the first day of each of the Company's fiscal years beginning in 2011, equal to the lesser of (i) 521 shares, (ii) 1 percent of the shares of common stock outstanding on the last day of the immediately preceding fiscal year, or (iii) such lesser number of shares as is determined by the Board. All of the Company's full-time employees and certain part-time employees are eligible to participate in the Amended and Restated 2010 ESPP. For part-time employees to be eligible, they must have customary employment of more than five months in any calendar year and more than 20 hours per week. Employees who, after exercising their rights to purchase shares under the Amended and Restated 2010 ESPP, would own shares representing 5% or more of the voting power of the Company's common stock, are ineligible to participate.

Under the Amended and Restated 2010 ESPP, participating employees can authorize the Company to withhold up to 10% of their earnings during consecutive six-month payment periods for the purchase of the shares. At the conclusion of each period, participating employees can purchase shares at 85% of the lower of their fair value at the beginning or end of the period. The Amended and Restated 2010 ESPP is regarded as a compensatory plan. For the years ended December 31, 2017 and 2016 the Company issued 11,583 and 4,375 shares of its common stock, respectively, under the Amended and Restated 2010 ESPP. As of December 31, 2017, there were 58 remaining shares to be issued under the Amended and Restated 2010 ESPP.

The Company uses the Black-Scholes option pricing model for determining the fair value of shares of common stock issued or to be issued under the 2010 ESPP and the Amended and Restated 2010 ESPP. The following assumptions are used in determining fair value: The risk-free interest rate assumption is based on the United States Treasury's constant maturity rate for a six month term (corresponding to the expected option term) on the date the option was granted. The expected dividend yield is zero because the Company does not currently pay dividends nor expects to do so during the expected option term. An expected term of six months is used based on the duration of each plan offering period. The volatility assumption is based on a consideration of stock price volatility over the most recent period of time corresponding to the expected term and is also based on expected future stock price volatility.

The weighted average grant-date fair value of stock options used in the calculation of stock-based compensation expense in the accompanying statement of operations for the years ended December 31, 2017 and 2016 is calculated using the following assumptions:

NeuroMetrix, Inc.

Notes to Financial Statements

3. Stock-Based Compensation - (continued)

	Years Ended December 31,	
	2017	2016
Risk-free interest rate	1.8- 2.1%	0.9- 1.8%
Expected dividend yield	—	—
Expected option term	5 years	5 years
Volatility	70.0%	70.0%

The risk-free interest rate assumption is based on the United States Treasury's constant maturity rate for a five year term (corresponding to the expected option term) on the date the option was granted. The expected dividend yield is zero as the Company does not currently pay dividends nor expects to do so during the expected option term. The expected option term of five years is estimated based on an analysis of actual option exercises. The volatility assumption is based on daily historical volatility during the time period that corresponds to the expected option term and expected future stock price volatility. The pre-vesting forfeiture rate is based on the historical and projected average turnover rate of employees.

A summary of option activity for the year ended December 31, 2017 is presented below:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value
Outstanding at December 31, 2016	97,891	$ 37.95		
Granted	6,488	2.37		
Exercised	—	—		
Forfeited	(23,825)	83.27		
Expired	(17)	11,187.28		
Outstanding at December 31, 2017	80,537	19.32	8.6	$ —
Vested or expected to vest at December 31, 2017	80,537	19.32	8.6	—
Exercisable at December 31, 2017	25,388	37.26	8.3	—

Expected to vest options are determined by applying the pre-vesting forfeiture rate to the total outstanding options. Aggregate intrinsic value represents the total pre-tax intrinsic value (the aggregate difference between the closing stock price of the Company's common stock as of December 31, 2017, as applicable, and the exercise price for the in-the-money options) that would have been received by the option holders if all the in-the-money options had been exercised on December 31, 2017.

The weighted average per share grant-date fair values of options granted during 2017 and 2016 was $2.37 and $6.80, respectively.

The aggregate intrinsic value of options issued or exercised during 2017 and 2016 was $0.

Total unrecognized stock-based compensation costs related to non-vested stock options was $335,405, which related to 80,537 shares with a per share weighted fair value of $19.32 as of December 31, 2017. This unrecognized cost is expected to be recognized over a weighted average period of approximately 2.6 years.

Cash received from option exercises and purchases under the 2004 ESPP and the 2010 ESPP for 2017 and 2016, was $20,768 and $28,538, respectively. The Company issues new shares upon option exercises, purchases under the Company's ESPPs, and vesting of restricted stock.

The Company recorded stock-based compensation expense of $209,691 and $225,408 for 2017 and 2016, respectively.

4. Inventories

Inventories consist of the following:

	December 31,	
	2017	2016
Purchased components	$ 505,293	$ 466,906
Work in progress	—	154,971
Finished goods	864,354	630,361
	$ 1,369,647	$ 1,252,238

5. Fixed Assets

Fixed assets consist of the following:

	Estimated Useful Life (Years)	December 31,	
		2017	2016
Computer and laboratory equipment	3	$ 881,969	$ 1,724,819
Furniture and equipment	3	227,845	319,046
Production equipment	7	346,469	938,357
Leasehold improvements	*	117,994	117,994
		1,574,277	3,100,216
Less – accumulated depreciation		(1,133,435)	(2,567,510)
		$ 440,842	$ 532,706

* Lesser of life of lease or estimated useful life.

Depreciation expense was $262,334 and $251,327 for 2017 and 2016, respectively.

6. Accrued Expenses

Accrued expenses consist of the following for the years ended December 31, 2017 and 2016:

	December 31,	
	2017	2016
Sales return allowance	$ 666,375	$ 488,200
Professional services	603,000	390,800
Technology fees	450,000	450,000
Advertising	160,800	28,100
Warranty	127,361	45,879
Other	234,779	245,752
	$ 2,242,315	$ 1,648,731

7. Income Taxes

Current income tax expense (benefit) attributable to continuing operations was zero for the years ended December 31, 2017 and 2016.

The Company's effective income tax rate differs from the statutory federal income tax rate as follows for the years ended December 31, 2017 and 2016.

7. Income Taxes - (continued)

	Years Ended December 31,	
	2017	2016
Federal tax provision (benefit) rate	(34.0)%	(34.0)%
State tax provision, net of federal provision	(5.9)	(4.2)
Permanent items	(0.1)	(0.2)
Federal research and development credits	(0.7)	(0.9)
Change in statutory tax rate	150.3	—
Valuation allowance	(109.6)	39.3
Effective income tax rate	—	—

The Company's deferred tax assets consist of the following:

	December 31,	
	2017	2016
Deferred tax assets:		
Net operating loss carryforwards	$ 31,902,006	$ 45,759,780
Research and development credit carryforwards	2,432,058	2,180,700
Accrued expenses	748,334	752,866
Stock-based compensation	229,676	566,487
Other	19,240	14,321
Total gross deferred tax assets	35,331,314	49,274,154
Valuation allowance	(35,331,314)	(49,274,154)
Net deferred tax assets	$ —	$ —

At December 31, 2017, the Company has federal and state net operating loss carryforwards ("NOL") of $145.2 million and $51.6 million, respectively, as well as federal and state tax credits of $1.5 million and $1.1 million, respectively, which may be available to reduce future taxable income and the related taxes thereon. This amount includes tax benefits of $2.6 million and $71,238 attributable to NOL and tax credit carryforwards, respectively, that result from the exercise of employee stock options. The tax benefit of these items will be recorded as a credit to additional paid-in capital upon realization of the deferred tax asset or reduction in income taxes payable. The federal NOLs begin to expire in 2019 and the state NOLs begin to expire in 2018. The federal and state research and development credits both begin to expire in 2018.

In accordance with the provisions of the Income Taxes topic of the Codification, the Company has evaluated the positive and negative evidence bearing upon the realizability of its deferred tax assets, which are comprised principally of net operating losses. Management has determined that it is more likely than not that the Company will not recognize the benefits of federal and state deferred tax assets and, as a result, a valuation allowance of approximately and $35.3 million and $49.3 million has been established at December 31, 2017 and 2016, respectively. In 2017, the valuation allowance decreased primarily due to the impact of the change in statutory rates on the Company's net operating losses. Utilization of the NOL and research and development credit carryforwards may be subject to a substantial annual limitation due to ownership change limitations that have occurred previously or that could occur in the future, as provided by Section 382 of the Internal Revenue Code of 1986, as well as similar state provisions. Ownership changes may limit the amount of NOL and tax credit carryforwards that can be utilized to offset future taxable income and tax, respectively. In general, an ownership change, as defined by Section 382, results from transactions increasing the ownership of certain shareholders or public groups in the stock of a corporation by more than 50 percentage points over a three-year period. If the Company has experienced a change of control, utilization of its NOL or tax credits carryforwards would be subject to an annual limitation under Section 382. Any limitation may result in expiration of a portion of the NOL or research and development credit carryforwards before utilization. Subsequent ownership changes could further impact the limitation in future years. Further, until a study is completed and any limitation known, no amounts are being presented as an uncertain tax position. A full valuation allowance has been provided against the Company's NOL carryforwards and research and development credit carryforwards and, if an adjustment is required, this adjustment would be offset by an adjustment to the valuation allowance. Thus, there would be no impact to the

7. Income Taxes - (continued)

balance sheet or statement of operations if an adjustment were required. The Company has not recorded any amounts for unrecognized tax benefits as of December 31, 2017 or 2016. The Company files tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Company is subject to examination by federal and state jurisdictions, where applicable. There are currently no pending income tax examinations. The Company's tax years are still open under statute from December 31, 2014 to the present. Earlier years may be examined to the extent that tax credit or net operating loss carryforwards are used in future periods. The Company's policy is to record interest and penalties related to income taxes as part of its income tax provision.

8. Commitments and Contingencies

Operating Leases

In August 2014, the Company entered into a 5-year operating lease agreement with one 5-year extension option for manufacturing and order fulfillment facilities in Woburn, Massachusetts (the "Woburn Lease"). The Woburn Lease commenced December 15, 2014 and has a monthly base rent of $7,815. In September 2014, the Company entered into a 7-year operating lease agreement with one 5-year extension option for its corporate office and product development activities in Waltham, Massachusetts (the "Waltham Lease"). The term of the Waltham Lease commenced on February 20, 2015 and includes fixed payment obligations that escalate over the initial lease term. Average monthly base rent under the 7-year lease is approximately $37,788. These payment obligations will be accrued and recognized over the term of occupancy such that rent expense is recognized on a straight-line basis. Under the Waltham Lease, the landlord was responsible for making certain improvements to the leased space at an agreed upon cost to the landlord. The landlord and the Company mutually agreed to make improvements in excess of the agreed upon landlord cost, and the landlord billed that excess cost to the Company as additional rent. This additional rent of $275,961 was included in the net calculation of lease payments, so that rent expense is recognized on a straight-line basis over the remaining term of occupancy.

Future minimum lease payments under non-cancellable operating leases as of December 31, 2017 are as follows:

2018		573,421
2019		549,403
2020		475,408
2021		487,379
2022		81,562
Total minimum lease payments	$	2,167,173

Total recorded rent expense was $670,860 and $581,928, for 2017 and 2016, respectively. The Company records rent expense on its facility lease on a straight-line basis over the lease term.

Other Commitments

At December 31, 2017, other commitments, comprised of purchase orders, totaled approximately $4,218,229.

9. Fair Value Measurements

The Fair Value Measurements and Disclosures Topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification (the "Codification") defines fair value, establishes a framework for measuring fair value in applying generally accepted accounting principles, and expands disclosures about fair value measurements. This Codification topic identifies two kinds of inputs that are used to determine the fair value of assets and liabilities: observable and unobservable. Observable inputs are based on market data or independent sources while unobservable inputs are based on the Company's own market assumptions. Once inputs have been characterized, this Codification topic requires companies to prioritize the inputs used to measure fair value into one of three broad levels. Fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities. Fair values identified by Level 2 inputs utilize observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the related

9. Fair Value Measurements - (continued)

assets or liabilities. Fair values identified by Level 3 inputs are unobservable data points and are used to measure fair value to the extent that observable inputs are not available. Unobservable inputs reflect the Company's own assumptions about the assumptions that market participants would use at pricing the asset or liability.

The following tables present information about the Company's assets and liabilities that are measured at fair value on a recurring basis for the periods presented and indicates the fair value hierarchy of the valuation techniques it utilized to determine such fair value. In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities. Fair values determined by Level 2 inputs utilize data points that are observable such as quoted prices, interest rates, and yield curves. Fair values determined by Level 3 inputs are unobservable data points for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability.

		Fair Value Measurements at December 31, 2017 Using		
	December 31, 2017	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Cash equivalents	$ 1,744,965	$ 1,744,965	$ —	$ —
Total	$ 1,744,965	$ 1,744,965	$ —	$ —

The following table provides a summary of changes in the fair value of the Company's Level 3 financial liabilities between December 31, 2015 and December 31, 2017.

	2014 Offering	2013 Offering	Total
Balance at December 31, 2015	$ 227,992	$ 52,311	$ 280,303
Change in fair value of warrant liability	(223,880)	(51,782)	(275,662)
Balance at December 31, 2016	$ 4,112	$ 529	$ 4,641
Change in fair value of warrant liability from repricing (see Note 12)	177,999	66,612	244,611
Change in fair value of warrant liability	(147,278)	(61,202)	(208,480)
Repurchase and retirement of warrants (see Note 12)	(34,833)	(5,939)	(40,772)
Balance at December 31, 2017	$ —	$ —	$ —

		Fair Value Measurements at December 31, 2016 Using		
	December 31, 2016	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Cash equivalents	$ 833,831	$ 833,831	$ —	$ —
Total	$ 833,831	$ 833,831	$ —	$ —
Liabilities:				
Common stock warrants	$ 4,641	$ —	$ —	$ 4,641
Total	$ 4,641	$ —	$ —	$ 4,641

Due to the lack of market quotes relating to our common stock warrants, the fair value of the common stock warrants was determined at December 31, 2016 using the Black-Scholes model, which is based on Level 3 inputs. As of December 31, 2016, inputs used in the Black-Scholes model are presented below. The assumptions used may change as the underlying sources of

9. Fair Value Measurements - (continued)

these assumptions and market conditions change. Based on the Black-Scholes model, the Company recorded a common stock warrants liability of $4,641 at December 31, 2016.

	Black-Scholes Inputs to Warrant Liability Valuation at December 31, 2016					
	Stock Price	Exercise Price	Expected Volatility	Risk-Free Interest	Expected Term	Dividends
Warrants:						
2014 Offering	$ 5.92	$ 65.28	64.19%	1.33%	2 years, 6 months	none
2013 Offering	$ 5.92	$ 64.00	71.61%	0.99%	1 year, 5 months	none

10. Retirement Plan

The Company has established a 401(k) defined contribution savings plan for its employees who meet certain service period and age requirements. Contributions are permitted up to the maximum allowed under the Internal Revenue Code of each covered employee's salary. The savings plan permits the Company to contribute at its discretion. In 2017 and 2016 the Company made no contributions to the plan.

11. Credit Facility

The Company is party to a Loan and Security Agreement, or the Credit Facility, with a bank. As of December 31, 2017, the Credit Facility permitted the Company to borrow up to $2.5 million on a revolving basis. The Credit Facility was subsequently amended, most recently on January 17, 2018 and extended until January 15, 2019. Amounts borrowed under the Credit Facility will bear interest equal to the prime rate plus 0.5%. Any borrowings under the Credit Facility will be collateralized by the Company's cash, accounts receivable, inventory, and equipment. The Credit Facility also includes traditional lending and reporting covenants. These include certain financial covenants applicable to liquidity that are to be maintained by the Company. As of December 31, 2017, the Company was in compliance with these covenants and had not borrowed any funds under the Credit Facility. However, $0.2 million of the amount under the Credit Facility is restricted to support letters of credit issued in favor of our facilities landlords. Consequently, the amount available for borrowing under the Credit Facility as of December 31, 2017 was approximately $2.3 million.

12. Stockholders' Equity

Preferred stock and convertible preferred stock consist of the following:

	December 31,	
	2017	2016
Preferred stock, $0.001 par value; 5,000,000 shares authorized at December 31, 2017 and 2016; no shares issued and outstanding at December 31, 2017 and 2016	$ —	$ —
Series B convertible preferred stock, $0.001 par value, 147,000 shares designated at December 31, 2017 and 2016, and 500 shares issued and outstanding at December 31, 2017 and 2016	1	1
Series D convertible preferred stock, $0.001 par value, 21,300 and zero shares designated at December 31, 2017 and 2016, respectively, 14,052.93 and 17,202.65 shares issued and outstanding at December 31, 2017 and 2016, respectively	14	17
Series E convertible preferred stock, $0.001 par value, 7,000 and zero shares designated at December 31, 2017 and 2016, respectively, and 7,000 and zero shares issued and outstanding at December 31, 2017 and 2016, respectively	7	—
Series F convertible preferred stock, $0.001 par value, 10,621 and zero shares designated at December 31, 2017 and 2016, respectively, and 7,927.05 and zero shares issued and outstanding at December 31, 2017 and 2016, respectively	8	—

Private and Public Offerings of Common Stock and Warrants

12. Stockholder's Equity - (continued)

2017 activity

In 2017, the Company entered into agreements with respect to a private equity offering (the "Q3 2017 Offering") with an institutional investor and its affiliates (collectively the "Investor"). In the Q3 2017 Offering, the Company issued 7,000 shares of Series F convertible preferred stock (the "Series F Preferred Stock") at a price of $1,000 per share. The Q3 2017 Offering also reset the conversion price of 14,052.93 shares of Series D convertible preferred stock and 7,000 shares of Series E convertible preferred stock that were held by the Investor to $2.63 per share. The Q3 2017 Offering resulted in gross proceeds of $7.0 million, and after deducting fees and expenses, net proceeds were $6.6 million. In the third quarter of 2017, the Company also entered into an exchange agreement pursuant to which it issued the Investor 3,621 shares of Series F Preferred Stock in exchange for the repurchase and retirement of 4,184,483 warrants to purchase common stock valued by an independent party at $3,622,219.

Also in 2017, the Company completed a private equity offering (the "Q1 2017 Offering") with the Investor and issued (i) 7,000 shares of Series E convertible preferred stock (the "Series E Preferred Stock") at a price of $1,000 per share, and (ii) warrants to purchase up to 1,250,000 shares of common stock, par value $0.0001 per share (the "Common Stock"), at an exercise price of $5.60 per share. As a part of this offering, the Company reset (i) the conversion price of 19,458.90 shares of Series D convertible preferred stock that were held by the Investor to $5.60 per share, and (ii) the exercise price of warrants to purchase up to 2,934,484 shares of Common Stock that were held by the Investor to $5.60 per share. The Q1 2017 Offering resulted in gross proceeds of 7.0 million, and after deducting fees and expenses, net proceeds were $6.3 million.

Each share of Series D Preferred Stock, Series E Preferred Stock, and Series F Preferred Stock (collectively the "Preferred Stock") have a stated value of $1,000 and is convertible at the option of the holder into the number of shares of Common Stock determined by dividing the stated value by the conversion price of $2.63, which is subject to adjustment as provided in the Certificate of Designation for the Preferred Stock. The Preferred Stock has no dividend rights, liquidation preference or other preferences over Common Stock and has no voting rights except as provided in the Certificate of Designation for the Preferred Stock and as required by law.

The Q3 2017 Offering and the Q1 2017 Offering were accounted for as extinguishments of the Investor's equity holdings in recognition of the revisions of certain preexisting equity instruments and the significant transfer of value in excess of the funding received by the Company. Under the extinguishment model, a deemed dividend was recognized within additional paid in capital which represented the fair value of issued Preferred Stock plus the incremental fair value of repricing the Preferred Stock held by the Investor, less the fair value of the consideration transferred, less the carrying value of the outstanding Preferred Stock, and warrants to purchase Common Stock. The amount of the deemed dividend totaled $2.8 million and $4.0 million for the Q3 2017 Offering and the Q1 2017 Offering, respectively.

The Company determined that equity classification was appropriate for the warrants issued in the Q1 2017 Offering, following guidance in the Derivatives and Hedging topic of the Codification. In making this equity classification determination, the Company noted the warrants may only be settled in shares of common stock and had no requirements to be settled in registered shares when exercised. The fair value of the five year warrants was estimated to be $3.5 million on the offering date using a Black-Scholes model with the following assumptions: stock price of $4.96, exercise price of $5.60, expected volatility of 70.2%, risk free interest rate of 2.04%, expected term of five years, and no dividends.

During 2017, 3,149.72 shares of the Series D Preferred Stock were converted into a total of 859,077 shares of common stock. As of December 31, 2017, 14,052.93 shares of Series D Preferred Stock remained outstanding. During 2017, 2,693.95 shares of the Series F Preferred Stock were converted into a total of 974,163 shares of common stock. As of December 31, 2017, 7,927.05 shares of Series F Preferred Stock remained outstanding.

2016 activity

In June 2016, the Company completed a private equity offering with one institutional investor (the "Investor") and issued (i) 21,300 shares of Series D convertible preferred stock (the "Series D Preferred Stock") at a price of $1,000 per share, and (ii) warrants to purchase up to 1,475,069 shares of common stock, par value $0.0001 per share (the "Common Stock"), at an exercise price of $13.52 per share (the "June 2016 Offering"). As a part of this offering, the Company redeemed 13,800 shares of Series C convertible preferred stock (the "Series C Preferred Stock") issued in the December 2015 Offering that were held by the Investor. Accordingly, the June 2016 Offering resulted in gross proceeds of $7.5 million, and after deducting fees and expenses, net proceeds were $6.7 million.

Each share of Series D Preferred Stock had a stated value of $1,000 and is convertible at the option of the holder into the number of shares of common stock determined by dividing the stated value by the conversion price of $14.44, which is subject to adjustment as provided in the Certificate of Designation for the Series D Preferred Stock. The Series D Preferred Stock has

12. Stockholder's Equity - (continued)

no dividend rights, liquidation preference or other preferences over common stock and has no voting rights except as provided in the Certificate of Designation for the Series D Preferred Stock and as required by law.

The June 2016 Offering was accounted for as a modification of the Investor's Series C Preferred Stock. Under the modification model, a deemed dividend was recognized within retained earnings which represented the fair value of consideration transferred plus the fair value of repurchased Series C Preferred Stock, less the fair value of the newly issued Series D Preferred Stock and warrants. The amount of the deemed dividend totaled $19.8 million.

The Company determined that equity classification was appropriate for the warrants in the June 2016, following guidance in the Derivatives and Hedging topic of the Codification. In making this equity classification determination, the Company noted the warrants had no requirements to be settled in registered shares when exercised. The fair value of the 5 year warrants issued in connection with the June 2016 Offering was estimated to be $14.6 million on the offering date using date using a Black-Scholes model with the following assumptions: stock price of $15.92, exercise price of $13.52, expected volatility of 71.50%, risk free interest rate of 1.23%, expected term of five years, and no dividends.

During 2016, 4,097.35 shares of the Series D Preferred Stock were converted into a total of 283,750 shares of common stock and 6,646 shares of the Series B Preferred Stock were converted into a total of 20,561 shares of common stock.

Other equity activity

In 2017, the Company issued 24,380 shares of fully vested common stock in exchange for 201,327 equity-classified warrants. The fair value of the warrants was estimated to be $45,102 on the exchange date using date using a Black-Scholes model with the following assumptions: stock price of $1.85, exercise price of $15.19, expected volatility of 70.0%, risk free interest rate of 2.0%, expected term of 3.8 years, and no dividends.

In 2016, the Company issued shares of fully vested common stock in partial settlement of management incentive compensation. The 2016 issuance totaled 22,260 shares with a value of $318,761 reflecting the $14.32 closing price of the Company's common stock as reported on the Nasdaq Capital Market on March 9, 2016.

As of December 31, 2017, the Company had 100,000,000 shares of common stock authorized and 2,706,066 shares issued and outstanding. Each share of common stock entitles the holder to one vote on all matters submitted to a vote of the Company's stockholders. Common stockholders are not entitled to receive dividends unless declared by the Board of Directors.

At December 31, 2017, the Company has reserved authorized shares of common stock for future issuance as follows:

Warrants	459,375
Outstanding stock options	80,537
Possible future issuance under inducement plan	12,500
Possible future issuance under stock option plans	618,247
Possible future issuance under employee stock purchase plan	58
Total	1,170,717

13. Reverse Stock Split

On May 11, 2017, the Company effected a 1-for-8 reverse stock split of its Common Stock, or the Reverse Stock Split. The par value and other terms of the common stock were not affected by the Reverse Stock Split. The Company's shares outstanding immediately prior to the split totaled 10,147,721, which were subsequently adjusted to 1,268,440 shares outstanding. Share, per share, and stock option amounts for all periods presented within the financial statements contained in the Annual Report on Form 10-K have been retroactively adjusted to reflect the Reverse Stock Split.

14. Management Retention and Incentive Plan

The Company has adopted the Management Retention and Incentive Plan (the "Plan"), under which a portion of the consideration payable upon a change in control transaction, as defined in the Plan and its amendments, would be paid in cash to certain executive officers and key employees and recorded as compensation expense within the Statement of Operations during the period in which the change of control transaction occurs. The Plan is structured to work in conjunction with, and not

replace, the Company's other incentive programs and is designed to provide market-based incentives which will be reduced over time by any future equity grants to participants.

Note 15 Subsequent Event

GSK Collaboration

On January 12, 2018, the Company entered into an Asset Purchase Agreement with Novartis Consumer Health S.A., an affiliate of GlaxoSmithKline, or GSK, pursuant to which the Company sold to GSK its Quell technology for markets outside of the United States, including certain patents and related assets. The purchase price for the assets sold pursuant to the Asset Purchase Agreement was $5 million. the Company retained exclusive ownership of Quell technology in the U.S. market. The Company and GSK also entered into a Development and Services Agreement on January 12, 2018, pursuant to which the Company agreed to provide services related to the development, regulatory approval and commercialization of the Quell technology for markets outside of the U.S. Pursuant to the Development and Services Agreement, GSK has agreed to make contingent payments of up to $21.5 million to the Company upon the occurrence of certain development and commercialization milestones. In addition, GSK and the Company will co-fund development of next-generation Quell technology during an initial period of 2018 through 2020, with subsequent annual renewals by mutual agreement. The Company agreed not to compete with GSK with respect to the development and commercialization of the Quell technology and device outside of the U.S. until the tenth anniversary of the date of termination or expiration without renewal of the Development and Services Agreement.

In connection with the Asset Purchase Agreement, the Company entered into a Contribution Agreement on December 22, 2017 with Quell Intellectual Property Corp., LLC, a newly formed Delaware limited liability company that was formed as a special purpose entity, and contributed certain intellectual property rights related to the Quell technology. Following the closing of the transactions contemplated by the Contribution Agreement and Asset Purchase Agreement, the Company and GSK each now own a 50% interest in Quell Intellectual Property Corp, LLC. Quell Intellectual Property Corp., LLC entered into two exclusive license agreements with the Company relating to rights to Quell intellectual property for use in the U.S. and in markets outside the U.S. Under the terms of an Assignment Agreement entered into on January 12, 2018, the Company assigned the ex-U.S. license agreement to GSK. These agreements are collectively referred to as the GSK Collaboration.

NeuroMetrix, Inc.

Schedule II — Valuation and Qualifying Accounts

Description	Balance at Beginning of Period	Charged to costs and expenses	Charged to other accounts	Recoveries/ (Deductions)	Balance at End of Period
December 31, 2017					
Allowance for Doubtful Accounts	$ 25,000	8,374	—	(8,374)	$ 25,000
Deferred Tax Asset Valuation Allowance	49,274,154	3,175,637	—	(17,118,477) (1)	35,331,314
December 31, 2016					
Allowance for Doubtful Accounts	$ 25,000	1,901	—	(1,901)	$ 25,000
Deferred Tax Asset Valuation Allowance	43,660,035	5,867,273	—	(253,154) (1)	49,274,154

(1)Expiration of Federal and State Net Operating Loss Carryforwards and other reductions.

EXHIBIT 4.2.11

AMENDMENT NO. 10 TO

SHAREHOLDER RIGHTS AGREEMENT

This Amendment No. 10 to Shareholder Rights Agreement (the "***Amendment***"), dated as of February 5, 2018, by and between NeuroMetrix, Inc., a Delaware corporation (the "**Company**"), and American Stock Transfer & Trust Company, LLC (the "***Rights Agent***"), amends that certain Shareholder Rights Agreement, dated as of March 7, 2007, as previously amended, between the Company and the Rights Agent (as so amended, the "***Rights Agreement***").

WHEREAS, the Company and the Rights Agent are parties to the Rights Agreement; and

WHEREAS, the Company desires to extend the term of the Final Expiration Date (as defined in the Rights Agreement) by an additional year;

WHEREAS, pursuant to Section 27 of the Rights Agreement, the Company and the Rights Agent may from time to time supplement or amend the Rights Agreement subject to the terms of the Rights Agreement; and

WHEREAS, the Board of Directors of the Company has determined that an amendment to the Rights Agreement as set forth herein is necessary and desirable in connection with the foregoing and the Company and the Rights Agent desire to evidence such amendment in writing.

NOW, THEREFORE, in consideration of these premises and mutual agreements set forth herein, the parties agree as follows:

1. Amendment to Section 7. Section 7(a) of the Rights Agreement is amended by striking Section 7(a) thereof in its entirety and replacing it with the following:

"(a) Subject to Section 7(e) hereof, the registered holder of any Right Certificate may exercise the Rights evidenced thereby (except as otherwise provided herein) in whole or in part at any time after the Distribution Date upon surrender of the Right Certificate, with the form of election to purchase and the certificate on the reverse side thereof duly executed, to the Rights Agent at the office or offices of the Rights Agent designated for such purpose, together with payment of the aggregate Exercise Price for the total number of one ten-thousandths of a share of Preferred Stock (or other securities, cash or other assets, as the case may be) as to which such surrendered Rights are then exercised, at or prior to the earlier of (i) the Close of Business on the twelfth anniversary

of the Record Date (the "Final Expiration Date"), (ii) the time at which the Rights are redeemed as provided in Section 23 hereof (the "Redemption Date") or (iii) the time at which such Rights are exchanged as provided in Section 24 hereof (the "Exchange Date") (the earliest of (i), (ii) or (iii) being herein referred to as the "Expiration Date"). Except as set forth in Section 7(e) hereof and notwithstanding any other provision of this Agreement, any Person who prior to the Distribution Date becomes a record holder of shares of Common Stock of the Company may exercise all of the rights of a registered holder of a Right Certificate with respect to the Rights associated with such shares of Common Stock of the Company in accordance with the provisions of this Agreement, as of the date such Person becomes a record holder of shares of Common Stock of the Company."

2. Ratification. The parties hereby ratify and confirm in all respects the Agreement, as amended by this Amendment.

3. Governing Law. This Amendment shall be deemed to be a contract made under the laws of the State of Delaware and for all purposes shall be governed by and construed in accordance with the laws of such State applicable to contracts to be made and performed entirely within such State.

4. Counterparts. This Amendment may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

5. Descriptive Headings. Descriptive headings of the several Sections of this Amendment are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

[remainder left intentionally blank]

IN WITNESS WHEREOF, the parties have entered into this Amendment No. 10 to Shareholder Rights Agreement as of the date first stated above.

NEUROMETRIX, INC.

By: /s/ Thomas T. Higgins
Name: Thomas T. Higgins
Title: Senior Vice President, Chief Financial Officer, Treasurer and Principal Accounting Officer

AMERICAN STOCK TRANSFER & TRUST COMPANY, LLC

By: __
Name: __
Title: __

ASSET PURCHASE AGREEMENT

Dated as of January 12, 2018

between

NOVARTIS CONSUMER HEALTH S.A.

and

NEUROMETRIX, INC.

Portions of the exhibit, indicated by the mark "[***]," were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

TABLE OF CONTENTS

***Portions of the exhibit, indicated by the mark "[***],"* were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.**

Schedules

Exhibits

Portions of the exhibit, indicated by the mark "[***]," were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "Agreement"), dated as of January 12, 2018, is entered into between Novartis Consumer Health S.A., a *société anonyme* organized under the laws of Switzerland ("Buyer"), and NeuroMetrix, Inc., a Delaware corporation ("Seller"). Buyer and Seller are sometimes individually referred to herein as a "Party" and are sometimes collectively referred to herein as the "Parties." Certain capitalized terms used herein have the meanings ascribed to them in Section 1.1.

RECITALS

WHEREAS, Seller desires to sell to Buyer, and Buyer wishes to purchase from Seller, all of Seller's right, title and interest in, to and under the Purchased Assets as they relate to the Territory, upon the terms and subject to the conditions set forth herein;

WHEREAS, Seller has entered into the Contribution Agreement with Quell Intellectual Property Corp., LLC, a Delaware limited liability company ("SPV"), whereby Seller has agreed to contribute to SPV all of the Contributed Assets; and

WHEREAS, as a material inducement to Buyer's willingness to enter into this Agreement and consummate the Contemplated Transactions, Seller has agreed to, and to cause SPV to, as the case may be, enter into the Transaction Agreements to become effective as of the Closing.

NOW, THEREFORE, in consideration of the mutual benefits to be derived from this Agreement, and of the representations, warranties, conditions, agreements and promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound (subject as aforesaid in the prior paragraph), hereby agree as follows:

***Portions of the exhibit, indicated by the mark "[***],"* were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.**

ARTICLE I

DEFINITIONS; INTERPRETATION

Section 1.1. Definitions . For purposes of this Agreement, the following terms shall have the corresponding meanings set forth below:

"Accounts Payable" means all trade accounts payable, regardless of when asserted, billed or imposed, of Seller or its Affiliates, related to the Business.

"Accounts Receivable" means all accounts receivable, notes receivable and other indebtedness due and owing to Seller or its Affiliates, including all trade accounts receivable representing amounts receivable in respect of goods shipped, products sold or services rendered, and the full benefit of any security for such accounts or debts.

"Action" means any claim, action, suit, arbitration, inquiry, audit, proceeding or investigation.

"Acquisition" has the meaning set forth in Section 2.1(a).

"Affiliate" of any Person means another Person that directly or indirectly, through one or more intermediaries, Controls, is Controlled by or is under common Control with, such first Person; provided that, for purposes of this Agreement, SPV shall not be deemed to be an Affiliate of either Seller or Buyer.

"Aggregate Indemnity Amount" has the meaning set forth in Section 7.1(b)(iii).

"Agreement" has the meaning set forth in the preamble.

"Alternative ROFN Transaction" has the meaning set forth in Section 5.6(a).

"Apportioned Obligations" has the meaning set forth in Section 5.3(b).

"Assignment Agreement" has the meaning set forth in Section 2.4(b)(x).

"Bill of Sale" has the meaning set forth in Section 2.4(b)(iii).

"Business" means that portion of the business of Seller, directly or indirectly, consisting of the Exploitation of the Product, as conducted as of immediately prior to the Closing.

"Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions located in New York City or London are permitted or required by applicable Law to remain closed.

"Buyer" has the meaning set forth in the preamble.

"Buyer Indemnified Party" has the meaning set forth in Section 7.1(a).

"Cap" has the meaning set forth in Section 7.1(b)(ii).

"Change in Control Transaction" means any transaction or series of related transactions structured as a merger, consolidation or amalgamation involving Seller, as a result of which the "beneficial owners" (as such term is defined in Rule 13d-3 under the Securities Exchange Act of 1934) of the voting equity securities of Seller immediately prior to the consummation thereof would cease to beneficially own, following consummation thereof, at least 50% of the voting equity securities of Seller or the surviving entity thereunder.

"Closing" has the meaning set forth in Section 2.4.

"Closing Date" has the meaning set forth in Section 2.4.

"Code" means the Internal Revenue Code of 1986, as amended.

"Confidentiality Agreements" means (a) that certain Confidential Disclosure Agreement dated as of May 8, 2017, by and between Seller and GlaxoSmithKline, LLC, an Affiliate of Buyer and (b) that certain Standstill Agreement, dated as of July 19, 2017, by and between Seller and GlaxoSmithKline, LLC, an Affiliate of Buyer.

"Contemplated Transactions" means the transactions contemplated by this Agreement and any Related Document.

"Contracts" means any loan or credit agreement, bond, debenture, note, mortgage, indenture, lease, supply agreement, license agreement, development agreement, distribution agreement or other legally binding contract, agreement, obligation, commitment, arrangement, understanding, instrument, permit, franchise or license, whether oral or written.

"Contributed Assets" means all Intellectual Property Rights Controlled by Seller or any of its Affiliates as of immediately prior to the consummation of the contribution effected pursuant to the Contribution Agreement (other than the Purchased Assets and the Excluded Intellectual Property) to the extent such Intellectual Property Rights claim, cover, or otherwise relate to the Field or to the Product or the Exploitation of the Product, including (a) the Design and Regulatory Documentation and (b) as contemplated under the Development Agreement.

"Contribution Agreement" has the meaning set forth in Section 2.4(b)(vi).

"Control" including its various tenses and derivatives (such as "Controlled" and "Controlling") means (a) when used with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through the ownership of voting securities, by Contract or otherwise, (b) when used with respect to any security, the possession, directly or indirectly, of the power to vote, or to direct the voting of, such security or the power to dispose of, or to direct the disposition of, such security and (c) when used with respect to any Intellectual Property Rights, possession of the right, whether directly or indirectly, and whether by ownership, license or otherwise, to assign or grant a license, sublicense or other right to or under such Intellectual Property Rights.

"Copyrights" means all copyrights, mask works, and other rights in any works of authorship of any type, in all forms, media or medium, now known or hereinafter developed, and whether or not completed, published, or used, including all drafts, plans, sketches, artwork, layouts, copy, designs, photographs, illustrations, collections, serials, printed or graphic matter, slides, compilations, serials, promotions, audio or visual recordings, transcriptions, Software, and all derivative works, translations, adaptations, or combinations of any of the foregoing, all registrations and applications therefor and all extensions, restorations, and renewals of any of the foregoing, all worldwide rights and priorities afforded under any Law with respect to any of the foregoing, and all termination rights, moral rights, rights of publicity, author rights and all other rights associated therewith.

"Design and Regulatory Documentation" means all (a) designs, schematics, specifications and quality, testing and release procedures; (b) Software in source code format (other than with respect to third-party libraries associated with the microprocessor used in the Product and for which the source code is not available to Seller, but including such libraries); (c) applications (including all applications for Device Regulatory Approvals), registrations and licenses (including Regulatory Authorizations); (d) correspondence and reports submitted to or received from Regulatory Authorities (including minutes and official contact reports relating to any communications with any Regulatory Authority) and all supporting documents with respect thereto, including all adverse event files and complaint files; (e) clinical and other data contained or relied upon in any of the foregoing; and (f) all technical files maintained by Seller for purposes of demonstrating compliance with the EU Medical Devices Directive; in each case of clauses (a) through (f) relating to the Product.

"Development Agreement" has the meaning set forth in Section 2.4(b)(vii).

"Device Regulatory Approval" means, with respect to a country, any and all approvals, licenses, clearances, CE marking certifications, registrations or authorizations of any Regulatory Authority necessary or useful to commercially distribute, sell or market a Product in such country, including, where applicable, (a) pricing or reimbursement approval in such country, (b) pre- and post-approval marketing authorizations (including any prerequisite manufacturing approval or authorizations related thereto), (c) Labeling approval and (d) technical, medical and scientific licenses.

"Disclosure Schedules" has the meaning set forth in the lead paragraph of Article III.

"Distribute" means any and all activities related to the distribution, exploitation, marketing, promoting, offering for sale and selling of the Product, including advertising, detailing, educating, planning, promoting, reporting, storing, handling, shipping and communicating with Governmental Authorities and Third Parties in connection therewith. "Distribution" means the act of Distributing a product or device.

"Divestiture Transaction" means any transaction or series of related transactions between Seller or any of its Affiliates, on the one hand, and any Third Party, on the other hand, involving (a) any direct or indirect sale, exchange, assignment, conveyance, transfer, delivery,

liquidation or other disposition of any Restricted Asset, (b) any direct or indirect license by Seller or any of its Affiliates to such Third Party of the right to develop, commercialize or otherwise Exploit a Restricted Asset or Restricted Product in any field or territory, or (c) any other transfer or grant of, or granting of any option with respect to, control rights or economic rights with respect to any Restricted Asset or Restricted Product other than research, clinical trial-related or manufacturing agreements with contract research organizations or contract manufacturers, in each case in the ordinary course of business, but not including in any case described in clauses (a) through (c) any such transaction or series of related transactions that is effected through a Change in Control Transaction (which shall exclude the conversion of any shares of convertible preferred stock of Seller outstanding as of the date hereof or the exercise of warrants outstanding as of the date hereof in respect of any shares of capital stock of Seller, which conversion or exercise would otherwise constitute a Change of Control Transaction).

"Divestiture Transaction Proposal" means any inquiry, proposal or offer (whether or not in writing) from any Third Party relating to a Divestiture Transaction.

"Dollars" or "$" means United States dollars.

"EU Medical Devices Directive" means Council Directive 93/42/EEC of 14 June 1993 concerning medical devices, as amended or supplemented from time to time.

"Ex-US License Agreement" has the meaning set forth in Section 2.4(b)(viii).

"Excluded Assets" has the meaning set forth in Section 2.2(c).

"Excluded Intellectual Property" means (a) the Intellectual Property Rights of Seller that do not relate to the Product, the Exploitation of the Product, or the Business, including the Intellectual Property Rights set forth on Schedule 1.1(a), (b) raw data Controlled by Seller, as existing as of the date hereof, relating to customers based outside the Territory and included in the cloud application named by Seller as the "Quell Health Cloud" and (c) lists of customers outside the Territory and Controlled by Seller, as existing as of the date hereof.

"Excluded Liabilities" has the meaning set forth in Section 2.3.

"Excluded Territory Patents" has the meaning set forth in Section 2.2(a)(i).

"Existing Operating Agreement" has the meaning set forth in Section 3.2(b).

"Exploit" means to make, have made, import, use, sell, offer for sale, and otherwise dispose of, including to research, develop, register, modify, enhance, improve, manufacture, have manufactured, store, formulate, optimize, export, transport, Distribute, commercialize, promote, market, have sold and otherwise dispose of. "Exploitation" means the act of Exploiting a product or device.

"FDA" has the meaning set forth in Section 3.10(c).

"FDCA" has the meaning set forth in Section 3.10(c).

"Field" means transcutaneous electric nerve stimulation for treatment of pain.

"Fundamental Representations" means [***]

"Governmental Authority" means any federal, state, local, supranational or foreign government, any court, administrative, regulatory or other governmental agency, commission or authority or any non-governmental self-regulatory agency, commission or authority.

"HIPAA" has the meaning set forth in Section 3.10(j).

"Indemnified Party" has the meaning set forth in Section 7.3(a).

"Indemnifying Party" has the meaning set forth in Section 7.3(a).

"Intellectual Property Rights" means any and all intellectual property rights and proprietary rights of any kind or nature, whether protected, created or arising under any Law, anywhere in the world, including all: (a) Copyrights and copyrightable subject matter, (b) Trademarks, (c) Patents, (d) domain names, (e) social media names, handles, tags, and other identifiers and accounts, (f) registered designs, (g) compilations of data and aggregated data contained in any databases (in each case excluding personally identifiable information), (h) Trade Secrets, discoveries, concepts, ideas, know-how, inventions (whether or not patentable and whether or not reduced to practice), invention disclosures, improvements, proprietary information, confidential information, technology, processes, processing methods, manufacturing techniques, logics, algorithms, designs (whether or not registerable), design rights (including unregistered design rights), specifications, schematics, work-flow diagrams, work product, and technical data and all other proprietary information, including customer lists, supplier lists, pricing and cost information, and business and marketing plans, in any form whether or not specifically listed herein, and all rights to limit the use or disclosure of any of the foregoing, and all documentation relating to any of the foregoing, (i) Software and application programming interfaces, (j) corresponding recordings, licenses or similar agreements relating to any of the foregoing, (k) applications for any intellectual property rights and proprietary rights and the rights to file such applications, establish and claim a right to priority under applicable Law, and to prosecute, obtain grant of, maintain, defend and exploit all such intellectual property rights and proprietary rights, (l) rights to bring an action for any past, present or future infringement, dilution, misappropriation or other impairment or violation of rights and to seek and receive damages, proceeds or any other legal or equitable protections and remedies with respect to any of the foregoing, (m) similar or equivalent rights to or embodied in any of the foregoing anywhere in the world, and (n) exclusive and other rights subsisting in any of the foregoing .

"IRS" means the Internal Revenue Service of the United States.

"Labeling" shall be as defined in Section 201(m) of FDCA (21 U.S.C. § 321(m)) and other comparable foreign Law relating to the subject matter thereof, including any Product's label, packaging and instructions for use accompanying such Product, and any other written, printed, or graphic materials accompanying such Product, including patient instructions or patient indication guides.

"Law" means any federal, state, local, supranational or foreign constitution, convention, treaty, law, statute, ordinance, rule, regulation, interpretation, guidance document, directive, policy, order, writ, award, decree, injunction, judgment, stay or restraining order of any Governmental Authority, and any other ruling or decision of, agreement with or by, or any other requirement of, any Governmental Authority.

"Liabilities" means liabilities, obligations and commitments, whether accrued or fixed, absolute or contingent, known or unknown, determined or determinable, due or to become due, or otherwise.

"Lien" means any lien (statutory or otherwise), security interest, pledge, hypothecation, mortgage, assessment, lease, claim, levy, license, defect in title, charge, or any other Third Party right, license or property interest of any kind, or any conditional sale or other title retention agreement, right of first option, right of first refusal or similar restriction, any covenant not to sue, or any restriction on use, transfer, receipt of income or exercise of any other attribute of ownership or any agreement to give any of the foregoing in the future or similar encumbrance of any kind or nature whatsoever.

"Losses" has the meaning set forth in Section 7.1(a).

"Material Adverse Effect" means any change, effect, event, occurrence, state of facts or development which individually or in the aggregate would reasonably be expected to result in, or has resulted in, any change or effect, that (a) is materially adverse to the business, assets, liabilities, condition, results of operations of the Business, SPV, the Product or the Purchased Assets, (b) would reasonably be expected to prevent or materially impede, materially interfere with, materially hinder or materially delay the consummation of the Contemplated Transactions or (c) creates or imposes a limitation on the ability of Buyer to acquire valid and marketable title to the Purchased Assets free and clear of all Liens or freely manufacture, sell or distribute the Product in the manner contemplated by, and in accordance with, the Transaction Agreements; provided that, for purposes of clause (a), none of the following shall be deemed, either alone or in combination, to constitute, and none of the following shall be taken into account in determining whether there has been or will be, a Material Adverse Effect: (i) any change, effect, event, occurrence, state of facts or development relating to general economic or political conditions or securities, credit, financial or other capital markets conditions, in each case in the United States or any foreign jurisdiction (including interest rate and exchange rate fluctuations), so long as the effects thereof do not disproportionately impact the Business, SPV, the Product or the Purchased Assets; (ii) any change, effect, event, occurrence, state of facts or development reasonably attributable to conditions affecting the medical device industry (other than as may arise or result from regulatory action by a Governmental Authority), so long as the effects do not disproportionately impact the Business, the Product or the Purchased Assets; (iii) the failure, in and of itself, of Seller to meet any forecasts, estimates or predictions in respect of revenues, earnings or other financial or operating metrics for any period (it being understood that facts or circumstances underlying, giving rise to or contributing to such failure may be taken into account in determining whether there has been a Material Adverse Effect); (iv) any change, effect, event, occurrence, state of facts or development resulting from or arising out of the execution, announcement, pendency or consummation of the Contemplated Transactions, including

any adverse change in the relationship, contractual or otherwise, of Seller with customers, suppliers, distributors or similar relationships (provided that this clause (iv) shall not apply with respect to any representation or warranty the purpose of which is to address the consequences resulting from the execution and delivery of this Agreement or the consummation of the Contemplated Transactions or the performance of obligations under this Agreement); (v) any natural disaster or any acts or threats of terrorism, military action or war or any escalation or worsening thereof, so long as the effects thereof do not disproportionately impact the Business, SPV, the Product or the Purchased Assets; and (vi) changes in applicable Laws or accounting principles (provided that this clause (vi) shall not apply with respect to any representation or warranty the purpose of which is to address compliance with applicable Laws).

"Negotiation Period" has the meaning set forth in Section 5.6(a).

"Non-Assignable Right" has the meaning set forth in Section 2.5.

"Notified Body" means an entity licensed, authorized or approved by the applicable Governmental Authority to assess and certify the conformity of a medical device with the requirements of the EU Medical Devices Directive and applicable harmonized standards.

"Operating Agreement" has the meaning set forth in Section 2.4(b)(v).

"Order" means any writ, judgment, decree, injunction or similar order, including consent orders, of any Governmental Authority (in each such case whether preliminary or final).

"Party" or "Parties" has the meaning set forth in the preamble.

"Patent Assignment Agreement" has the meaning set forth in Section 2.4(b)(iv).

"Patents" means all United States and foreign issued patents and applications therefor, including (a) all applications made pursuant to the Patent Cooperation Treaty (PCTs), the European Patent Convention (EPs) or any other multi-national agreement (including the country and/or regional designations therein), (b) provisionals, non-provisionals, converted provisionals, requests for continued examination, continuations, divisionals, continuations-in-part, substitutions, and additions, (c) all patents and patent certificates resulting from reexaminations and reissues, oppositions, *inter partes* review, post-grant review, transitional program for covered business method patent review, derivation proceedings, or other proceedings established by the America Invents Act or any similar foreign proceeding, (d) all rights in respect of utility models, petty patents, innovation patents, design patents (also known as registered designs) and certificates of invention, and (e) all worldwide rights and priorities afforded under any Law with respect to any of the foregoing, and all extensions (including Supplementary Protection Certificates), restorations, and renewals of any of the foregoing.

"Permit" means any approval, authorization, certificate, filing, franchise, license, notice, clearance or permit of or with any Governmental Authority.

"Person" means an individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization or other entity or any Governmental Authority.

"Post-Closing Tax Period" has the meaning set forth in Section 5.3(b).

"Pre-Closing Tax Period" means (a) any Tax period ending on or before the Closing Date, and (b) with respect to a Tax period that commences before but ends after the Closing Date, the portion of such period up to an including the Closing Date.

"Product" means each and all of the following: (a) the device marketed by Seller as of the date hereof under the Quell name, (b) the next-generation version thereof as contemplated under the Development Agreement, (c) any data analytics or cloud application (including any mobile application), tool or Software relating to any of the foregoing, and related services, and (d) any modifications, successors, derivatives, fragments or variants of any of the foregoing as described in clauses (a) through (c).

"Purchase Price" means an amount equal to $5,000,000.00.

"Purchased Assets" has the meaning set forth in Section 2.2(a).

"Purchased Patent Rights" has the meaning set forth in Section 2.2(a)(i).

"Regulatory Authority" means any applicable supranational, federal, national, regional, state, provincial or local regulatory agencies, departments, bureaus, commissions, councils or other government entities or any Notified Body regulating or otherwise exercising authority with respect to the Exploitation of the Product, including the FDA in the United States and the competent authorities of the European Union Member States.

"Regulatory Authorizations" means (a) all licenses, Permits, certificates, clearances, Device Regulatory Approvals, exemptions, approvals, consents and other authorizations that Seller owns, holds or possesses, including those prepared for submission to or issued by any Regulatory Authority or research ethics committee (including pre-market notification clearances, pre-market approvals, investigational device exemptions, non-clinical and clinical study authorizations, product re-certifications, manufacturing approvals and authorizations, CE marking certifications, pricing and reimbursement approvals, Labeling approvals, registration notifications or their foreign equivalent), that are required for or relate to the Exploitation of any Product or the Purchased Assets; and (b) all applications, supporting files, writings, data, studies and reports, and all correspondence to, with, or from the FDA or any other Regulatory Authority or research ethics committee, relating to any license, Permit, certificate, clearance, Device Regulatory Approval, exemption, approval, consent or other authorization described in clause (a).

"Related Documents" means the Transaction Agreements and (other than this Agreement) all agreements, certificates and documents signed and delivered by either Party in connection with this Agreement or the transactions contemplated hereby.

"Representatives" means, with respect to any Person, such Person's directors, officers, managers, employees, counsel, consultants, accountants, financial advisors, lenders and other agents and representatives.

"Required Side Letters" means the side letters set forth on Schedule 1.1(b).

"Restraints" has the meaning set forth in Section 6.1(a).

"Restricted Assets" means any assets used in or related to the business of Seller and its Affiliates directly or indirectly consisting of the Exploitation of products, devices and services in any Restricted Field.

"Restricted Field" means [***].

"Restricted Period" means the period commencing on the Closing Date and ending on the [***] anniversary of the date of termination or expiration without renewal of the Development Agreement.

"Restricted Product" means any product, device or service containing (a) any Intellectual Property Rights included in the Restricted Assets or (b) any modifications, derivatives, fragments or variants thereof, in each case ((a) or (b)) in any form or presentation.

"ROFN Notice" has the meaning set forth in Section 5.6(a).

"ROFN Period" means the period commencing on the Closing Date and ending on the later of (a) the [***] anniversary of the Closing Date and (b) the date of termination or expiration without renewal of the Development Agreement.

"Seller" has the meaning set forth in the preamble hereof.

"Seller Bylaws" has the meaning set forth in Section 3.1.

"Seller Charter" has the meaning set forth in Section 3.1.

"Seller Indemnified Party" has the meaning set forth in Section 7.2.

"Seller Indemnity Threshold" has the meaning set forth in Section 7.1(b)(i).

"Seller Intellectual Property" means all Patents, Trademarks, Copyrights, Software, Trade Secrets and other Intellectual Property Rights, in each case owned or Controlled by Seller or any of its Affiliates related to the Business or the Product, and the right to recover for past infringement of any of the foregoing.

"Seller's Knowledge" (and similar phrases) means, with respect to any matter in question, the actual knowledge of Seller's officers after making due inquiry of (a) the other managers and employees of Seller having primary responsibility for such matter and (b) in respect of intellectual property matters, the outside intellectual property counsel of Seller.

"Social Security Act" has the meaning set forth in Section 3.10(f).

"Software" means all computer software, programs and code, including Internet web sites, web content and links, source code (including all programmer comments), object code, pseudocode, algorithms, development tools, operating systems and specifications, database management code, utilities, graphical user interfaces, menus, images, icons, forms, methods of processing, software engines, platforms and data forms (excluding personally identifiable information), and all versions, updates, corrections, derivations enhancements and modifications thereof, and all related documentation, developer notes, flowcharts, comments, annotations files, records and data on all media on which any of the foregoing is recorded.

"SPV" has the meaning set forth in the recitals.

"SPV Certificate" has the meaning set forth in Section 3.2(b).

"SPV Interests" has the meaning set forth in Section 2.2(a)(iii).

"Subsidiary" of any Person means another Person, an amount of the voting securities, other voting rights or voting partnership interests of which is sufficient to elect at least a majority of its board of directors or other governing body (or, if there are no such voting interests, 50% or more of the equity interests of which) is owned directly or indirectly by such first Person; provided that, for purposes of this Agreement, SPV shall not be deemed to be a Subsidiary of either Seller or Buyer.

"Tax" or "Taxes" means (whether disputed or not) all (a) federal, state, local and foreign income, property, unclaimed property, escheat, sales, use, excise, withholding, payroll, employment, social security, capital gain, alternative minimum, transfer and other taxes and similar governmental charges, including any interest, penalties and additions with respect thereto, (b) liability for the payment of any amounts of the type described in clause (a) as a result of being a member of an affiliated, consolidated, controlled, fiscal, combined, unitary or aggregate group or as a transferee or successor to any Person for any Tax period and (c) any liability for the payment of any amounts as a result of being party to any tax sharing agreement or as a result of any express or implied obligation to indemnify any other Person with respect to the payment of any amounts of the type described in clause (a) or (b).

"Taxing Authority" means any federal, state, local or foreign government, any subdivision, agency, commission or authority thereof, or any quasi-governmental body exercising tax regulatory authority.

"Tax Return" means all returns, requests for extensions of time, claims for refund, declarations of estimated Tax payments, reports, estimates, information returns and statements, including any related or supporting workpaper, schedule, attachment or other information with respect to any of the foregoing, filed or to be filed with any Taxing Authority in connection with the determination, assessment, collection or administration of any Taxes and any amendments thereof.

"Territory" means worldwide, excluding the United States and its states, territories and possessions.

"Third Party" means any Person other than: (a) Seller, Buyer or SPV or (b) any Affiliates of Seller or Buyer.

"Third Party Claim" has the meaning set forth in Section 7.3(a).

"Trade Secrets" means all trade secrets (including those trade secrets defined in the Uniform Trade Secrets Act and under corresponding foreign statutory and common law), know-how, and similar proprietary rights in confidential information of any kind, inventions (whether patentable or not and whether or not reduced to practice), discoveries, analytic models, improvements, compounds, processes, techniques, chemical and biological materials, devices, methods, patterns, formulations, specifications and any other technical information and data.

"Trademarks" means all trademarks, service marks, trade names, service names, brand names, trade dress rights, logos, designs, product configuration rights, certification marks, collective marks, collective membership marks, corporate names, and all words, names, symbols, colors, shapes, designations or devices, and all combination thereof, that function as an identifier of source, origin, quality or membership, whether or not registered, all registrations and applications therefor and all renewals of any of the foregoing, and all worldwide rights and priorities afforded under any Law with respect to any of the foregoing, including all statutory and common law rights therein and thereto, together with all goodwill associated with the use of, or symbolized by, any of the foregoing.

"Transaction Agreements" means this Agreement, the Contribution Agreement, the Operating Agreement, the Development Agreement, the Ex-US License Agreement, the US License Agreement, the Assignment Agreement, the Bill of Sale and the Patent Assignment Agreement.

"Transfer Taxes" has the meaning set forth in Section 5.3(a).

"US License Agreement" has the meaning set forth in Section 2.4(b)(ix).

Section 1.2. Interpretation . When a reference is made in this Agreement to an Article, a Section, Exhibit or Schedule, such reference shall be to an Article of, a Section of, or an Exhibit or Schedule to, this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement, any Related Document or in any Exhibit or Schedule hereto are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement, such Related Document or such Exhibit or Schedule. Whenever the words "include," "includes" or "including" are used in this Agreement or any Related Document, they shall be deemed to be followed by the words "without limitation." The word "or," when used in this Agreement, has the inclusive meaning represented by the phrase "and/or." The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. References to the "date hereof" refer to the date of this Agreement. "Extent" in the phrase "to the extent" means the degree to which a subject or other thing extends, and such phrase does not mean simply "if." For purposes of this

Agreement and the Related Documents, the phrases "delivered or made available to Buyer prior to the date hereof," "delivered or made available to Buyer in the data room prior to the date hereof," "has made available to Buyer prior to the date hereof" or "has made available to Buyer in the data room prior to the date hereof" and similar expressions in respect of any document or information will be construed for all purposes of this Agreement and the Related Documents as meaning that a copy of such document or information was filed and made available for viewing by Buyer in the electronic data room hosted by Intralinks, Inc., in each case no later than two Business Days prior to the date hereof. All terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto (including any Schedule or any Related Document) unless otherwise defined therein. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such term. Any Contract or statute defined or referred to herein or in any Contract that is referred to herein means (a) in the case of any statute, such statute and any comparable statute that from time to time replaces such statute by succession and (b) in the case of any Contract, such Contract and all amendments, modifications and attachments thereto and instruments incorporated therein. References to a Person are also to its permitted successors and assigns.

ARTICLE II

PURCHASE AND SALE

Section 2.1. Purchase and Sale of Purchased Assets; Purchase Price.

(a) Pursuant to the terms and subject to the conditions of this Agreement, at the Closing, Seller shall sell, convey, deliver, transfer and assign to Buyer, free and clear of all Liens, and Buyer shall purchase, take delivery of and acquire from Seller all of Seller's right, title and interest in, to and under all of the Purchased Assets. The purchase and sale of the Purchased Assets is referred to herein as the "Acquisition."

(b) In consideration of the sale, conveyance, delivery, transfer and assignment of the Purchased Assets to Buyer and Seller's other covenants and obligations hereunder, at the Closing, upon the terms and subject to the conditions hereof, Buyer shall pay to Seller, by wire transfer of immediately available funds to the account set forth on Schedule 2.1(b), the Purchase Price.

Section 2.2. Purchased Assets; Excluded Assets .

(a) The term "Purchased Assets" means all of Seller's and its Affiliates' right, title and interest in, to and under the following properties and assets (tangible or intangible), other than the Excluded Assets:

(i) (A) all Patents filed or issued in or for the Territory and in the Field (but, subject to (B) and (C), excluding any right, title and interest in counterparts outside the Territory), including PCT applications insofar as all designations in the Territory, and including the Patents set forth on Schedule 2.2(a)(i), (B) with respect to Patents filed or

issued outside the Territory ("Excluded Territory Patents"), all rights of priority for the Field arising from Excluded Territory Patents for use in or for the Territory, including all rights to claim such priority rights in any Patent or patent application filed in or for the Territory (including PCT applications), and (C) all existing or future Patents filed or issued in or for the Territory and in the Field (including PCT applications) that claim priority to any Excluded Territory Patent (the items described in clauses (A) through (C), collectively, the "Purchased Patent Rights");

(ii) a copy of all Design and Regulatory Documentation existing as of the Closing Date;

(iii) membership interests of SPV corresponding to 50% of SPV's voting and total membership interests (the "SPV Interests"); and

(iv) all claims, counterclaims, credits, causes of action, choses in action, rights of recovery, and rights of indemnification or setoff against third parties and other claims arising out of or relating to any of the foregoing.

(b) Notwithstanding anything to the contrary in this Agreement or any Related Document, if the existence or condition of any asset (including an asset that, but for this sentence, would be deemed to be a Purchased Asset) constitutes or arises out of a breach or inaccuracy of any representation or warranty or the non-fulfillment or breach of any covenant, agreement or obligation of Seller hereunder, then Buyer shall have the right to elect at any time to deem such asset to be an Excluded Asset for purposes hereof.

(c) Buyer shall not acquire from Seller pursuant to this Agreement any of the following assets of Seller (collectively, the "Excluded Assets"):

(i) all cash and cash equivalents of Seller;

(ii) all Contributed Assets;

(iii) all Excluded Intellectual Property (except, for the avoidance of doubt, any of the rights of priority described in Section 2.2(a)(i)(B));

(iv) all Accounts Receivable;

(v) all rights, claims and credits of Seller to the extent relating to any Excluded Asset or any Excluded Liability;

(vi) any marketing plans, customer lists or other customer data;

(vii) rights in any Design and Regulatory Documentation for use outside of the Territory or outside the Field;

(viii) rights in any Device Regulatory Approval outside of the Territory or outside the Field;

(ix) rights on any of the existing CE marking certifications held by Seller;

(x) all land, buildings, improvements and fixtures thereon owned or leased by Seller; and

(xi) except to the extent included in the Purchased Assets, all other properties, assets, goodwill and rights of Seller of whatever kind and nature, real, personal or mixed, tangible or intangible.

Section 2.3. Buyer Not Successor to Seller; Excluded Liabilities . Buyer shall not be the successor to Seller or any of its Affiliates, and Buyer expressly does not assume and shall not become liable to pay, perform or discharge, any Liability whatsoever of Seller or any of its Affiliates, or arising out of or relating in any way to the conduct of the Business prior to the Closing, the Exploitation of the Product prior to the Closing or the use of any of the Purchased Assets in the Business prior to Closing, regardless of when any such Liability may arise, all of which shall be referred to herein as the "Excluded Liabilities." Seller shall pay, perform and discharge when due, all of the Excluded Liabilities. Without limitation of the foregoing, the Excluded Liabilities shall include the following Liabilities:

(a) any Liabilities relating to or arising out of the Excluded Assets (including the Contributed Assets);

(b) any Liabilities relating to or arising out of Accounts Payable;

(c) any Liabilities of Seller, or any member of any consolidated, affiliated, combined or unitary group of which Seller is or has been a member, for Taxes, including (i) any Taxes arising as a result of Seller's operation of its business or ownership of the Purchased Assets prior to the Closing Date, (ii) any Taxes that will arise as a result of the sale of the Purchased Assets pursuant to this Agreement or the contribution of the Contributed Assets to SPV pursuant to the Contribution Agreement and (iii) any deferred Taxes of any nature; provided that the Apportioned Obligations shall be paid in the manner set forth in Section 5.3;

(d) any Liabilities to present or former members or stockholders, equity holders or security holders of Seller or any of its Affiliates;

(e) any Liabilities of each of Seller or any of its Affiliates under this Agreement, the Related Documents or in connection with the Contemplated Transactions, and any Liabilities under any other Contracts to which each of Seller or any of its Affiliates is a party or is otherwise bound;

(f) any Liabilities for any returns or recalls of any product of Seller;

(g) any Liabilities (including all Actions relating to such Liabilities) of Seller or any of its Affiliates to any Person and claims from any Person relating to or arising out of circumstances existing on or prior to the Closing, including those relating to or arising out of any product liability, Patent infringement, breach of warranty or similar claim for injury to person or

property that resulted from the use, operation, ownership or misuse of the Product, the Business or any other product or the operation of any other business of Seller or any of its Affiliates;

(h) any Liabilities (including all Actions relating to such Liabilities) from or relating to the Intellectual Property Rights of any Person on or prior to the Closing, including any Liability for any loss or infringement, dilution, misappropriation, other violation thereof or for violation of privacy, personal information or data protection rights; and

(i) any other Liabilities relating to or arising out of the Product or any other product of Seller, the ownership of any of the Purchased Assets or the operation of the Business or the other businesses of Seller or any of its Affiliates on or prior to the Closing.

Section 2.4. Closing; Closing Deliverables .

(a) Closing. Pursuant to the terms and subject to the conditions of this Agreement, the closing of the Acquisition (the "Closing") shall take place at the offices of Covington & Burling LLP, The New York Times Building, 620 Eighth Avenue, New York, New York 10018 (or, if mutually agreed by the Parties, remotely by exchange of electronic copies of the agreements, documents, certificates), on the date of this Agreement, or at such later date as may be specified by mutual consent of the Parties. The date on which the Closing occurs is referred to herein as the "Closing Date."

(b) Seller Closing Deliverables. At the Closing, Seller shall deliver or cause to be delivered to Buyer:

(i) a certificate, dated as of the Closing Date, duly executed by the chief executive officer or chief financial officer of Seller, certifying that:

(A) all of the conditions set forth in Section 6.2(a) have been satisfied;

(B) all documents to be executed by Seller and delivered at the Closing have been executed by a duly authorized officer of Seller;

(C) the resolutions adopted by the Board of Directors of Seller authorizing the execution, delivery and performance of this Agreement and all Related Documents to which Seller is a party, as attached to the certificate, were duly adopted at a duly convened meeting of such board, remain in full force and effect, and have not been amended, rescinded or modified, except to the extent attached thereto;

(D) (1) the SPV Certificate and the Existing Operating Agreement, attached to the certificate, are true and complete; (2) such organizational documents have been in full force and effect in the form attached since the date of the adoption of the resolutions referred to in clause (3) below and no amendment, rescission or modification to such certificate of formation has occurred since the

date thereof (other than the contemplated adoption of the Operating Agreement in connection with the Closing); and (3) the resolutions adopted by the sole member of SPV authorizing the execution, delivery and performance of all Related Documents to which SPV is a party, as attached to the certificate, were duly adopted by such sole member, remain in full force and effect, and have not been amended, rescinded or modified, except to the extent attached thereto;

(E) Seller's officer executing this Agreement, and each of the other documents necessary for consummation of the Contemplated Transactions, is an incumbent officer, and the specimen signature on such certificate is a genuine signature; and

(F) SPV's officer executing each of the documents necessary for consummation of the Contemplated Transactions and to which SPV is a party, is an incumbent officer, and the specimen signature on such certificate is a genuine signature;

(ii) copies of the Required Side Letters, duly executed and delivered by the applicable parties thereto;

(iii) a Bill of Sale, substantially in the form of Exhibit 2.4(b)(iii) (the "Bill of Sale"), duly executed by Seller;

(iv) a Patent Assignment Agreement, substantially in the form of Exhibit 2.4(b)(iv) (the "Patent Assignment Agreement"), duly executed by Seller;

(v) an Amended and Restated LLC Operating Agreement of SPV, substantially in the form of Exhibit 2.4(b)(v) (the "Operating Agreement"), duly executed by Seller and SPV;

(vi) a Contribution Agreement, substantially in the form of Exhibit 2.4(b)(vi) (the "Contribution Agreement"), duly executed by Seller and SPV;

(vii) a Services and Development Agreement, substantially in the form of Exhibit 2.4(b)(vii) (the "Development Agreement"), duly executed by Seller;

(viii) a License Agreement relating to the license of Seller Intellectual Property from SPV to Seller in the Territory, substantially in the form of Exhibit 2.4(b)(viii) (the "Ex-US License Agreement"), duly executed by Seller and SPV;

(ix) a License Agreement relating to the license of Seller Intellectual Property from SPV to Seller outside the Territory, substantially in the form of Exhibit 2.4(b)(ix) (the "US License Agreement"), duly executed by Seller and SPV;

(x) an Assignment of License Agreement effecting the assignment of the Ex-US License Agreement from Seller to Buyer, substantially in the form of Exhibit 2.4(b)(x) (the "Assignment Agreement"), duly executed by Seller;

(xi) a certificate of Seller, in compliance with Section 1.1445-2(b)(2) of the regulations under the Code (relating to FIRPTA), listing Seller's name, address and U.S. employer identification number and stating that Seller is not a foreign person;

(xii) physical possession of all tangible Purchased Assets, as applicable, together with all such other deeds, endorsements or other instruments as shall be requested by Buyer to vest in Buyer good and marketable title to all of the Purchased Assets, free and clear of all Liens;

(xiii) certificates of good standing of each of Seller and SPV, certified as of a recent date by (A) the Secretary of State of the State of Delaware and (B) a similar authority in any other applicable state or country where each of Seller and SPV, as the case may be, is qualified to do business, where such qualification is material to Seller or SPV, respectively; and

(xiv) such other certificates and other documentation from Seller and SPV as Buyer shall have reasonably requested.

(c) Buyer Closing Deliverables. At the Closing, Buyer shall deliver or cause to be delivered to Seller:

(i) the payments required pursuant to Section 2.1(b);

(ii) a certificate, dated as of the Closing Date, duly executed by an authorized signatory of Buyer, certifying that (A) all of the conditions set forth in Section 6.3(a) have been satisfied and (B) all documents to be executed by Buyer and delivered at the Closing have been executed by a duly authorized signatory of Buyer;

(iii) the Bill of Sale, duly executed by Buyer;

(iv) the Patent Assignment Agreement, duly executed by Buyer;

(v) the Operating Agreement, duly executed by Buyer;

(vi) the Development Agreement, duly executed by Buyer;

(vii) the Assignment Agreement, duly executed by Buyer; and

(viii) such other certificates and other documentation from Buyer as Seller shall have reasonably requested.

Section 2.5. Third Party Consents . If the assignment or transfer of any asset included in the Purchased Assets, the assumption by Buyer of that portion of the Business arising therefrom or as contemplated under the Development Agreement, or any claim, right or benefit arising thereunder or resulting therefrom, without the consent of a Third Party, would constitute a breach or other contravention of the rights of such Third Party, would be ineffective with respect to any party to an agreement concerning such asset, claim, right or benefit, or, upon assignment or

transfer, would in any way adversely affect the rights of Seller or, upon transfer, Buyer (each, a "Non-Assignable Right"), then Seller shall use its reasonable best efforts, at Seller's sole cost and expense, to obtain such consent until such consent is obtained. If any such consent cannot be obtained, then, notwithstanding anything to the contrary in this Agreement, any Transaction Agreements or any Related Document, (a) this Agreement and the related instruments of transfer shall not constitute an assignment or transfer of the applicable Non-Assignable Right, and Seller shall use its reasonable best efforts, at Seller's sole cost and expense, to obtain such consent as soon as possible after the Closing; and (b) at Buyer's election, (i) the Non-Assignable Right shall be an Excluded Asset and Buyer shall have no Liability whatsoever with respect to any such Non-Assignable Right or any Liability with respect thereto or (ii) Seller shall, at its sole cost and expense, obtain for Buyer substantially all of the practical benefit and burden of such Non-Assignable Right, including by (A) entering into appropriate and reasonable alternative arrangements on terms mutually agreeable to Buyer and Seller and (B) subject to the consent and control of Buyer, enforcement, at the cost and for the account of Buyer, of any and all rights of Seller against the other party thereto arising out of the breach or cancelation thereof by such other party or otherwise.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF SELLER

Except as set forth in the applicable disclosure Schedules delivered by Seller to Buyer on the date hereof (collectively, the "Disclosure Schedules"), which Disclosure Schedules each identify the particular Section (or, if applicable, subsection) of this Article III to which such exception relates (provided that the disclosure in any Section or subsection of the Disclosure Schedules shall be deemed to qualify other Sections or subsections of this Article III to the extent that it is reasonably apparent on the face of such disclosure that such disclosure would qualify or apply to such other Sections or subsections), Seller represents and warrants, as of the date hereof and as of the Closing Date, to Buyer as set forth in this Article III.

Section 3.1. Organization, Standing and Power . Seller is a corporation, duly organized, validly existing and in good standing under the laws of Delaware, and has all requisite power and authority to own, lease or otherwise hold and operate its properties and other assets and to carry on its business as presently conducted, except where the failure to be in good standing, have such power or authority has not been and would not reasonably be expected to be material to Seller, the Business, the Product, the Purchased Assets or the Contributed Assets, each taken as a whole. Seller is duly qualified or licensed to do business and is in good standing (in jurisdictions that recognize the concept of good standing) in each jurisdiction in which the nature of its business or the ownership, leasing or operation of its properties makes such qualification or licensing necessary, other than in such jurisdictions where the failure to be so qualified or licensed or to be in good standing individually or in the aggregate has not been and would not reasonably be expected to be material to Seller, the Business, the Product, the Purchased Assets or the Contributed Assets, each taken as a whole. Seller has made available to Buyer, prior to the execution of this Agreement, complete and accurate copies of Seller's certificate of incorporation (the "Seller Charter") and its bylaws (the "Seller Bylaws"), in each case as amended to the date hereof. Seller is not in violation of any of the provisions of Seller Charter or Seller Bylaws. Seller does not have any Subsidiaries,

and none of its Affiliates holds any properties, interests, assets or rights that are used or held for use in, or related to or necessary for, the operation of the Business, other than the Contributed Assets contributed to SPV pursuant to the Contribution Agreement.

Section 3.2. SPV .

(a) All of the outstanding membership interests, equity or voting securities of, or other ownership interests in, SPV (including the SPV Interests) are owned by Seller, directly or indirectly, free and clear of any Liens or any other limitations or restrictions (including any restriction on the right to vote, sell or otherwise dispose of such capital stock or other voting securities or ownership interests). Other than the SPV Interests as contemplated to be transferred to Buyer pursuant to this Agreement, there are no issued, reserved for issuance or outstanding (i) securities of Seller or SPV convertible into or exchangeable or exercisable for membership interests, equity or voting securities of, or other ownership interests in, SPV, (ii) warrants, calls, options or other rights to acquire from Seller or SPV, or other obligations of Seller or SPV to issue, any membership interests, equity or voting securities of, or other ownership interests, or any securities convertible into or exchangeable or exercisable for any membership interests, equity or voting securities of, or other ownership interests in, SPV or (iii) restricted interests, profit interests, performance units, contingent value rights, "phantom" securities or similar securities or rights that are derivative of, or provide economic benefits based, directly or indirectly, on the value or price of any membership interests, equity or voting securities of, or other ownership interests, SPV. There are no outstanding contractual obligations of Seller or SPV of any kind to redeem, purchase or otherwise acquire any of the foregoing as described in clauses (i) through (iii).

(b) SPV is a limited liability company, duly organized, validly existing and in good standing under the laws of Delaware, and has all requisite power and authority to use its name and to own, lease or otherwise hold and operate its properties and other assets (including the Contributed Assets), except where the failure to be in good standing, have such power or authority has not been and would not reasonably be expected to be material to SPV or the Business, taken as a whole. SPV is duly qualified or licensed to do business and is in good standing (in jurisdictions that recognize the concept of good standing) in each jurisdiction in which the nature of its business or the ownership, leasing or operation of its properties (including the Contributed Assets) makes such qualification or licensing necessary, other than in such jurisdictions where the failure to be so qualified or licensed or to be in good standing individually or in the aggregate has not been and would not reasonably be expected to be material to SPV or the Business, taken as a whole. Seller has made available to Buyer, prior to the execution of this Agreement, complete and accurate copies of SPV's certificate of formation (the "SPV Certificate") and its operating agreement (the "Existing Operating Agreement"), in each case as amended to the date hereof (and, in the case of the Existing Operating Agreement, not taking into account the modifications to be effected pursuant to the Operating Agreement). SPV is not in violation of any of the provisions of SPV Certificate or Existing Operating Agreement.

(c) SPV was formed solely for the purpose of engaging in the Contemplated Transactions and to hold the Contributed Assets and be a party to each of the Ex-US License Agreement and the US License Agreement. Since the date of its formation, SPV has not carried

on any business or conducted any operations other than the execution of this Agreement, the performance of its obligations hereunder and matters ancillary thereto. Other than pursuant to the Related Documents to which SPV is contemplated to be a party, SPV (i) has not been and is not a party to, nor has it been or is it bound by, any Contract (other than the Existing Operating Agreement) (ii) does not own or is otherwise entitled to any property, asset, right or claim; and (iii) does not have any Liabilities or obligations of any nature (whether accrued, absolute, contingent or otherwise), and there is no existing condition, situation or set of circumstances that could reasonably be expected to result in any such Liability or obligation.

Section 3.3. Authority; Noncontravention .

(a) Each of Seller and SPV has all requisite corporate power and authority to execute and deliver this Agreement and the Related Documents to which it is a party, and to consummate the Contemplated Transactions. The execution and delivery of this Agreement and the Related Documents to which it is a party by Seller and SPV, and the consummation by Seller and SPV of the Contemplated Transactions have been duly authorized by all necessary corporate or limited liability company action on the part of Seller and SPV, and no other corporate or limited liability company proceedings on the part of Seller and SPV are necessary to authorize this Agreement, the Related Documents to which it is a party or to consummate the Contemplated Transactions. Each of this Agreement and the Related Documents has been duly executed and delivered by Seller or, when applicable, SPV, and, assuming the due authorization, execution and delivery by Buyer, constitutes (or, in the case of the Related Documents to be executed after the date hereof, will constitute) a legal, valid and binding obligation of each of Seller or SPV, as the case may be, enforceable against Seller and SPV, as the case may be, in accordance with its terms, subject to bankruptcy, insolvency, moratorium, reorganization or similar Laws affecting the rights of creditors generally and the availability of equitable remedies. The Board of Directors of Seller, at a meeting duly called and held at which all directors of Seller were present, duly and unanimously adopted resolutions approving this Agreement, the Related Documents, the Acquisition and the other Contemplated Transactions, which resolutions have not been subsequently rescinded, modified or withdrawn in any way. No stockholder or equity holder approval is required on behalf of Seller for the execution, delivery or performance of this Agreement or any Related Document. The sole member of SPV duly adopted resolutions approving the Related Documents to which SPV is contemplated to be a party and the Contemplated Transactions to which SPV is contemplated to be a party, which resolutions have not been subsequently rescinded, modified or withdrawn in any way.

(b) The execution and delivery by each of Seller and SPV of this Agreement and the Related Documents to which it is a party do not, and the consummation of the Contemplated Transactions and compliance by Seller and SPV with the provisions of this Agreement and the Related Documents to which it is a party will not, conflict with, or result in any violation or breach of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of, or result in, termination, cancelation or acceleration of any obligation or to the loss of a benefit under, or result in the creation of any Lien in or upon any of the properties or other assets of Seller or the Business, the Product or any of the Purchased Assets under, (i) the Seller Charter or the Seller Bylaws, (ii) the SPV Certificate or the Existing Operating Agreement, (iii) any Contract relating to

or affecting the Business, the Product, the Purchased Assets or the Contributed Assets, (iv) any Contract to which SPV is a party or any of its respective properties or other assets is subject or (v) any (A) statute, ordinance, rule or regulation or other Law applicable to Seller, SPV, the Business, the Product or the Purchased Assets or (B) Order applicable to Seller, SPV, the Business, the Product or any Purchased Assets, except in the cases of clauses (iii) through (v) as has not been and would not reasonably be expected to be material to Seller, SPV, the Business, the Product, the Purchased Assets or the Contributed Assets, each taken as a whole.

(c) No consent, approval, Order or authorization of, action by or in respect of, or registration, declaration or filing with, any Governmental Authority is required by or with respect to Seller, SPV, the Business, the Product or the Purchased Assets in connection with the execution and delivery of this Agreement by Seller, the transfer of the Purchased Assets to Buyer or the consummation of the Contemplated Transactions.

Section 3.4. Absence of Certain Changes or Events . Since December 31, 2016:

(a) Seller has conducted the Business only in the ordinary course consistent with past practice;

(b) except as set forth on Schedule 3.4(b), no event has occurred which would reasonably be expected to result in, individually or in the aggregate, a Material Adverse Effect with respect to the Business, the Product or the Purchased Assets; and

(c) Seller has (and, to Seller's Knowledge, its applicable Representatives have):

(i) kept accurate and complete books and records, including all applicable Design and Regulatory Documentation;

(ii) kept in full force and effect insurance in respect of the Business, the Products, the Purchased Assets and the Contributed Assets, comparable in amount and scope of coverage to that which has been maintained in the ordinary course of business since January 1, 2014;

(iii) performed in all material respects all obligations under the Contracts relating to or affecting the Business, the Product, the Purchased Assets or the Contributed Assets;

(iv) complied in all material respects with all Laws and Regulatory Authorizations applicable to the Business, the Product, the Purchased Assets or the Contributed Assets;

(v) promptly paid and fully satisfied all accounts with any creditors of Seller relating to the Business, the Product, the Purchased Assets or the Contributed Assets in the ordinary and usual course, except to the extent any such account was the subject of a good faith dispute with such creditor;

(vi) not transferred, disposed of, granted or obtained, abandoned or permitted to lapse any rights to, or granted any license or non-assertion under, any Seller Intellectual Property, or disclosed or agreed to disclose to any Person, other than Representatives of Buyer, any material Trade Secret used or held for use in connection with the Purchased Assets or the Contributed Assets; or

(vii) not failed to take, or agreed or commit (whether in writing or otherwise) to take, as the case may be, any of the actions required or prohibited in the foregoing clauses (i) through (vi).

Section 3.5. Good Title; Sufficiency of Assets .

(a) Seller has good and marketable title to, or valid contract rights to, as applicable, all of the Purchased Assets free and clear of all Liens and all of the Contributed Assets free and clear of all Liens, and has the complete and unrestricted power and unqualified right to sell, assign, transfer and deliver the Purchased Assets to Buyer and the Contributed Assets to SPV, as applicable. There are no adverse claims of ownership to the Purchased Assets or to the Contributed Assets, and Seller has not received notice that any Person has asserted a claim of ownership or right of possession or use in or to any of the Purchased Assets or any of the Contributed Assets, nor, to Seller's Knowledge, are there any facts, circumstances or conditions on which any such claim could be brought in the future. At the Closing, Buyer will acquire from Seller good and marketable title to, or valid contract rights to, as applicable, all of the Purchased Assets, and SPV will acquire from Seller good and marketable title to, or valid contract rights to, as applicable, all of the Contributed Assets, in each case free and clear of all Liens.

(b) The Contributed Assets, as contributed to the SPV and as licensed to Seller pursuant to the Ex-US License Agreement (and as the same shall be assigned to Buyer pursuant to the Assignment Agreement), together with the Purchased Assets, constitute all Intellectual Property Rights Controlled by Seller or any of its Affiliates that claim, cover, or otherwise relate to the Product or the Exploitation of the Product in the Territory.

(c) [***] the Intellectual Property Rights included in the Contributed Assets and licensed to Seller pursuant to the Ex-US License Agreement (and as the same shall be assigned to Buyer pursuant to the Assignment Agreement), together with the Intellectual Property Rights included in the Purchased Assets and the Intellectual Property Rights to be developed as contemplated under the Development Agreement, constitute all of the Intellectual Property Rights sufficient in all material respects for Buyer and its Affiliates to Exploit the Product in the Territory (as contemplated under the Development Agreement).

Section 3.6. Intellectual Property .

(a) Except as set forth on Schedule 3.6(a), subject to Sections 3.6(b) and 3.6(f), Seller exclusively owns all Seller Intellectual Property (including all Purchased Patent Rights and all Seller Intellectual Property that are Contributed Assets), in each case free and clear of all Liens. Seller exclusively owns all Intellectual Property Rights used in the operation of the Business, and each such Intellectual Property Right will, immediately subsequent to the Closing, be transferred

to, and owned (pursuant to this Agreement or any other applicable Related Document) or licensed (pursuant to the Assignment Agreement or any other applicable Related Document) for use by, Buyer on the same terms with which Seller, immediately prior to the Closing, owns such item.

(b) [***] Seller has not infringed, diluted, misappropriated or otherwise violated or is infringing, diluting, misappropriating or otherwise violating (including with respect to the development, manufacture, distribution, advertising, use or sale by Seller of its products or services (whether or not such products are licensed to Seller) or its Intellectual Property Rights) the rights of any Person in Exploiting any product in the Field. [***] no Person or Persons has infringed, diluted, misappropriated or otherwise violated or is or are infringing, diluting, misappropriating or otherwise violating the Seller Intellectual Property.

(c) Except as set forth on Schedule 3.6(c), no claims are pending or, to Seller's Knowledge, threatened, with regard to (i) the ownership, licensing or use of any Seller Intellectual Property; (ii) any actual or potential infringement, dilution, misappropriation or unauthorized use of Seller Intellectual Property; (iii) any actual or potential infringement, dilution, misappropriation or unauthorized use of any Third Party's Intellectual Property Rights with respect to any Product or any misappropriation or unauthorized use of Seller Intellectual Property; or (iv) the validity or enforceability of any Seller Intellectual Property. Seller has the right to bring actions for infringement, including all rights to recover damages for past infringement, of all Seller Intellectual Property.

(d) Schedule 3.6(d) sets forth, as of the date hereof, a complete and accurate list of all Patents and applications therefor (which list specifically identifies all Patents and applications solely and exclusively owned by Seller), domain name registrations (if any), Copyright registrations (if any) and all invention disclosures, that, in each case, are owned by or licensed to Seller, in each case owned or Controlled by Seller and related to the Business or the Products, and in each case indicating whether such item constitutes a Purchased Asset, a Contributed Asset or an Excluded Asset. The Patent applications listed in Schedule 3.6(d) that are owned by Seller are pending and have not been abandoned and have been and continue to be timely prosecuted. All Patents and applications therefor owned by Seller have been duly registered or filed with or issued by each appropriate Governmental Authority in the jurisdiction indicated in Schedule 3.6(d), all related necessary affidavits of continuing use have been timely filed, and all related necessary maintenance fees have been timely paid to continue all such rights in effect. None of the Patents listed in Schedule 3.6(d) that are owned by Seller has expired or been declared invalid, in whole or in part, by any Governmental Authority. None of the Patents or Patent applications listed in Schedule 3.6(d) that are owned by Seller are involved in or the subject of any material ongoing interferences, oppositions, reissues, reexaminations or other proceedings, including ex parte and post-grant proceedings, in the United States Patent and Trademark Office or in any foreign patent office or similar administrative agency, or subject to any third party observations filed in any such office or agency or delivered directly to Seller or any of its Representatives. To Seller's Knowledge, there are no published Patents, Patent applications, articles, other prior art references or public disclosures (including any by or caused by Seller or any of its Affiliates) that could adversely affect the validity of any Patent listed in Schedule 3.6(d). Each of the Patents and Patent applications listed in Schedule 3.6(d) that are owned by Seller properly identifies each and every inventor of the claims thereof as

determined in accordance with the Laws of the jurisdiction in which such Patent is issued or such Patent application is pending. Each inventor named on the Patents and Patent applications listed in Schedule 3.6(d) that are owned by Seller has executed an agreement assigning his, her or its entire right, title and interest in and to such Patent or Patent application, the priority rights, and the inventions embodied and claimed therein, to Seller. At the respective filing dates of the Patents and Patent applications listed in Schedule 3.6(d), the original applicant possessed full legal title to file such applications for Patents and to establish or claim (as the case may be) any priority claim(s) in the applications. No such inventor has any contractual or other obligation that would preclude any such assignment or otherwise conflict with the obligations of such inventor to Seller under such agreement with Seller.

(e) No current or former employee or consultant of Seller owns any rights in or to any Seller Intellectual Property. All current and former employees and consultants of Seller who contributed to the discovery, creation or development of any Seller Intellectual Property did so (i) within the scope of his or her employment such that it constituted a work made for hire and all Seller Intellectual Property arising therefrom became the exclusive property of Seller or (ii) pursuant to a written agreement, assigned all of his or her Seller Intellectual Property to Seller.

(f) Schedule 3.6(f) sets forth a complete and accurate list as of the date hereof of all options, rights, licenses or interests of any kind relating to any Seller Intellectual Property granted (i) to Seller (other than software licenses for commercially available off the shelf software and except pursuant to employee proprietary inventions agreements (or similar employee agreements)), or (ii) by Seller to any other Person (including any obligations of such other Person to make any fixed or contingent payments, including royalty payments). All obligations for payment of monies currently due and payable by Seller in connection with such options, rights, licenses or interests have been satisfied in a timely manner. All non-monetary obligations of Seller in connection with options, rights, licenses or interests due from consulting agreements have been satisfied in a timely manner.

(g) Seller has used reasonable efforts and taken all commercially necessary steps to maintain its Trade Secrets relating to the Business or the Product in confidence, including the development of a policy for the protection of intellectual property and periodic training for all employees of Seller on the implementation of such policy; and requiring all employees of Seller to execute confidentiality agreements with respect to intellectual property developed for or obtained from Seller.

(h) The execution and delivery of this Agreement and the Related Documents by Seller do not, the execution and delivery by SPV of the Related Documents to which it is a party will not, and the consummation of the Contemplated Transactions and compliance by Seller and SPV with the provisions of this Agreement and any Related Document will not, conflict with, or result in any violation or breach of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of, or result in, termination, cancelation or acceleration of any obligation or to the loss of a benefit under, or result in the creation of any Lien in or upon, any Seller Intellectual Property that is material to the Business or the Product.

(i) No Governmental Authority has any right to (including any "step-in" or "march-in" rights with respect to), ownership of, or right to royalties for, or to impose any requirement on the manufacture or commercialization of any product incorporating, any Seller Intellectual Property. Without limiting the generality of the foregoing, no invention claimed or covered by any item included within the Seller Intellectual Property (i) was conceived or reduced to practice in connection with any research activities funded, in whole or in part, by the federal government of the United States or any agency thereof, (ii) is a "subject invention" as that term is described in 35 U.S.C. Section 201(e) or (iii) is otherwise subject to the provisions of the Bayh-Dole Act or any similar Law of any other jurisdiction. No funding, facilities, or personnel of any educational or research institution were used, directly or indirectly, to develop or create in whole or in part, any of the Seller Intellectual Property, and no educational institution has any right to, or right to royalties for, or to impose any requirement on the manufacture or commercialization of any product incorporating, any Seller Intellectual Property.

(j) Other than pursuant to the Assignment Agreement, Seller has not entered into any Contract to assign, transfer, license, convey, encumber or otherwise grant any right or access to any Person, or covenanted not to assert any past, present or future right, with respect to the Intellectual Property Rights licensed by SPV to Seller pursuant to the Ex-US License Agreement.

Section 3.7. Compliance with Law. Since January 1, 2012, the business and operations of Seller as such business and operations relate to the Business and the Product (i) have been and are, and as of the Closing Date will have been, conducted in all material respects in compliance with all applicable Laws, and (ii) have had and have, and as of the Closing Date, will have, all material Permits, necessary to own the Purchased Assets and operate the Business, as currently conducted. Each such Permit is valid and in full force and effect. There has occurred no material default under, or violation of, any such Permit. There is no Order binding upon Seller with respect to the Business, the Products or the Purchased Assets. Since December 31, 2016, Seller has not received any notice from any Governmental Authority or other Person to the effect that Seller is not, or may not be, in compliance with any material Law with respect to the Business, the Product or the Purchased Assets.

Section 3.8. Litigation . There is no Action pending or, to Seller's Knowledge, threatened, before any Governmental Authority, and there is no Action of any Governmental Authority pending or, to Seller's Knowledge, threatened, that affects or, if successful, could reasonably be expected to be adverse to Seller, the Business, the Product or the Purchased Assets or that, if successful, could reasonably be expected to result in restraining, enjoining or otherwise preventing the completion by Seller or SPV of the Contemplated Transactions, nor, to Seller's Knowledge, are there any facts, circumstances or conditions on which any such Action could reasonably be expected to be brought in the future. There is no outstanding Order of any Governmental Authority against Seller or SPV arising out of or relating to the Business, the Product or the Purchased Assets or that could adversely affect the condition (financial or otherwise), operations or prospects of Seller or SPV or the Business or delay the ability of Seller or SPV to perform its obligations hereunder or under any Related Document, as applicable.

Section 3.9. Taxes .

(a) Seller has duly and timely filed with the appropriate Taxing Authorities all Tax Returns in respect of Taxes required to be filed. The Tax Returns filed are complete and accurate in all material respects. Seller has not requested any extension of time within which to file any Tax Return in respect to any Taxes.

(b) Seller has duly and timely paid all Taxes which will have been required to be paid by it, the non-payment of which could result in a Lien on any Purchased Asset or any Contributed Asset, could otherwise adversely affect the Business or the Purchased Assets or the Contributed Assets or could result in Buyer becoming liable or responsible therefor.

(c) Seller has established, in accordance with generally accepted accounting principles, as applied in the United States, applied on a basis consistent with that of preceding periods, adequate reserves for the payment of, and will timely pay, all Taxes that arise from or with respect to the Business, the Product or the Purchased Assets and are incurred or attributable to the Pre-Closing Tax Period, the non-payment of which could result in a Lien on any Purchased Asset or any Contributed Asset, could otherwise adversely affect the Business or the Purchased Assets or the Contributed Assets, or could result in Buyer becoming liable therefor.

(d) There are no Liens for Taxes (other than for current Taxes not yet due and payable) on the Business or the Purchased Assets or the Contributed Assets.

(e) No examination or audit of any Tax Return of Seller or SPV, or any administrative or judicial proceeding in respect of any amount of Tax with respect to the Business or the Purchased Assets or the Contributed Assets is currently pending or threatened in writing. Seller does not have any obligation to indemnify, or otherwise assume or succeed to, the Tax Liability of any other Person that could adversely impact SPV, the Business, the Purchased Assets or the Contributed Assets.

(f) SPV is a corporation for the purposes of U.S. federal income Tax and for the purposes of any U.S. state where it could be required to file a Tax Return. SPV has made all elections to such effect as required under applicable Law and has provided to Buyer a copy of IRS Form 8832 as was filed with the IRS with respect to its election, as well as any notices from the IRS received in response to the filing of such IRS Form 8832.

(g) SPV has duly and timely withheld, collected, paid and reported to the proper Taxing Authorities all Taxes required to have been withheld, collected, paid or reported.

(h) SPV has duly and timely filed with the appropriate Taxing Authorities all Tax Returns in respect of Taxes required to be filed, which Tax Returns are complete and accurate in all material respects. SPV has not requested any extension of time within which to file any Tax Return with respect to any Taxes.

Section 3.10. Regulatory Matters.

(a) Schedule 3.10(a) sets forth a true and complete list of (i) all Regulatory Authorizations held by Seller or under which Seller conducts business, or that have been submitted

by or on behalf of Seller, in each case relating to the products of Seller (including the Product), and (ii) all applications or notifications or submissions for Regulatory Authorizations pending in relation thereto. Seller is the sole and exclusive owner of the Regulatory Authorizations and none of the Regulatory Authorizations has been sold, conveyed, delivered, transferred or assigned to another party. Each such Regulatory Authorization has been validly issued or acknowledged by the appropriate Regulatory Authority and is in full force and effect.

(b) Schedule 3.10(b) sets forth a true and complete list of all modifications made to the products of Seller after issuance of any applicable Regulatory Authorization. Each Regulatory Authorization is legally adequate for the device as currently marketed and distributed, including all modifications to the device after issuance of such Regulatory Authorization, including after FDA clearance. The determination that a modification to a product of Seller does not require its own 510(k) is documented in such product's 510(k) file. Seller has documented in its files the basis for claiming 510(k) exemption for each product of Seller and each such product complies with the applicable limitations on exemption.

(c) The products of Seller (including the Product) have been and are being researched, designed, developed, investigated, manufactured, tested, packaged, labeled, stored, distributed, promoted, marketed, imported, exported and sold in compliance, in all material respects, with the Federal Food, Drug, and Cosmetic Act ("FDCA") and the regulations of the U.S. Food and Drug Administration ("FDA") promulgated thereunder or similar Laws in any foreign jurisdiction, including those relating to establishment registration, device listing, investigational use, premarket clearance, marketing approval, CE marking, international standards for quality management systems as adopted by the International Organization for Standardization (ISO) (including ISO 13485) or other authorization to market a device, quality systems regulations, ISO requirements, good clinical practices, good laboratory practices, Labeling, advertising, record keeping and filing of required reports and security. Seller has not received any notice or other communication from the FDA or any other Regulatory Authority (i) contesting the investigational device exemption, premarket clearance or premarket approval of, the uses of, or the labeling and promotion of its products (including the Product) or (ii) otherwise alleging any material violation of any Law applicable to such products (including the Product) by Seller.

(d) None of the products of Seller (including the Product) is under consideration by Seller or, to Seller's Knowledge, by any Regulatory Authority for, or has been subject to any, recall, withdrawal, suspension or discontinuation by Seller in the United States or outside the United States (whether voluntarily or otherwise). No proceedings in the United States or outside of the United States (whether completed or pending) seeking the recall, withdrawal, suspension, seizure or discontinuance of any product of Seller (including the Product) are pending against Seller or, to Seller's Knowledge, any licensee or distributor of any such product, nor have any such proceedings been pending at any prior time.

(e) None of the products of Seller (including the Product) is (i) adulterated within the meaning of 21 U.S.C. § 351 (or similar Laws), (ii) misbranded within the meaning of 21 U.S.C. § 352 (or similar Laws) or (iii) a product that is in violation of 21 U.S.C. §§ 355, 360, 360e, 42 U.S.C. § 262 and 21 C.F.R 1271 (or similar Laws).

(f) Neither Seller nor, to Seller's Knowledge, any officer, employee, agent or distributor of Seller, has made an untrue statement of a material fact or fraudulent statement to the FDA or any other Regulatory Authority, failed to disclose a material fact required to be disclosed to the FDA or any other Regulatory Authority, or committed an act, made a statement, or failed to make a statement that, at the time such disclosure was made, would reasonably be expected to provide a basis for the FDA to invoke its policy respecting "Fraud, Untrue Statements of Material Facts, Bribery, and Illegal Gratuities," set forth in 56 Fed. Reg. 46191 (September 10, 1991) or for any other Regulatory Authority to invoke any similar policy. Neither Seller nor, to Seller's Knowledge, any officer, employee or agent of Seller has been convicted of any crime or engaged in any conduct for which debarment is mandated by 21 U.S.C. § 335a(a) or any similar Laws or authorized by 21 U.S.C. § 335a(b) or any similar Laws. Neither Seller nor, to Seller's Knowledge, any officer, employee or agent of Seller has been convicted of any crime or engaged in any conduct for which such Person could be excluded from participating in the federal health care programs under Section 1128 of the Social Security Act of 1935, as amended (the "Social Security Act"), or any similar Laws.

(g) Seller has not received any written notice that the FDA or any other Regulatory Authority has (i) commenced, or threatened to initiate, any action to withdraw its investigational device exemption, premarket clearance or premarket approval or request the recall of any product of Seller (including the Product), (ii) commenced, or threatened to initiate, any action to enjoin manufacture or distribution of any product of Seller (including the Product) or (iii) commenced, or threatened to initiate, any action to enjoin the manufacture or distribution of any medical device produced at any facility where any product of Seller (including the Product) is manufactured, tested, processed, packaged or held for sale.

(h) To Seller's Knowledge, there are no material Actions, or any facts, circumstances or conditions that would reasonably be expected to form the basis for any Actions, against or affecting Seller relating to or arising under (i) the FDCA and the regulations of the FDA promulgated thereunder or similar Laws, (ii) the Social Security Act or regulations of the Office of the Inspector General of the Department of Health and Human Services or similar Laws or (iii) applicable Laws relating to government health care programs, private health care plans, or the privacy and confidentiality of patient health information, including United States federal and state laws pertaining to the Medicare and Medicaid programs, United States federal and state laws applicable to health care fraud and abuse, kickbacks, physician self-referral, false claims made to a government or private health care program, and United States federal or state laws pertaining to contracting with the government and similar Laws, and any comparable foreign or state Laws.

(i) Seller is not in breach, default, or violation in any material respect under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), the regulations promulgated thereunder (including without limitation, the HIPAA Privacy Standards, HIPAA Security Standards, and HIPAA Transactions Standards), the Health Information Technology for Economic and Clinical Health Act or any applicable state Laws relating to the confidentiality of medical information, or applicable Laws in any foreign jurisdiction relating to data privacy.

Section 3.11. Assigned Contract . The Ex-US License Agreement is, and after giving effect to its assignment to Buyer pursuant to the Assignment Agreement will be, (a) in full force and effect, (b) the valid and binding obligations of Seller and SPV, and (c) enforceable in accordance with its terms. There exists no default, or any event which upon notice or the passage of time, or both, could reasonably be expected to give rise to any default, in the performance by Seller or by SPV under the Ex-US License Agreement. Upon assignment thereof pursuant to the Assignment Agreement, Buyer will succeed to all right, title and interest of Seller under the Ex-US License Agreement without the necessity to obtain the consent of any other Person to such assignment.

Section 3.12. Brokers and Other Advisors . No broker, investment banker, financial advisor or other Person (other than Canaccord Genuity Inc., the fees and expenses of which will be paid by Seller) is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the Contemplated Transactions based upon arrangements made by or on behalf of Seller.

Section 3.13. Adequate Consideration; Continued Solvency. The consideration to be received by Seller under this Agreement constitutes fair consideration and reasonable value for the Purchased Assets. Seller is (a) able to pay its debts as they become due, and (b) solvent and will be solvent immediately following the Closing. Seller is not engaged in business or a transaction, and it is not about to engage in business or a transaction, for which its remaining assets and capital after giving effect to the Contemplated Transactions are or will be insufficient. Seller does not intend to incur, or believe that it will incur, Liabilities that would be beyond its ability to pay as such Liabilities matured. Seller has not entered into this Agreement for the purpose of hindering, delaying or defrauding its creditors.

Section 3.14. Related Party Transactions . There is not, and there has not been in place, any transaction or Contract between Seller or the Business, on the one hand, and any current or former partner, director, officer, employee, manager, member or stockholder of Seller, on the other hand, in each case, related to the Purchased Assets or the portion of the Business to be performed by Buyer as contemplated under the Development Agreement. No current or former partner, director, officer or employee of Seller owns or has any interest in any assets or properties of the portion of the Business to be performed by Buyer as contemplated under the Development Agreement, or in any of the Purchased Assets, or, to Seller's Knowledge, any Person that is a present or potential competitor, supplier (directly or indirectly) or customer of any Product.

Section 3.15. No Other Representations or Warranties . Except for the representations and warranties of Seller contained in this Agreement (as modified by the Disclosure Schedules) or in any other Related Document, none of Seller, any of its Representatives, or Affiliates makes any other express or implied representation or warranty with respect to the Business, the Purchased Assets, the Contributed Assets or SPV, and, subject to Section 4.5, Seller disclaims any such other representations or warranties, whether made by Seller or any of its Affiliates or Representatives. BUYER ACKNOWLEDGES THAT, SUBJECT TO SECTION 4.5, SHOULD THE CLOSING OCCUR, BUYER SHALL ACQUIRE THE PURCHASED ASSETS WITHOUT ANY REPRESENTATION OR WARRANTY, EXPRESSED OR IMPLIED, AT LAW OR IN

EQUITY, AS TO MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, IN AN "AS IS" CONDITION AND ON A "WHERE IS" BASIS, EXCEPT AS OTHERWISE EXPRESSLY REPRESENTED OR WARRANTED IN THIS AGREEMENT OR ANY OTHER RELATED DOCUMENT. Notwithstanding the foregoing, Buyer reserves all rights with respect to claims of fraud based on any omissions of material fact, information provided, or any statements, representations or warranties made, in each case by Seller or its Representatives.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants, as of the date hereof and as of the Closing Date, to Seller as set forth in this Article IV.

Section 4.1. Organization, Standing and Power . Buyer is a company (*société anonyme*) duly organized, validly existing and in good standing under the laws of Switzerland and has all requisite corporate power and authority to carry on its business as now being conducted. Buyer is duly qualified or licensed to do business and is in good standing (in jurisdictions that recognize the concept of good standing) in each material jurisdiction in which the nature of its business or the ownership, leasing or operation of its properties makes such qualification or licensing necessary.

Section 4.2. Authority; Noncontravention .

(a) Buyer has all requisite corporate power and authority to execute and deliver this Agreement and the Related Documents and to consummate the Contemplated Transactions. The execution and delivery of this Agreement and the Related Documents by Buyer and the consummation by Buyer of the Contemplated Transactions have been duly authorized by all necessary corporate action on the part of Buyer and no other corporate proceedings on the part of Buyer are necessary to authorize this Agreement, the Related Documents or to consummate the Contemplated Transactions. This Agreement and the Contemplated Transactions do not require approval of the holders of any equity securities of Buyer. Each of this Agreement and the Related Documents has been duly executed and delivered by Buyer and, assuming the due authorization, execution and delivery by Seller, constitutes (or, in the case of the Related Documents to be executed after the date hereof, will constitute) a legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, subject to bankruptcy, insolvency, moratorium, reorganization or similar Laws affecting the rights of creditors generally and the availability of equitable remedies.

(b) The execution and delivery of this Agreement by Buyer does not, and the consummation of the Contemplated Transactions and compliance by Buyer with the provisions of this Agreement will not, conflict with, or result in any violation or breach of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of, or result in, termination, cancelation or acceleration of any obligation or to the loss of a benefit under, or result in the creation of any Lien in or upon any of the properties or other assets of Buyer under (i) the organizational documents of Buyer, (ii) any Contract to which Buyer is a party or any of its respective properties

or other assets is subject, in any way that would prevent, materially impede or materially delay the consummation by Buyer of the Contemplated Transactions (including the payments required to be made pursuant to Article II) or (iii) any (A) statute, ordinance, rule, regulation or other Law applicable to Buyer or its properties or other assets or (B) Order applicable to Buyer or its properties or other assets, except in the case of clauses (ii) and (iii) as it would not prevent, materially impede or materially delay the consummation by Buyer of the Contemplated Transactions (including the payments required to be made pursuant to Article II).

(c) No material consent, approval, Order or authorization of, action by or in respect of, or registration, declaration or filing with, any Governmental Authority is required by or with respect to Buyer in connection with the execution and delivery of this Agreement by Buyer or the consummation by Buyer of the Contemplated Transactions.

Section 4.3. Capital Resources . Buyer has access to sufficient funds to consummate the Contemplated Transactions on the terms contemplated by this Agreement and, at the Closing, Buyer will have available all of the funds necessary to pay the Purchase Price.

Section 4.4. Brokers and Other Advisors . No broker, investment banker, financial advisor or other Person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the Contemplated Transactions based upon arrangements made by or on behalf of Buyer.

Section 4.5. Independent Investigation; No Reliance on Other Representations and Warranties . Buyer has undertaken such investigation, and has been provided with and has evaluated such information, as it has deemed necessary in connection with the execution, delivery and performance of this Agreement and the consummation of the Contemplated Transactions. In making its decision to execute and deliver this Agreement and to consummate the Contemplated Transactions, Buyer is relying solely upon the representations and warranties of Seller set forth in this Agreement (as modified by the Disclosure Schedules) and in the other Related Documents, and acknowledges that such representations and warranties are the only representations and warranties made by Seller in connection with this Agreement, the Related Documents and the Contemplated Transactions. Buyer hereby disclaims any reliance on any other information provided by, for or on behalf of Seller or its Affiliates to Buyer in connection with the Contemplated Transactions, and acknowledges that none of Seller or any of Seller's current or former Representatives or Affiliates shall have any liability for any such information provided to Buyer other than as expressly provided in the representations and warranties of Seller set forth in this Agreement (as modified by the Disclosure Schedules) and in the other Related Documents, except (a) in the case of fraud or (b) to the extent any such information is the subject of any express representation or warranty set forth in this Agreement or any other Related Document.

ARTICLE V

ADDITIONAL AGREEMENTS

Section 5.1. Advice of Filings . Seller and Buyer shall, to the extent permitted by Law, promptly provide the other with copies of all filings made by such Party with

any Governmental Authority in connection with this Agreement and the Contemplated Transactions, other than the portions of such filings that include confidential information not directly related to the Contemplated Transactions.

Section 5.2. Confidentiality; Non-Competition -.

(a) Confidentiality. Each of Buyer and Seller acknowledges that the information provided to them in connection with this Agreement and the consummation of the Contemplated Transactions is subject to the terms of the Confidentiality Agreements. Effective upon, and only upon, the Closing, each of the Confidentiality Agreements shall terminate.

(b) Non-Competition. In any country in the Territory during the Restricted Period, Seller shall not and shall cause its Subsidiaries (now existing or hereafter incorporated, formed or otherwise organized or acquired) not to (whether as owner, stockholder, partner, officer, director, employee, consultant, investor, lender or otherwise, except as the holder of not more than one percent of the stock in companies whose stock is traded on a national securities exchange or in the public over-the-counter market), (i) directly or indirectly, develop or commercialize or (ii) license, authorize, appoint or otherwise enable any Third Party to directly or indirectly, develop or commercialize, in either case ((i) or (ii)), any product, device or service, or any component of or incorporation into a product, device (including any component or accessory therefor), process, Software or service, in each case in any Restricted Field, and whether currently marketed or in development.

(c) Acknowledgments. Seller agrees and acknowledges that the covenants in this Section 5.2 are reasonable and valid in all respects (including with respect to the subject matter, Restricted Period, Restricted Field and geographical area) and are necessary to protect the interests of Buyer in the Business, the Product and the confidential information that is the sole property of Buyer, and such covenants represent only a limited restraint. Further, Seller acknowledges that, without the restrictions contained in this Section 5.2, the benefits of the Contemplated Transactions could be devalued, lost or circumvented, particularly in light of the nature and ongoing development of the Product, and that Buyer would not have entered into this Agreement without the restrictions contained in this Section 5.2.

(d) Interpretation. Seller acknowledges and agrees that the provisions of this Section 5.2 are necessary and reasonable to protect Buyer in the conduct of its business and are a material inducement to Buyer's execution and delivery of this Agreement and its willingness to enter into the Contemplated Transactions.

(e) Validity. It is the desire and intent of the Parties that this Section 5.2 will be enforced to the fullest extent permissible under the Laws applied in each jurisdiction in which enforcement is sought. If any restriction set forth in this Section 5.2 is found by any court of competent jurisdiction to be unenforceable for any reason (*e.g.*, because it extends for too long a period of time, over too great a range of activities or in too broad a geographic area), this Section 5.2 shall be interpreted to extend over the maximum period of time, range of activities or geographic area as to which it may be enforceable. The agreements contained in this Section 5.2 shall each constitute a separate agreement independently supported by good and adequate consideration. For

the avoidance of doubt, the Parties hereby acknowledge that Seller will benefit substantially from the consummation of the Contemplated Transactions and that the consideration that Seller will receive upon such consummation is adequate to support Seller's agreement to be bound by the covenants set forth herein.

(f) Injunctive Relief. Seller understands that a breach of this Section 5.2 by Seller may cause Buyer irreparable harm which may not be adequately compensated by money damages. Accordingly, in the event of an existing breach or threatened breach by Seller of this Section 5.2, Buyer will be entitled to injunctive or other equitable relief to enforce the provisions hereof, without any requirement to post a bond or other security, in addition to such other remedies to which Buyer may be entitled, including the recovery of money damages.

(g) Extensions of Limitations. If Seller or any of its Affiliates violate any term or provision of this Section 5.2, the duration set forth in this Section 5.2 shall automatically be extended as against Seller and its Affiliates for a period equal to the periods during which Seller or such Affiliate shall have been in violation of this Section 5.2.

Section 5.3. Certain Tax Matters .

(a) Transfer Taxes. All recordation, transfer, documentary, excise, sales, value added, use, stamp, conveyance or other similar Taxes, duties or governmental charges, and all recording or filing fees or similar costs, imposed or levied by reason of, in connection with or attributable to this Agreement and the Related Documents or the Contemplated Transactions (collectively, "Transfer Taxes") shall be the responsibility of Seller.

(b) Allocation of Taxes. All *ad valorem* obligations levied with respect to the Purchased Assets for a taxable period that includes (but does not end on) the Closing Date (collectively, the "Apportioned Obligations") shall be apportioned between Seller and Buyer based on the number of days of such taxable period after the Closing Date (such portion of such taxable period, the "Post-Closing Tax Period"). Seller shall be liable for the proportionate amount of such Apportioned Obligations that is attributable to the Pre-Closing Tax Period, and Buyer shall be liable for the proportionate amount of such Apportioned Obligations that is attributable to the Post-Closing Tax Period.

(c) Reimbursement. Apportioned Obligations and Transfer Taxes shall be timely paid, and all applicable filings, reports and returns shall be filed, as provided by applicable Law. The paying Party (if not specified as the responsible Party therefor) shall be entitled to reimbursement from the non-paying Party in accordance with Section 5.3(a) or Section 5.3(b), as the case may be. Upon payment of any such Apportioned Obligation or Transfer Tax, the paying Party shall present a statement to the non-paying Party setting forth the amount of reimbursement to which the paying Party is entitled under Section 5.3(a) or Section 5.3(b), as the case may be, together with such supporting evidence as is reasonably necessary to calculate the amount to be reimbursed. The non-paying Party shall make such reimbursement promptly but in no event later than 10 days after the presentation of such statement.

(d) Tax Withholding. The Parties agree that all payments under this Agreement will be made without any deduction or withholding for or on account of any Taxes or other amounts unless required by applicable Law. If Buyer determines that it is required under applicable Law to deduct or withhold any amount of Tax to any Taxing Authority in respect of any payment made to Seller, Buyer shall be entitled to deduct or withhold such amount of Tax. Any amounts so deducted or withheld by Buyer from any payment hereunder to Seller shall be treated for all purposes of this Agreement as paid by Buyer to Seller. Buyer shall not be required to pay any additional amounts to Seller in respect of any amounts paid to any Taxing Authority pursuant to the immediately preceding sentence. If any withholding Tax shall subsequently be found to be due, payment of such Tax shall be the responsibility of Seller. The Parties agree to reasonably cooperate with each other, including by completing or filing documents required under the provisions of any applicable income tax treaty or applicable Law, to claim any applicable exemption from, or reduction of, any such applicable Taxes.

(e) Cooperation and Exchange of Information. Each of Seller and Buyer shall (i) provide the other with such assistance as may reasonably be requested by the other Party in connection with the preparation of any Tax Return, audit or other examination by any Taxing Authority or Action relating to liability for Taxes in connection with the Business, the Product or the Purchased Assets, (ii) retain and provide the other with any records or other information that may be relevant to such Tax Return, audit or examination, Action or determination and (iii) provide the other with any final determination of any such audit or examination, Action or determination that affects any amount required to be shown on any Tax Return of the other for any period.

Section 5.4. Public Announcements . Buyer and Seller shall not issue any press release or make any public statement with respect to this Agreement, any Related Document or the Contemplated Transactions without the prior written consent of the other (which consent shall not be unreasonably withheld, conditioned or delayed) and shall consult with each other prior to issuing any press release or otherwise making any public statement with respect to this Agreement, any Related Document or the Contemplated Transactions and provide to each other for review an advance copy of any such press release or statement, except (a) as may be required by applicable Law or any requirements of NASDAQ, the New York Stock Exchange or the London Stock Exchange, in which case the Party required to make the release or announcement shall use its reasonable best efforts to allow the other Party reasonable time to comment on such release or announcement in advance of such issuance and (b) each Party may make any public statement in response to questions from the press, analysts, investors or those attending industry conferences, make internal announcements to employees and make disclosures in reports filed pursuant to applicable Law and exchange listing requirements, in each case to the extent that such statements are consistent with previous press releases, public disclosures or public statements made jointly by the Parties and otherwise in compliance with this Section 5.4. Each of the Parties agrees that, promptly following execution of this Agreement, Buyer and Seller shall issue an initial press release with respect to the Contemplated Transactions, which shall be a joint press release in a form mutually agreed to by Buyer and Seller.

Section 5.5. Additional Information. From and after the Closing Date, Seller shall (a) compile and deliver to Buyer copies of any new Design and Regulatory Documentation and

other technical information, including any existing clinical results, potential reimbursement coding or coverage data and economic data for materials collateral to the Product not otherwise heretofore transferred (but otherwise required to be transferred pursuant to the terms hereof if such Design and Regulatory Documentation existed as of the Closing Date) and (b) provide Buyer with access, upon reasonable notice and at reasonable places and times, to the management and other key personnel of Seller for purposes of discussing all reasonable inquiries regarding the Business.

Section 5.6. Right of First Negotiation .

(a) During the ROFN Period, if Seller or any of its Affiliates is considering initiating a Divestiture Transaction, Seller shall promptly (and before Seller or any of its Affiliates or its or their respective Representatives has (w) directly or indirectly engaged in any negotiations relating to a Divestiture Transaction with a Third Party, (x) knowingly solicited, initiated or proposed to engage in any such negotiations, (y) entered into or participated into any negotiations to enter into, or which negotiations could reasonably be expected to lead to, any Divestiture Transaction with a Third Party, or (z) otherwise consummated any Divestiture Transaction with a Third Party) so notify Buyer, which notice shall describe the assets, rights and properties that are the subject of the proposed Divestiture Transaction (such notice, a "ROFN Notice"). Buyer shall have [***] Business Days from its receipt of such notice to determine whether it will exercise its right of first negotiation set forth in this Section 5.6(a), by providing written notice of such exercise to Seller within such [***]Business Day period. After exercise of such right of first negotiation, Seller shall negotiate exclusively with Buyer with respect to any such Divestiture Transaction. If Seller and Buyer (or their respective Affiliates) do not enter into a definitive agreement relating to the applicable Divestiture Transaction pursuant to Section 5.6(a) on or prior to the date that is [***] days after the date such notice is given by Buyer (the "Negotiation Period"), then Seller, its Affiliates and its and their respective Representatives shall be permitted to engage in negotiations with a Third Party with respect to, and consummate, a Divestiture Transaction that is (i) substantially similar, with respect to structure and the assets, rights and properties that are the subject of such Divestiture Transaction, to the proposed Divestiture Transaction described in the ROFN Notice or to any other proposed Divestiture Transaction as to which Buyer and Seller (and their respective Affiliates and Representatives) had bona fide active discussions during the Negotiation Period (which discussions included pricing terms) and (ii) otherwise on terms more favorable in the aggregate to Seller or its applicable Affiliate, as applicable, than those last offered by Buyer (or its applicable Affiliates, or their respective Representatives) during the Negotiation Period, as applicable, as determined in good faith by the board of directors of Seller after consulting with its outside legal counsel and financial advisors. Notwithstanding the foregoing, nothing in this Section 5.6(a) shall be deemed to prohibit Seller or any of its Affiliates from entering into a Divestiture Transaction that does not satisfy the condition set forth in the foregoing clause (i) with such Third Party (an "Alternative ROFN Transaction") if such Alternative ROFN Transaction was proposed by such Third Party during the course of negotiations after Seller, any of its Affiliates and/or their respective Representatives had proposed in good faith to such Third Party a Divestiture Transaction that satisfied the conditions set forth in the foregoing clauses (i) and (ii); provided that, prior to consummating such Alternative ROFN Transaction or entering into any exclusivity arrangements or other definitive agreements with such Third Party in respect of such Alternative ROFN Transaction, Seller shall have provided reasonable advance notice to Buyer of the proposed

Alternative ROFN Transaction (which shall not be less than 15 Business Days before Seller or any of its Affiliates enter into any binding Contract or arrangement with respect to such Alternative ROFN Transaction), which notice shall describe the material terms and conditions thereof as existing at such time as such notice is provided to Buyer, and Seller shall have provided Buyer the right to participate, on a non-exclusive basis, in good faith negotiations with Seller, its Affiliates and its and their respective Representatives regarding such Alternative ROFN Transaction.

(b) If Seller or its applicable Affiliates do not consummate a Divestiture Transaction or an Alternative ROFN Transaction with a Third Party in accordance with Section 5.6(a) within a period of [***] days after the end of the Negotiation Period and the ROFN Period has not then ended, each of Seller, its Affiliates and its and their respective Representatives shall immediately cease and cause to be terminated any and all existing negotiations with respect to any Divestiture Transaction, and refrain from entering into any further such negotiations or consummating any Divestiture Transactions with a Third Party unless Seller, its Affiliates and its and their respective Representatives first comply in full with each provision of this Section 5.6.

(c) The Parties agree that this Section 5.6 expresses the Parties' interests in commencing discussions regarding a Divestiture Transaction and is not intended to, and does not, create any legally binding obligation on either Party (or any of their respective Affiliates) to agree in principle or enter into a definitive agreement with respect to, or to consummate, a Divestiture Transaction (or any part thereof).

(d) Seller understands that a breach of this Section 5.6 by Seller may cause Buyer irreparable harm which may not be adequately compensated by money damages. Accordingly, in the event of an existing breach or threatened breach by Seller of this Section 5.6, Buyer will be entitled to injunctive or other equitable relief to enforce the provisions hereof, without any requirement to post a bond or other security, in addition to such other remedies to which Buyer may be entitled, including the recovery of money damages.

Section 5.7. Delivery of Certain Information .

(a) Seller shall and shall cause its Affiliates to, as promptly as practicable, but no later than [***] calendar days after the Closing Date, without additional compensation, disclose and make available to Buyer, in whatever form Buyer may reasonably request (including by providing copies thereof), any embodiment of material Intellectual Property Rights Controlled by Seller or any of its Affiliates as of immediately prior to the consummation of the contribution effected pursuant to the Contribution Agreement (other than the Excluded Intellectual Property and the Design and Regulatory Documentation) to the extent such Intellectual Property Rights claim, cover, or otherwise relate to the Field or to the Product or the Exploitation of the Product.

(b) Seller shall and shall cause its Affiliates to, as promptly as practicable, but no later than [***] Business Days after the Closing Date, deliver to Buyer an electronic copy of the data room hosted by Intralinks, Inc. in connection with the execution and delivery of this Agreement, as that data room existed immediately prior to such execution and delivery.

Section 5.8. Expenses . Except as expressly set forth herein or in the Related Documents, each of Seller and Buyer shall bear its own costs and expenses incurred in connection with this Agreement and the Contemplated Transactions.

Section 5.9. Further Assurances . Seller shall, at any time and from time to time after the Closing Date, upon the request of Buyer, do, execute, acknowledge, deliver and file, or cause to be done, executed, acknowledged, delivered or filed, all such further acts, deeds, transfers, conveyances, assignments or assurances as may be reasonably required for the better transferring, conveying, assigning and assuring to Buyer, or for the aiding and assisting in the reducing to possession by Buyer of, any of the Purchased Assets, or for otherwise carrying out the purposes of this Agreement and the Related Documents and the consummation of the Contemplated Transactions (including, for the avoidance of doubt, Buyer's exercise of its rights of priority under Section 2.2(a)(i)). Buyer shall, at any time and from time to time after the Closing Date, upon the request of Seller, do, execute, acknowledge, deliver and file, or cause to be done, executed, acknowledged, delivered or filed, all such further acts, deeds, transfers, conveyances, assignments or assurances as may be reasonably required for carrying out the purposes of this Agreement and the Related Documents and the consummation of the Contemplated Transactions.

Section 5.10. Wrong Pockets .

(a) If any asset of Seller or its Affiliates that would otherwise constitute a Purchased Asset or a Contributed Asset remains vested in Seller or any of its Affiliates following Closing, Seller shall (or shall cause its applicable Affiliate to) transfer such asset to (i) Buyer or its designee, in case such asset would be a Purchased Asset pursuant to the definition thereof or (ii) SPV, in case such asset would be a Contributed Asset pursuant to the definition thereof, in each case ((i) or (ii)) as soon as reasonably practicable and for no consideration (it being acknowledged and agreed that Buyer shall have already paid good consideration for all such Purchased Assets by paying the Purchase Price and that SPV shall have already paid good consideration for all such Contributed Assets by issuing membership interests to Seller). Seller or its applicable Affiliate shall notify Buyer as soon as reasonably practicable upon becoming aware that there are any such assets in its possession or control.

(b) If any asset of Seller or its Affiliates that does not constitute a Purchased Asset or a Contributed Asset becomes vested in Buyer (or any of its Affiliates) or in SPV, respectively, following Closing, Buyer shall (or shall cause its applicable Affiliate to), respectively, transfer, or cooperate with Seller in causing SPV to transfer, such asset to Seller or its designee as soon as reasonably practicable and for no consideration. Buyer or its applicable Affiliate shall notify Seller as soon as reasonably practicable upon becoming aware that there are any such assets in its possession or control.

ARTICLE VI

CONDITIONS PRECEDENT

Section 6.1. Condition to Each Party's Obligations to Effect the Contemplated Transactions . The respective obligation of each Party to effect the Contemplated

Transactions is subject to the satisfaction or (to the extent permitted by Law) waiver on or prior to the Closing Date of the following condition: no temporary restraining order, preliminary or permanent injunction or other judgment or order issued by any court of competent jurisdiction or other statute, rule, legal restraint, prohibition or other Law (collectively, "Restraints") shall be in effect preventing the consummation of the Contemplated Transactions.

Section 6.2. Conditions to Buyer's Obligations to Effect the Contemplated Transactions . The obligation of Buyer to effect the Contemplated Transactions is subject to the satisfaction or (to the extent permitted by Law) waiver on or prior to the Closing Date of the following conditions:

(a) Representations and Warranties of Seller; Covenants and Agreements of Seller. (i) The representations and warranties of Seller contained in this Agreement that are qualified as to materiality shall be true and correct in all respects, and the representations and warranties of Seller contained in this Agreement that are not so qualified shall be true and correct in all material respects, in each case as of the date of this Agreement and as of the Closing Date as though made at such time, except to the extent such representations and warranties expressly relate to an earlier date, in which case as of such earlier date; and (ii) Seller shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing Date.

(b) Legal Proceedings. There shall not be pending or threatened any suit, action or proceeding by any Governmental Authority, or by any other Person having a reasonable likelihood of prevailing in a manner contemplated in clauses (i), (ii) or (iii) below: (i) challenging the acquisition by Buyer of any Purchased Assets, seeking to restrain or prohibit the consummation of the Contemplated Transactions, seeking to place limitations in the ownership of any Purchased Assets by Buyer or any Affiliate of Buyer or the ownership of any Contributed Assets by SPV or seeking to obtain from Seller, Buyer or any Affiliate of Buyer any material damages, (ii) seeking to prohibit or limit the ownership of the Purchased Assets or operation of by Buyer or any of its Affiliates of that portion of the Business to be performed by Buyer or any such Affiliate as contemplated under the Development Agreement, seeking to prohibit or limit the ownership of the Contributed Assets by SPV, or seeking to compel Buyer or any of its Affiliates to divest, license or hold separate any portion of any business or of any assets of Buyer or any of its Affiliates or of any of the Purchased Assets or (iii) seeking to prohibit Buyer or any of its Affiliates from effectively controlling in any material respect any of the Purchased Assets or any of that portion of the Business to be performed by Buyer or any such Affiliate as contemplated under the Development Agreement, or seeking to prohibit SPV from effectively controlling in any material respect any of the Contributed Assets, in the case of each of clauses (i) through (iii) above, as a result of the Contemplated Transactions. No Restraint that would reasonably be expected to result, directly or indirectly, in any of the effects referred to in clauses (i) through (iii) above shall be in effect.

(c) Certain Closing Deliveries. Buyer shall have received each of the items set forth in Section 2.4(b).

(d) Contribution. The contribution of the Contributed Assets by Seller to SPV pursuant to the Contribution Agreement shall have been completed in the terms and conditions set forth therein at least two (2) Business Days prior to the Closing.

Section 6.3. Conditions to Seller's Obligations to Effect the Contemplated Transactions . The obligation of Seller to effect the Contemplated Transactions is subject to the satisfaction or (to the extent permitted by Law) waiver on or prior to the Closing Date of the following conditions:

(a) Representations and Warranties of Buyer; Covenants and Agreements of Buyer. %3. The representations and warranties of Buyer contained in this Agreement that are qualified as to materiality shall be true and correct in all respects, and the representations and warranties of Buyer contained in this Agreement that are not so qualified shall be true and correct in all material respects, in each case as of the date of this Agreement and as of the Closing Date as though made at such time, except to the extent such representations and warranties expressly relate to an earlier date, in which case as of such earlier date; and %4. Buyer shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing Date.

(b) Certain Closing Deliveries. Seller shall have received each of the items set forth in Section 2.4(c).

ARTICLE VII

INDEMNIFICATION

Section 7.1. Indemnification of Buyer . %3. From and after the Closing, Seller shall indemnify Buyer and its Affiliates and each of their respective officers, directors, employees, equity holders, agents and Representatives (each, a "Buyer Indemnified Party") against and hold each Buyer Indemnified Party harmless from any and all debts, obligations, losses, Liabilities, damages, Liens, Taxes, penalties, costs of investigation, other costs and expenses, whether known or unknown, absolute or contingent, liquidated or unliquidated, direct or indirect, due or to become due, accrued or not accrued, asserted or unasserted or otherwise, including, to the extent reasonably foreseeable, lost profits, diminution in value, consequential, incidental and indirect damages (collectively, "Losses") suffered or incurred by such Buyer Indemnified Party, arising from, relating to or otherwise in connection with (it being understood that any such Loss suffered by SPV shall be considered for purposes of this Agreement as an indirect Loss suffered by Buyer; provided that Buyer shall have no claim in respect of any such Loss to the extent paid or indemnified by Seller to SPV):

(i) any breach of or inaccuracy in any representation or warranty of Seller or SPV contained in this Agreement or any Related Document;

(ii) any breach of or failure to perform any covenant or agreement of Seller contained in this Agreement or any Related Document or any covenant or agreement of SPV in any Related Document;

(iii) any Excluded Liability or Excluded Asset;

(iv) any Transfer Taxes or Apportioned Obligations allocated to Seller pursuant to Section 5.3;

(v) any claim by a Third Party that any of the Contemplated Transactions constitutes a breach, default or event of default under any Contract between such Third Party and Seller, or is otherwise in contravention of any right of or obligation to such Third Party; or

(vi) any matter identified or set forth on Schedule 7.1(a)(vi).

(b) Notwithstanding anything to the contrary contained herein, no Buyer Indemnified Party shall be entitled to be indemnified pursuant to Section 7.1(a)(i):

(i) only in the case of Losses based upon or arising out of the representations and warranties other than the Fundamental Representations, unless and until the aggregate of all Losses for which the Buyer Indemnified Parties would, but for this paragraph (i), be entitled to indemnification thereunder exceeds on a cumulative basis [***] (the "Seller Indemnity Threshold"), at which point each Buyer Indemnified Party shall be entitled to be indemnified for the aggregate of all Losses for which the Buyer Indemnified Parties would, but for this paragraph (i), be entitled to indemnification hereunder, and not just amounts in excess of the Seller Indemnity Threshold;

(ii) only in the case of Losses based upon or arising out of representations and warranties other than the Fundamental Representations, in an aggregate amount exceeding the sum of (A) [***] plus (B) up to [***] to be offset against contingent payments paid by Buyer to Seller pursuant to the Development Agreement or that thereafter become due and payable under the Development Agreement, pursuant to Section 7.1(d) (the sum of the amounts described in (A) and (B), the "Cap"); and

(iii) only in the case of Losses based upon or arising out of any of the Fundamental Representations, in an aggregate amount exceeding (A) the Purchase Price plus (B) any other contingent paid by Buyer to Seller pursuant to the Development Agreement or that thereafter become due and payable under the Development Agreement (the sum of the amounts described in (A) and (B), the "Aggregate Indemnity Amount"), it being understood that the Aggregate Indemnity Amount shall not include the amount of any such contingent payment for which the applicable milestone under the Development Agreement is never achieved;

provided, however, that the foregoing provisions of this Section 7.1(b) shall not apply to any Losses based upon or arising out of an act of fraud, willful misconduct or intentional misrepresentation of Seller.

(c) The Buyer Indemnified Parties shall be entitled to the indemnification provided for hereunder even if any of them (i) had knowledge at any time of the matter that is later the subject of a claim for indemnity or (ii) waived any of the conditions set forth in Article VI. The consent of Seller shall not be required in order for Buyer to be indemnified under this Article VII.

(d) Notwithstanding any provision of this Agreement to the contrary, in addition to any other right hereunder, if at any time that any contingent payment under the Development Agreement is due and payable by Buyer to Seller and there shall be an outstanding or previously delivered claim notice pursuant to Section 7.3 with respect to any indemnification claim pursuant to Section 7.1(a), then Buyer and its Affiliates shall have the right, subject to the limitations set forth in Section 7.1(b), to offset such payment by the amount of Losses indemnifiable with respect to such claim or, with respect to Losses that have not yet been fully determined, the amount of Losses that Buyer estimates in good faith to be subject to such indemnification claim. If the final determination of the amount of Losses for any indemnification claims for which an offset for any contingent payments under the Development Agreement is made pursuant to this Section 7.1(d) is less than the amount by which such payments were offset for such claim, then Buyer shall promptly deliver an amount in cash equal to such difference to Seller.

Section 7.2. Indemnification of Seller Indemnified Parties . From and after the Closing, Buyer shall indemnify Seller and its Affiliates and each of their respective officers, directors, employees, equity holders, agents and Representatives (each a "Seller Indemnified Party") against and hold each Seller Indemnified Party harmless from any and all Losses suffered or incurred by any such Seller Indemnified Party arising from, relating to or otherwise in connection with:

(a) any breach of or inaccuracy in any representation or warranty of Buyer contained in this Agreement or any Related Document;

(b) any breach of or failure to perform any covenant or agreement of Buyer contained in this Agreement or any Related Document; or

(c) any Apportioned Obligations allocated to Buyer pursuant to Section 5.3.

Section 7.3. Indemnification Claims .

(a) In order for a Buyer Indemnified Party or a Seller Indemnified Party (an "Indemnified Party") to be entitled to any indemnification provided for under Section 7.1 or 7.2 in respect of, arising out of or involving a Third Party suit, proceeding, claim or demand (a "Third Party Claim"), such Indemnified Party must notify, with respect to a claim for indemnification pursuant to Section 7.1, Seller, or, with respect to a claim for indemnification pursuant to Section 7.2, Buyer (each, an "Indemnifying Party") in writing of the Third Party Claim (including in such notice a brief description of the applicable claim(s), including damages sought or estimated, to the extent actually known or reasonably ascertainable by such Indemnified Party, and, if not then known or reasonably ascertainable, the maximum amount of such damages reasonably estimated by the Indemnified Party) within 15 Business Days after receipt by such Indemnified Party of actual notice of the Third Party Claim; provided, however, that failure to give such notification shall not affect the indemnification provided under Section 7.1 or 7.2 except to the extent the Indemnifying Party has been actually prejudiced as a result of such failure.

(b) The Indemnifying Party shall have the right to undertake, at the Indemnifying Party's expense, the defense or opposition to a Third Party Claim of which it has been notified in accordance with Section 7.3(a), with counsel selected by it and reasonably satisfactory to the

Indemnified Party, so long as (i) the Indemnifying Party gives written notice to the Indemnified Party within 15 Business Days after it has been notified of the Third Party Claim, that it will defend the Indemnified Party against such Third Party Claim and that the Indemnifying Party acknowledges its obligation to indemnify the Indemnified Party for Losses related to such Third Party Claim; (ii) the Third Party Claim involves only money damages, does not seek an injunction or other equitable relief against the Indemnified Party and does not relate to or arise in connection with any criminal proceeding, action, indictment, allegation or investigation; (iii) if Seller is the Indemnifying Party and the amount claimed in such Third Party Claim, taken together with the reasonably estimated costs of defense thereof and the claimed amount with respect to any unresolved claims for indemnification made to the Indemnifying Party under this Article VII then pending, (A) is greater than the Seller Indemnity Threshold, and (B) only if such claim is made under Section 7.1(a)(i) (other than in connection with a breach or inaccuracy of a Fundamental Representation), is not limited by the Cap at that time; (iv) the Indemnified Party has not been advised in writing by outside counsel that a legal conflict exists between the Indemnified Party and the Indemnifying Party in connection with conducting the defense of the Third Party Claim; (v) in case Seller is the Indemnifying Party, the Third Party Claim does not allege the infringement of Intellectual Property Rights of any Person by the Indemnified Party or otherwise as a result of the Contemplated Transactions; and (vi) the Indemnifying Party commits in writing to the Indemnified Party to diligently and vigorously and in good faith conduct the defense of the Third Party Claim. Neither the Indemnified Party or the Indemnifying Party shall settle any Third Party Claim without the prior written consent of the other Party unless (1) the claimant in such Third Party Claim provides to such other Party an unqualified release of such other Party from all liability in respect of such Third Party Claim, (2) such settlement does not involve any injunctive relief binding upon such other Party, (3) such settlement does not encumber any of the assets of such other Party or impose any restriction or condition that would apply to or materially affect such other Party or the conduct of such other Party's businesses and (4) such settlement does not involve any admission of liability or wrongdoing by such other Party.

(c) In order for an Indemnified Party to be entitled to any indemnification provided for under this Agreement other than in respect of, arising out of or involving a Third Party Claim, such Indemnified Party shall deliver notice of such claim with reasonable promptness to the Indemnifying Party (including in such notice a brief description of the applicable claim(s), including damages sought or estimated, to the extent actually known by such Indemnified Party); provided, however, that failure to give such notification shall not affect the indemnification provided under Section 7.1 or 7.2 except to the extent the Indemnifying Party has been actually prejudiced as a result of such failure. If the Indemnifying Party does not notify the Indemnified Party within 15 Business Days following its receipt of such notice that the Indemnifying Party disputes the indemnity claimed by the Indemnified Party under Section 7.1 or 7.2, such indemnity claim specified by the Indemnified Party in such notice shall be conclusively deemed a liability to be indemnified under Section 7.1 or 7.2 and the Indemnified Party shall be indemnified for the amount of the Losses stated in such notice to the Indemnified Party on demand or, in the case of any notice in which the Losses (or any portion thereof) are estimated, on such later date when the amount of such Losses (or such portion thereof) becomes finally determined.

Section 7.4. Other Limitations on Indemnification .

(a) For purposes of computing the amount of any Losses incurred by any Indemnified Party under this Article VII for which such Indemnified Party would otherwise be entitled to receive indemnification payments under this Article VII, there shall be deducted an amount equal to any cash payments actually recovered by such Indemnified Party under or pursuant to any insurance policy, title insurance policy, indemnity, reimbursement arrangement or Contract pursuant to which or under which such Indemnified Party is a party or has rights; provided that in the event any amounts recovered under insurance policies or other collateral sources are not received before any claim for indemnification is paid under this Article VII, the Indemnifying Party shall pay the full amount of the applicable Losses, and the Indemnified Party shall have the right, but not the obligation, to pursue recovery for all amounts paid in indemnification under such insurance policies; provided, further, that nothing herein shall (i) apply to any self-insurance or (ii) be deemed to obligate any Indemnified Party or any of its Affiliates to maintain any insurance policies after the Closing Date or assert any claim, seek any recovery or take any other action against any insurance carriers or other Third Parties with respect to any such claim.

(b) Each Party shall, and shall cause its respective Affiliates to, use commercially reasonable efforts to mitigate any Loss indemnifiable hereunder to the extent required by applicable Law upon and after becoming aware of any event that would reasonably be expected to give rise to any Loss.

(c) No Indemnified Party shall be entitled to be indemnified pursuant to this Article VII for any Loss that constitutes punitive or exemplary damages, except to the extent actually paid to a Third Party as a result of a final, non-appealable determination in respect of the applicable Third Party Claim.

Section 7.5. Survival; Termination of Indemnification. The (a) representations and warranties of the Parties contained in this Agreement, other than the Fundamental Representations, shall survive the Closing until [***]; (b) representations and warranties of Seller contained in [***] shall survive the Closing until [***]; (c) representations and warranties of Seller contained in [***] shall survive the Closing until [***]; (d) Fundamental Representations (other than those set forth in [***]) shall survive the Closing for an indefinite period of time; (e) covenants and obligations contained in this Agreement shall survive the consummation of the transactions contemplated by this Agreement in accordance with their own terms; and (f) obligations to indemnify and hold harmless an Indemnified Party hereto pursuant to Section 7.1 and Section 7.2 shall survive the consummation of the transactions contemplated by this Agreement; provided that the obligation of an Indemnifying Party to indemnify and hold harmless for any Losses based upon or arising out of representations and warranties of such Indemnifying Party in this Agreement shall not terminate with respect to any Losses as to which the Indemnified Party shall have, before the expiration of the applicable period set forth in clause (a), (b) or (c), as the case may be, previously made a claim by delivering a notice of such claim to the Indemnifying Party in accordance with this Article VII.

Section 7.6. Adjustment to Purchase Price . Any indemnification payment made pursuant to this Agreement shall be treated as an adjustment to the Purchase Price for Tax purposes.

Section 7.7. Exclusive Remedy . Notwithstanding any provision contained in this Agreement to the contrary, except as provided in Section 5.2(f), Section 5.6(d) and Section

9.9(d) and except in the case of fraud, willful misconduct or intentional misrepresentation, after the Closing, indemnification pursuant to the provisions of this Article VII shall be the sole and exclusive remedy for Losses arising as described in Section 7.1(a) or Section 7.2, as the case may be. The Parties acknowledge and agree that, except in the case of fraud, willful misconduct or intentional misrepresentation, they may not avoid such limitation on liability by (a) seeking damages for breach of contract, tort or pursuant to any other theory of liability, all of which are hereby waived, or (b) asserting or threatening any claim against any Affiliate or Representative of the other Party that is not a party hereto (or a successor to a party hereto) for breaches of the representations, warranties, covenants and agreements contained in this Agreement.

ARTICLE VIII

AMENDMENT AND WAIVER

Section 8.1. Amendment . This Agreement may be amended by the Parties at any time by an instrument in writing signed on behalf of each of the Parties.

Section 8.2. Extension; Waiver . As it relates to any obligation under this Agreement or any Related Document to be performed at any time after the Closing, the Parties may (a) extend the time for the performance of any of the obligations or other acts of the other Party, (b) to the extent permitted by Law, waive any inaccuracies in the representations and warranties contained herein or in any Related Document or (c) to the extent permitted by Law, waive compliance with any of the agreements or conditions contained herein. Any agreement on the part of a Party to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such Party. The failure of either Party to assert any of its rights under this Agreement or otherwise shall not constitute a waiver of such rights.

ARTICLE IX

GENERAL PROVISIONS

Section 9.1. Rules of Construction . The Parties agree that they have been represented by counsel during the negotiation and execution of this Agreement and have together drafted this Agreement and, therefore, waive the application of any Law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the Party drafting such agreement or document.

Section 9.2. Notices . All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given and received (a) upon receipt, if delivered personally, (b) three Business Days after deposit in the mail, if sent by registered or certified mail, (c) on the next Business Day after deposit with an overnight courier, if sent by overnight courier, (d) upon transmission, if sent by facsimile or email transmission prior to 6:00 p.m., local time, in the place of receipt and receipt is confirmed or (e) on the next Business Day following transmission, if sent by facsimile or email transmission after 6:00 p.m., local time, in the place of receipt and receipt is confirmed; provided that the notice or other communication is sent to the address, facsimile number or email address set forth beneath the name of such Party below

(or to such other address, facsimile number or email address as such Party shall have specified in a written notice to the other Party):

if to Buyer, to:

Novartis Consumer Healthcare S.A.
Route de L'Etraz,
1260 Nyon
Switzerland
Attn: Mark P. Van Emst, Esq., Assistant General Counsel
Email: mark.p.van-emst@gsk.com

and

GlaxoSmithKline
980 Great West Road
Brentford, Middlesex TW8 9GS
United Kingdom
Attn: Senior Vice President, Consumer Healthcare Business Development
Email: Chris.Harley-Martin@gsk.com

with copies (which shall not constitute notice) to:

GlaxoSmithKline
980 Great West Road
Brentford, Middlesex TW8 9GS
United Kingdom
Attn: Corporate Secretariat
Email: paul.y.williamson@gsk.com

and

GlaxoSmithKline LLC
709 Swedeland Road
King of Prussia, PA 19406
United States of America
Attn: Vice President and Associate General Counsel, Legal Corporate Functions-Business Development Transactions
Email: lisa.a.demarco@gsk.com

and

Covington & Burling LLP
The New York Times Building
620 Eighth Avenue
New York, NY 10018

United States of America
Attention: Jack S. Bodner
Fax: (646) 441-9079
Email: jbodner@cov.com

if to Seller, to:

NeuroMetrix, Inc.
1000 Winter St.
Waltham, MA 02451
United States of America
Attention: Chief Executive Officer
Fax: (781) 890-1556
Email: Shai_Gozani@neurometrix.com

with a copy (which shall not constitute notice) to:

Mintz Levin Cohn Ferris Glovsky and Popeo PC
One Financial Center
Boston, MA 02111
United States of America
Attention: Megan Gates
Fax: (617) 542-2241
Email: MNGates@mintz.com

Section 9.3. Consents and Approvals . For any matter under this Agreement requiring the consent or approval of either Party to be valid and binding on the Party, such consent or approval must be in writing.

Section 9.4. Counterparts . This Agreement may be executed in one or more counterparts (including by facsimile or electronic transmission in .pdf, .tiff or any similar format), all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party.

Section 9.5. Entire Agreement . Before signing this Agreement, the Parties had numerous conversations, including preliminary discussions, formal negotiations and informal conversations at meals and social occasions, and have generated correspondence and other writings, in which the Parties discussed the Contemplated Transactions and their goals and objectives related thereto. In such conversations and writings, individuals representing the Parties may have expressed their judgments and beliefs concerning the intentions, capabilities, and practices of the Parties, and may have forecasted future events. The Parties recognize that such conversations and writings often involve an effort by both Parties to present a positive and optimistic outlook about the prospects for a transaction such as the Contemplated Transactions. However, the Parties also recognize that business transactions contain an element of risk, as do the Contemplated Transactions, and that it is normal business practice to limit the legal obligations of contracting parties to only those promises and representations which are essential to their transaction so as to provide certainty as to their

respective future rights and remedies. Accordingly, other than the Transaction Agreements, the Confidentiality Agreements, and the other Related Documents, this Agreement is intended to define the full extent of the legally enforceable undertakings of the Parties, and no promise or representation, written or oral, which is not set forth explicitly in this Agreement is intended by either Party to be legally binding. Each of the Parties acknowledges that, in deciding to enter into this Agreement and to consummate the Contemplated Transactions, none of them has relied upon any statements or representations, written or oral, other than those explicitly set forth herein or therein.

Section 9.6. No Third-Party Beneficiaries . This Agreement, the Transaction Agreements, the Confidentiality Agreements and the other Related Documents are not intended to and do not confer upon any Person other than the Parties any legal or equitable rights.

Section 9.7. Assignment . Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned, in whole or in part, by operation of law or otherwise by either of the Parties without the prior written consent of the other Party, and any assignment without such consent shall be null and void, except that (a) Buyer, upon prior written notice to Seller, may assign, in its sole discretion, any of or all its rights, interests and obligations under this Agreement to any of its Affiliates, but no such assignment shall relieve Buyer of any of its obligations hereunder; provided that any such assignee of Buyer shall be primarily liable with respect to the obligations hereunder and the liability of Buyer shall be secondary; and (b) Buyer and its Affiliates, as applicable, may assign, in their sole discretion, any or all their rights, interests and obligations under this Agreement to a Third Party in connection with any transaction or series of transactions in which such Third Party directly or indirectly acquires or licenses the Business, the Product or the Purchased Assets (whether by merger, stock sale, license, collaboration or other similar transaction) or substantially all its assets or business. Subject to the preceding sentences, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the Parties and their respective successors and assigns.

Section 9.8. GOVERNING LAW . THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, REGARDLESS OF THE LAWS THAT MIGHT OTHERWISE GOVERN UNDER APPLICABLE PRINCIPLES OF CONFLICTS OF LAWS THEREOF.

Section 9.9. Enforcement .

(a) Each Party irrevocably submits to the exclusive jurisdiction of (i) the state courts of New York located in New York County, and (ii) the United States District Court for the Southern District of New York, for the purposes of any suit, action or other proceeding arising out of this Agreement or the Contemplated Transactions. Each Party agrees to commence any such action, suit or proceeding either in the United States District Court for the Southern District of New York or if such suit, action or other proceeding may not be brought in such court for jurisdictional reasons, in the state courts of New York located in New York County. Each Party further agrees that service of any process, summons, notice or document by the U.S. registered mail to such Party's respective address set forth above shall be effective service of process for any action, suit or proceeding in New York with respect to any matters to which it has submitted to jurisdiction in this Section 9.9. Each Party irrevocably and unconditionally waives any objection to the laying of venue

of any action, suit or proceeding arising out of this Agreement or the transactions contemplated hereby in (x) the state courts of New York located in New York County, and (y) the United States District Court for the Southern District of New York, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

(b) EACH PARTY WAIVES ITS RIGHT TO TRIAL OF ANY ISSUE BY JURY. Each Party (i) certifies that no representative, agent or attorney of the other Party has represented, expressly or otherwise, that such Party would not, in the event of any action, suit or proceeding, seek to enforce the foregoing waiver and (ii) acknowledges that it and the other Party has been induced to enter into this Agreement, by, among other things, the mutual waiver and certifications in this Section 9.9(b).

(c) Except for purposes of any right to indemnity under Article VII, each Party waives (i) with the exception of relief mandated by statute, any claim to punitive, exemplary, or multiplied damages and (ii) any claim for attorney fees, costs and prejudgment interest.

(d) The Parties agree that irreparable damage would occur and that the Parties would not have any adequate remedy at law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to an injunction or injunctions to compel the cessation of or prevent breaches of this Agreement, and to enforce specifically the terms and provisions of this Agreement in the state courts of New York located in New York County, and the United States District Court for the Southern District of New York, this being in addition to any other remedy to which they are entitled at law or in equity and as further set forth in this Section 9.9, including the recovery of money damages.

Section 9.10. Severability . If any term or other provision of this Agreement or any Related Document is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement or such Related Document shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement or such Related Document so as to effect the original intent of the Parties as closely as possible to the fullest extent permitted by applicable Law in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

Section 9.11. Bulk Sales . Buyer hereby waives compliance by Seller with the provisions of any applicable bulk sales Law of any jurisdiction in connection with the sale of the Purchased Assets. Notwithstanding any such waiver, Seller agrees to indemnify Buyer against all Liability, damage or expense which Buyer may suffer due to the failure to so comply or to provide notice required by any such Law.

[*Remainder of page intentionally left blank*]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed by their respective officers hereunto duly authorized, all as of the date first written above.

SELLER:

NEUROMETRIX, INC.

By: /s/ Shai N. Gozani M.D., PhD.
Name: Shai N. Gozani M.D., PhD.
Title: President and CEO

BUYER:

NOVARTIS CONSUMER HEALTH S.A.

By: /s/ M. P. van Ernst
Name: M. P. van Ernst
Title: Legal Director

By: /s/ Marianne Lysses
Name: Marianne Lysses
Title: Senior Legal Counsel

***Portions of the exhibit, indicated by the mark "[***],"** were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.*

EXHIBIT 10.20

DEVELOPMENT AND SERVICES AGREEMENT

between

NEUROMETRIX, INC.

and

NOVARTIS CONSUMER HEALTH S.A.

Dated as of January 12, 2018

***Portions of the exhibit, indicated by the mark "[***],"* were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.**

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DEVELOPMENT AND SERVICES AGREEMENT

This Development and Services Agreement (the "**Agreement**") is made and entered into effective as of January 12, 2018 (the "**Effective Date**") by and between NeuroMetrix, Inc., a Delaware corporation ("**NeuroMetrix**") and Novartis Consumer Health S.A., a *société anonyme* organized under the laws of Switzerland ("**GSK**"). NeuroMetrix and GSK are sometimes referred to herein individually as a "**Party**" and collectively as the "**Parties**."

RECITALS

WHEREAS, the Parties have entered into an Asset Purchase Agreement, dated as of the date hereof (the "**Asset Purchase Agreement**") under which GSK purchased from NeuroMetrix its right, title and interest in, to and under the Device (as defined herein) and other Purchased Assets (as defined in the Asset Purchase Agreement) in the GSK Territory (as defined herein) upon the terms and subject to the conditions set forth therein; and

WHEREAS, the Parties wish to Develop the Device, to investigate potential improvements thereto and to provide and receive services necessary to Commercialize the Device, in accordance with the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the premises and the mutual promises and conditions set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, do hereby agree as follows:

ARTICLE 1
DEFINITIONS

Unless otherwise specifically provided herein, the following terms shall have the following meanings:

1.1. "**Affiliate**" means, with respect to a Party, any Person that, directly or indirectly, through one (1) or more intermediaries, controls, is controlled by or is under common control with such Party. For purposes of this definition, "control" and, with correlative meanings, the terms "controlled by" and "under common control with" means: (i) the possession, directly or indirectly, of the power to direct the management or policies of a business entity, whether through the ownership of voting securities, by contract relating to voting rights or corporate governance or otherwise; or (ii) the ownership, directly or indirectly, of more than fifty percent (50%) of the voting securities or other ownership interest of a business entity (or, with respect to a limited partnership or other similar entity, its general partner or controlling entity). For purposes of this Agreement, SPV (as defined in the Asset Purchase Agreement) shall not be deemed to be an Affiliate of either GSK or NeuroMetrix.

1.2. "**Agreement**" has the meaning set forth in the preamble hereto.

1.3. "**Anti-Corruption Laws**" means the U.S. Foreign Corrupt Practices Act, as amended and any other applicable anti-corruption laws and laws for the prevention of fraud, racketeering, money laundering or terrorism.

1.4. "**Applicable Law**" means applicable laws, rules and regulations, including any rules, regulations, guidelines or other requirements of the Regulatory Authorities, that may be in effect from time to time, which with respect to each Development activity shall be deemed to include the applicable regulations and guidances of the FDA and European Union (and national implementations thereof) that constitute good laboratory practices, good manufacturing practices and good clinical practices (and, if and as appropriate under the circumstances, International Conference on Harmonization (ICH) guidance or other comparable regulation and guidance of any applicable Regulatory Authority in the Territory).

1.5. "Application" means the mobile application to be created by NeuroMetrix for GSK based upon the Quell Health Cloud and mobile application, as it exists on the Effective Date, as contemplated to be modified pursuant to the Development Plan.

1.6. "**Arising Copyrights**" has the meaning set forth in Section 7.1.3.

1.7. "**Arising Intellectual Property Rights**" means collectively the Arising Know-How, Arising Patents, Arising Copyrights and other intellectual property rights subsisting in or pursuable with respect to Arising Know-How.

1.8. "**Arising Know-How**" means Information, whether or not patented or patentable, that is conceived, discovered, reduced to practice, developed, fixed in a tangible medium of expression or otherwise made (a) by or on behalf of either Party or any of its Affiliates or its or their sublicensees or subcontractors under or in connection with this Agreement or the work conducted under or in connection with the Development Plan or a Renewal Development Plan or (b) by or on behalf of NeuroMetrix or any of its Affiliates or its or their sublicensees or subcontractors at any time from December 22, 2017 to the Effective Date that relates to the Device.

1.9. "**Arising Patents**" has the meaning set forth in Section 7.1.3.

1.10. "**[***]**

1.11. "**Asset Purchase Agreement**" has the meaning set forth in the Recitals hereto.

1.12. "**Auditor**" has the meaning set forth in Section 6.6.2.

1.13. "**Breaching Party**" has the meaning set forth in Section 11.2.1.

1.14. "Bug Fix" means a resolution of a definable problem within the code or database layer of the Product Software that causes any existing functionality of the Product Software to break or lack functionality to accomplish a particular task or which results in a degradation of performance. For clarity, Bug Fixes make the Product Software "correct", not necessarily subjectively and/or objectively "better".

1.15. "**Business**" means that portion of the business of NeuroMetrix, directly or indirectly, consisting of the Exploitation of the Device, as contemplated to be conducted as of the Effective Date.

1.16. "**Business Day**" means a day other than a Saturday or Sunday or a day on which banking institutions in New York, New York are permitted or required to be closed.

1.17. "**Calendar Quarter**" means each successive period of three (3) calendar months commencing on January 1, April 1, July 1 and October 1, except that the first Calendar Quarter of the Term shall commence on the Effective Date and end on the day immediately prior to the first to occur of January 1, April 1, July 1 or October 1 after the Effective Date and the last Calendar Quarter shall end on the last day of the Term.

1.18. "**Calendar Year**" means each successive period of twelve (12) calendar months commencing on January 1 and ending on December 31, except that the first Calendar Year of the Term shall commence on the Effective Date and end on December 31 of the year in which the Effective Date occurs and the last Calendar Year of the Term shall commence on January 1 of the year in which the Term ends and end on the last day of the Term.

1.19. **"Cloud Database"** means the database(s) and other associated resources to be developed and maintained by GSK, with NeuroMetrix's support as set forth in Section 4, and which substantially replicates the functionality of the Quell Health Cloud, as it exists on the Effective Date, and as modified pursuant to Article 3.

1.20. "**Commercialization**" means any and all activities directed to the preparation for sale of, offering for sale of or sale of the Device, including activities related to marketing, promoting, distributing and importing such Device, and interacting with Regulatory Authorities regarding any of the foregoing. When used as a verb, "**to Commercialize**" and "**Commercializing**" mean to engage in Commercialization and "**Commercialized**" has a corresponding meaning.

1.21. "**Commercially Reasonable Efforts**" means: with respect to the performance of Development activities or commercial launch activities with respect to the Device by a Party, the carrying out of such activities using efforts and resources that such Party would typically devote to products of similar market potential at a similar stage in development or product life of similar market potential at a similar stage in development or product life, taking into account all scientific, commercial and other factors that the Party would take into account, including issues of safety and efficacy, expected and actual cost and time to develop, expected and actual profitability (including payments required hereunder), expected and actual competitiveness of alternative Third Party products in the marketplace, the nature and extent of expected and actual market exclusivity (including patent coverage), the expected likelihood of regulatory approval, the expected and actual labeling, the expected and actual reimbursability and pricing and the expected and actual amounts of marketing and promotional expenditures required.

1.22. "**Completed Responses**" has the meaning set forth in Section 4.8.

1.23. "**Confidential Information**" has the meaning set forth in Section 8.1.

1.24. "**Confidentiality Agreements**" means (a) that certain Confidential Disclosure Agreement dated as of May 8, 2017, by and between NeuroMetrix and GlaxoSmithKline, LLC, an Affiliate of GSK and (ii) that certain Standstill Agreement, dated as of July 19, 2017, by and between NeuroMetrix and GlaxoSmithKline, LLC, an Affiliate of GSK.

1.25. "**Copyleft License**" means any license that requires, as a condition of use, modification or distribution of Software, other Information or intellectual property subject to such license, that such Software, other Information or intellectual property (and any other Software, other Information or intellectual property incorporated into, derived from, used or distributed with such Software, other Information or intellectual property): (a) in the case of Software, be made available (whether or not publicly) or distributed in a form (e.g., source code) other than binary, (b) be licensed for the purpose of preparing derivative works, (c) be licensed under terms that allow the products or services or portions thereof or interfaces therefor to be reverse engineered, decompiled, reverse assembled or disassembled or (d) be redistributable free of charge. Copyleft Licenses include, without limitation, the GNU General Public License, the GNU Lesser General Public License, the GNU Affero General Public License, the Mozilla Public License, the Common Development and Distribution License, the Eclipse Public License and all Creative Commons "sharealike" licenses.

1.26. "**Copyright**" means all copyrights, mask works, and other rights in any works of authorship of any type, in all forms, media or medium, now known or hereinafter developed, and whether or not completed, published, or used, including all drafts, plans, sketches, artwork, layouts, copy, designs, photographs, illustrations, collections, serials, printed or graphic matter, slides, compilations, serials, promotions, audio or visual recordings, transcriptions, databases, Software, and all derivative works, translations, adaptations, or combinations of any of the foregoing, all registrations and applications therefor and all extensions, restorations, and renewals of any of the foregoing, all worldwide rights and priorities afforded under any Applicable Law with respect to any of the foregoing, and all termination rights, moral rights, rights of publicity, author rights and all other rights associated therewith.

1.27. "**Critical Vendors**" means the Third Parties set forth on Schedule 1.27.

1.28. "**Design and Regulatory Documentation**" means all (a) designs, schematics, specifications and quality, testing and release procedures; (b) applications (including all applications for Regulatory Approvals), registrations and licenses (including Regulatory Authorizations); (c) correspondence and reports submitted to or received from Regulatory Authorities (including minutes and official contact reports relating to any communications with any Regulatory Authority) and all supporting documents with respect thereto, including all adverse event files and complaint files; (d) clinical and other data contained or relied upon in any of the foregoing; and (e) all technical files maintained by NeuroMetrix for purposes of demonstrating compliance with the EU Medical Devices Directive; in each case of clauses (a) through (e) to the extent relating to the Device.

1.29. "**Development**" means all activities related to research, pre-clinical and other non-clinical testing, test method development, design, engineering, process development, manufacturing scale-up, qualification and validation, quality assurance/quality control, clinical studies, including Manufacturing in support thereof, statistical analysis and report writing, the preparation and submission of applications for Regulatory Approval, regulatory affairs with respect

to the foregoing and all other activities necessary or reasonably useful or otherwise requested or required by a Regulatory Authority as a condition or in support of obtaining or maintaining a Regulatory Approval. When used as a verb, "**Develop**" means to engage in Development.

1.30. "**Development Costs**" means the FTE Costs (charged in accordance with Section 6.2.1) incurred and the direct out-of-pocket costs recorded as an expense, in accordance with GAAP, by or on behalf of NeuroMetrix or any of its Affiliates after the first (1st) anniversary of the Effective Date during the Term that are specifically identified in or reasonably allocable to the Development of a Device in accordance with this Agreement and the applicable Development Plan or Renewal Development Plan; *provided, however*, that such costs shall be included in "Development Costs" with respect to a particular activity only to the extent less than or equal to the amounts set forth in the Development Plan or Renewal Development Plan for such activity (subject to permitted overruns pursuant to Section 6.2.2). For clarity, Development Costs shall not include costs for general overhead, postage, communications, photocopying, printing or internet expense, professional dues, operating supplies, laboratory supplies, printers, photocopiers, fax machines or other office equipment, laboratory equipment, computers or computer service charges or any costs that are subsumed within the definition of FTE Costs.

1.31. "**Development Plan**" has the meaning set forth in Section 3.1.1(i).

1.32. "**Device**" means a device (including all associated Software, mobile applications and associated cloud database services) that is based upon the Quell device marketed by NeuroMetrix as of the date hereof, as contemplated to be modified or developed pursuant to the Development Plan, and including any modifications or developments made separately by or on behalf of GSK.

1.33. "**Device Software**" means all Software embedded within the Device (e.g., firmware).

1.34. **"Disaster"** means material damage to or destruction (e.g., fire, flood, hurricane, tornado, terrorism, sabotage, contamination, or the like) of the data center that hosts the Quell Health Cloud and/or end user data that renders the Application or a material subset of the Application (e.g., backups to the Quell Health Cloud) inoperable and unrecoverable.

1.35. "**Dollars**" or "**$**" means United States Dollars.

1.36. "**Effective Date**" has the meaning set forth in the preamble hereto.

1.37. "**Electrode**" means the electrodes that work with the Quell 2 device.

1.38. "**EMA**" means the European Medicines Agency and any successor agency thereto.

1.39. "**EU Medical Devices Directive**" means Council Directive 93/42/EEC of 14 June 1993 concerning medical devices, as amended or supplemented from time to time.

1.40. [***]

1.41. "**European Union**" means the economic, scientific and political organization of member states as it may be constituted from time to time.

1.42. "**Exceptions**" has the meaning set forth in Section 4.2.2.

1.43. "**Exploit**" means to make, have made, import, use, sell or offer for sale, including to research, Develop, Commercialize, register, Manufacture, have Manufactured, hold or keep (whether for disposal or otherwise), have used, export, transport, distribute, promote, market or have sold or otherwise dispose of. "**Exploitation**" means the act of Exploiting a compound, product or process.

1.44. "**FDA**" means the United States Food and Drug Administration and any successor agency thereto.

1.45. "**FFDCA**" means the United States Federal Food, Drug, and Cosmetic Act, as amended from time to time, together with any rules, regulations and requirements promulgated thereunder (including all additions, supplements, extensions and modifications thereto).

1.46. "**Field**" means transcutaneous electrical nerve stimulation for treatment of pain.

1.47. "**First Commercial Sale**" means, with respect to the Device and a country, the first sale for monetary value by the GSK division headquartered in such country for use or consumption by the end user of such Device in such country. GSK's, its Affiliates' or its or their sublicensees' transfer of any Device to an Affiliate or sublicensee shall not be construed as a First Commercial Sale.

1.48. "**FTE**" means the equivalent of the work of one (1) employee full time for one (1) Calendar Year (consisting of at least a total of [***] hours per Calendar Year) of work directly related to the Development of a Device. No additional payment shall be made with respect to any person who works more than [***] hours per Calendar Year and any person who devotes less than [***] hours per Calendar Year (or such other number as may be agreed by the JSC) shall be treated as an FTE on a pro rata basis based upon the actual number of hours worked divided by [***].

1.49. "**FTE Costs**" means, with respect to NeuroMetrix for any period, the applicable FTE Rate multiplied by the applicable number of FTEs of NeuroMetrix performing Development activities during such period in accordance with the applicable Development Plan.

1.50. "**FTE Rate**" means, as of the Effective Date, as set forth in Schedule 1.50; *provided* that such rate shall be adjusted annually, with each annual adjustment effective as of January 1 of each Calendar Year, with the first such annual adjustment to be made as of January 1, 2019, based on each Party's change in the fully absorbed cost of a full-time employee in the applicable functional area from the previous January 1.

1.51. "**GAAP**" means, with respect to a Party or its Affiliates or its or their sublicensees, United States generally accepted accounting principles, International Financial

Reporting Standards or such other similar national standards as such Party, Affiliate or its or their sublicensee adopts, in each case, consistently applied.

1.52. "**Government Official**" has the meaning set forth in Schedule 9.3.1.

1.53. "**GSK**" has the meaning set forth in the preamble hereto.

1.54. "**GSK Arising Copyrights**" has the meaning set forth in Section 7.1.3.

1.55. "**GSK Arising Patents**" has the meaning set forth in Section 7.1.3.

1.56. "**GSK Background Intellectual Property**" means the GSK Purchased Patents and the rights and licenses granted to GSK under the Buyer License Agreement (as defined in the Asset Purchase Agreement).

1.57. "**GSK Clinical Trial Data**" means any Information, including aggregated data and any final clinical trial reports, arising from clinical trials conducted by GSK with respect to the Device during the Term.

1.58. "**GSK Indemnified Party**" has the meaning set forth in Section 10.2.

1.59. "**GSK Only Improvement**" has the meaning set forth in Section 2.1.

1.60. "**GSK Purchased Patents**" means the Purchased Patents, as such term is defined in the Asset Purchase Agreement.

1.61. "**GSK Territory**" means the entire world, other than the United States.

1.62. "**Indemnified Party**" has the meaning set forth in Section 10.3.1.

1.63. "**Indemnifying Party**" has the meaning set forth in Section 10.3.1.

1.64. "**Information**" means all technical, scientific and other know-how and information, trade secrets and other discoveries, concepts, inventions (whether or not patentable and whether or not reduced to practice), invention disclosures, improvements, proprietary information, confidential information, knowledge, technology, means, methods, processes, processing methods, practices, formulae, instructions, skills, techniques, procedures, manufacturing techniques, logics, algorithms, schematics, work-flow diagrams, work product, experiences, ideas, technical assistance, designs, design rights, drawings, assembly procedures, Software, apparatuses, specifications, databases, compilations of data, data (excluding personally identifiable information) and aggregated data, data analytics, results and other material; provided that Information will not include (i) raw data obtained, compiled, generated or held by NeuroMetrix relating to customers based outside the GSK Territory and included in the cloud application named by NeuroMetrix as the "Quell Health Cloud"; (ii) lists of customers outside the GSK Territory and obtained, compiled, generated or held by NeuroMetrix; and (iii) business and marketing plans outside the GSK Territory and obtained, generated or held by NeuroMetrix.

1.65. "**Infringement**" has the meaning set forth in Section 7.3.1.

1.66. **"Initial Term**" has the meaning set forth in Section 11.1.

1.67. "**Invoiced Sales**" has the meaning set forth in the definition of "Net Sales."

1.68. "**Joint Arising Intellectual Property Rights**" means any Arising Intellectual Property Rights other than Arising Copyrights and Arising Patents.

1.69. "**Joint Development Activities**" has the meaning set forth in Section 3.1.1.

1.70. "**Joint IP Working Group**" has the meaning set forth in Section 5.3.

1.71. "**Joint Steering Committee**" or "**JSC**" has the meaning set forth in Section 5.1.

1.72. "**Knowledge**" (and similar phrases) means, with respect to any matter in question, the actual knowledge of a Party's officers after making due inquiry of the other managers and employees of such Party having primary responsibility for such matter.

1.73. "**Losses**" has the meaning set forth in Section 10.1.

1.74. "**Manufacture**" and "**Manufacturing**" means all activities related to the production, manufacture, processing, packaging, labeling, shipping and holding of the Device or any component or part therein, including process development, process qualification and validation, scale-up, manufacture and analytic development, quality assurance and quality control.

1.75. "**Manufacturing Process**" has the meaning set forth in Section 3.7.1.

1.76. "**Material European Interruption**" means any event, change, circumstance, effect or other matter of a regulatory, safety, technical or commercial nature, that has, or could reasonably be expected to have, either individually or in the aggregate with all other events, changes, circumstances, effects or other matters, a material adverse effect on the Exploitation of the Device in the European Union by GSK.

1.77. "**Milestone Country**" means each of [***].

1.78. "**Nano Specifications**" has the meaning set forth on Schedule 1.78.

1.79. "**Net Sales**" means, with respect to a Device (which for purposes of this definition shall also include any modifications or developments made separately by or on behalf of NeuroMetrix after the date that a termination by NeuroMetrix pursuant to Section 11.2.6 becomes effective) for any period, the gross amount billed or invoiced by NeuroMetrix, its Affiliates or its or their sublicensees to Third Parties for the sale of a Device (the "**Invoiced Sales**"), less deductions for:

1.79.1. normal and customary trade, quantity and prompt settlement discounts (including chargebacks and allowances) actually allowed;

1.79.2. amounts repaid or credited by reason of rejection, return or recall of goods, rebates or bona fide price reductions;

1.79.3. freight, postage, shipping and insurance expenses to the extent that such items are included in the gross amount invoiced;

1.79.4. customs and excise duties and other taxes or duties related to the sales to the extent that such items are included in the gross amount invoiced;

Any of the deductions listed above that involves a payment by NeuroMetrix, its Affiliates or its or their sublicensees shall be taken as a deduction in the Calendar Quarter in which the payment is accrued by such entity. For purposes of determining Net Sales, a Device shall be deemed to be sold when invoiced and a "sale" shall not include transfers or dispositions of such Device for pre-clinical or clinical purposes or as samples, in each case, without charge. NeuroMetrix's, its Affiliates' or its or their sublicensees' transfer of any Device to an Affiliate or sublicensee shall not result in any Net Sales.

1.79.5. Subject to the above, Net Sales shall be calculated in accordance with the standard internal policies and procedures of NeuroMetrix, its Affiliates or its or their sublicensees, in accordance with GAAP or IFRS.

1.80. "**NeuroMetrix**" has the meaning set forth in the preamble hereto.

1.81. "**NeuroMetrix Arising Copyrights**" has the meaning set forth in Section 7.1.3.

1.82. "**NeuroMetrix Arising Patents**" has the meaning set forth in Section 7.1.3.

1.83. "**NeuroMetrix Background Intellectual Property**" means the NeuroMetrix Patents and the rights and licenses granted to NeuroMetrix under the Seller License Agreement (as defined in the Asset Purchase Agreement).

1.84. "**NeuroMetrix Clinical Trial Data**" means any Information, including aggregated data and any final clinical trial reports, arising from clinical trials conducted by NeuroMetrix with respect to the Device during the term of the Term (including those trials that are ongoing as of the Effective Date).

1.85. "**NeuroMetrix Indemnified Party**" has the meaning set forth in Section 10.1.

1.86. "**NeuroMetrix Patents**" means all pending current and future United States Patents and applications for a United States Patent which are counterparts of the GSK Purchased Patents, including (i) the United States part of any PCT applications in the GSK Purchased Patents and (ii) United States Patents and applications therefor which have a common priority claim as any of the GSK Purchased Patents or from which any of the GSK Purchased Patents claim priority.

1.87. "**NeuroMetrix Territory**" means the United States.

1.88. "**Non-Breaching Party**" has the meaning set forth in Section 11.2.1.

1.89. "**Notice Period**" has the meaning set forth in Section 11.2.1.

1.90. "**Notified Body**" means an entity licensed, authorized or approved by the applicable Regulatory Authority to assess and certify the conformity of a medical device with the requirements of the EU Medical Devices Directive and applicable harmonized standards.

1.91. "**Open Source Software**" means any Software, including any source code or Software library and any intellectual property in such Software, subject to (i) a license meeting the Open Source Definition (as promulgated by the Open Source Initiative), (ii) a license meeting the Free Software Definition (as promulgated by the Free Software Foundation), or (iii) any substantially similar license to either of the foregoing, including any license approved by the Open Source Initiative, any Creative Commons License, and any Copyleft License.

1.92. "**Party**" and "**Parties**" have the meaning set forth in the preamble hereto.

1.93. "**Patents**" means all issued patents and applications therefor, including all applications and filings made pursuant to the Patent Cooperation Treaty (PCTs), the European Patent Convention (EPs) or any other multi-national agreement (including the country and/or regional designations therein), provisionals, non-provisionals, converted provisionals, requests for continued examination, continuations, divisionals, continuations-in-part, substitutions, additions, reexaminations and reissues, oppositions, *inter partes* review, post-grant review, transitional program for covered business method patent review, derivation proceedings, or other proceedings established by the America Invents Act, all rights in respect of utility models, petty patents, innovation patents and design patents (also known as registered or industrial designs) and certificates of invention, and all worldwide rights and priorities afforded under any Applicable Law with respect to any of the foregoing, and all extensions (including Supplementary Protection Certificates), restorations, and renewals of any of the foregoing.

1.94. "**Payment**" has the meaning set forth in Section 6.5.1.

1.95. "**Person**" means an individual, sole proprietorship, partnership, limited partnership, limited liability partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture or other similar entity or organization, including a government or political subdivision, department or agency of a government.

1.96. "Product Software" means the Application, the Device Software, and any Software provided by NeuroMetrix that configures the Cloud Database or facilitates communication between the Application and the Cloud Database.

1.97. "**Prototype**" means any prototype, engineering sample or other pre-production version of the Device.

1.98. "**Regulatory Approval**" means, with respect to a country, any and all approvals, licenses, clearances, CE marking certifications, registrations or authorizations of any Regulatory Authority necessary or useful to commercially distribute, sell or market a Device in such country, including, where applicable, (a) pricing or reimbursement approval in such country, (b) pre- and post-approval marketing authorizations (including any prerequisite manufacturing approval or authorizations related thereto), (c) labeling approval and (d) technical, medical and scientific licenses.

1.99. "**Regulatory Authority**" means any applicable supra-national, federal, national, regional, state, provincial or local regulatory agencies, departments, bureaus, commissions, councils or other government entities or any Notified Body regulating or otherwise exercising authority with respect to the Exploitation of the Device, including the FDA in the United States and the competent authorities of the European Union.

1.100. "**Regulatory Authorizations**" means (a) all licenses, permits, certificates, clearances, Regulatory Approvals, exemptions, approvals, consents and other authorizations, including those prepared for submission to or issued by any Regulatory Authority or research ethics committee (including pre-market notification clearances, pre-market approvals, investigational device exemptions, non-clinical and clinical study authorizations, product re-certifications, manufacturing approvals and authorizations, CE marking certifications, pricing and reimbursement approvals, labeling approvals, registration notifications or their foreign equivalent), that are required for or relate to the Exploitation of the Device; and (b) all applications, supporting files, writings, data, studies and reports, and all correspondence to, with, or from the FDA or any other Regulatory Authority or research ethics committee, relating to any license, permit, certificate, clearance, Regulatory Approval, exemption, approval, consent or other authorization described in clause (a).

1.101. "**Regulatory Documentation**" means: all (i) applications, registrations, licenses, authorizations and approvals (including Regulatory Approvals); (ii) correspondence and reports submitted to or received from Regulatory Authorities (including minutes and official contact reports relating to any communications with any Regulatory Authority) and all supporting documents with respect thereto, including all adverse event files and complaint files; and (iii) clinical and other data contained or relied upon in any of the foregoing; in each case ((i), (ii) and (iii)) relating to the Device.

1.102. "**Renewal Development Plan**" has the meaning set forth in Section 3.1.2(i).

1.103. "**Renewal Period**" has the meaning set forth in Section 11.1.

1.104. "**Resolve**" (including "**Resolved**", "**Resolution**" and correlative capitalized terms) means that, as to any problem, error or other issue impacting the Product Software, NeuroMetrix has remedied the root cause of the issue (e.g., by implementing a Bug Fix) such that the functionality and performance of the Product Software is fully restored in all respects.

1.105. "**Restricted Period**" means the period commencing on the Effective Date and ending on the [***] anniversary of the date of termination or expiration without renewal of this Agreement.

1.106. "**Scheduled Maintenance**" has the meaning set forth in Section 4.1.6.

1.107. "**Senior Management**" means, with respect to NeuroMetrix, its [***] and with respect to GSK, its [***]

1.108. "**Service Level Credits"** has the meaning set forth in Section 4.3.

1.109. "**Service Level Failure**" means a failure to fully perform or provide a service in compliance with the terms set forth herein.

1.110. **"Service Levels"** means the defined severity levels and corresponding required service level responses, response times, Resolution and Resolution times referred to in Section 4.1.2, Section 4.1.3 and Section 4.2.

1.111. "**Software**" means all computer software, programs, code and databases in any form, including Internet web sites, web content and links, source code (including all programmer comments), object code, pseudocode, algorithms, development tools, operating systems and specifications, data, database management code, utilities, graphical user interfaces, menus, images, icons, forms, methods of processing, software engines, platforms and data forms, and all versions, updates, corrections, derivations enhancements and modifications thereof, and all related documentation, developer notes, flowcharts, comments, annotations files, records and data on all media on which any of the foregoing is recorded.

1.112. **"Support Request"** has the meaning set forth in Section 4.1.3.

1.113. **"Support Services**" means NeuroMetrix's support of the then-current version and release of the Product Software, and the two prior versions in accordance with Article 4.

1.114. "**Term**" means the Initial Term and the Renewal Period(s), if any.

1.115. "**Terminated Territory**" has the meaning set forth in Section 11.4.4.

1.116. "**Termination Notice**" has the meaning set forth in Section 11.2.1.

1.117. "**Territory**" means the NeuroMetrix Territory and the GSK Territory.

1.118. "**Third Party**" means any Person other than NeuroMetrix, GSK and their respective Affiliates.

1.119. "**Third Party Claims**" has the meaning set forth in Section 10.1.

1.120. "**Triad**" means Triad Semiconductor, Inc.

1.121. "**United States**" or "**U.S.**" means the United States of America and its territories and possessions (including the District of Columbia and Puerto Rico).

1.122. "**VAT**" has the meaning set forth in Section 6.4.2.

1.123. [***].

ARTICLE 2
GRANT OF RIGHTS

2.1. Grants to NeuroMetrix. Subject to Sections 2.3 and 2.4.1, GSK (on behalf of itself and its Affiliates) hereby grants to NeuroMetrix:

2.1.1. an exclusive, sublicensable, royalty-free, fully paid-up right and license under the GSK Background Intellectual Property in the GSK Territory solely to Develop, Manufacture and have Manufactured products in the Field solely for Commercialization of the products in the NeuroMetrix Territory;

2.1.2. an exclusive, sublicensable, royalty-free, fully paid-up right, license and right of reference under the GSK Arising Patents and the GSK Arising Copyrights in the GSK Territory solely to Develop, Manufacture and have Manufactured products in the Field solely for Commercialization of the products in the NeuroMetrix Territory;

2.1.3. an exclusive, sublicensable, royalty-free, fully paid-up right, license and right of reference under the GSK Clinical Trial Data solely (a) to Develop, Manufacture and have Manufactured products in the Field solely for Commercialization of the products in the NeuroMetrix Territory and (b) to Commercialize products in the Field in the NeuroMetrix Territory; and

2.1.4. a non-exclusive, sublicensable, royalty-free, fully paid-up right and license under the GSK Background Intellectual Property solely to sell or provide Electrodes in Canada to customers who have acquired the Device prior to the Effective Date, which license shall terminate automatically thirty (30) days after delivery of notice by GSK to NeuroMetrix of GSK's intent to begin Commercializing the Device in Canada.

Notwithstanding the foregoing, in the event the Development Plan or Renewal Development Plan, as the case may be, identifies any deliverable or item as being solely for the benefit of GSK (each, a "**GSK Only Improvement**"), to the extent any Patent, Copyright or Information claims, covers, protects or otherwise directly relates to such GSK Only Improvement, such Patent, Copyright and Information shall be excluded from the grants set forth above.

2.2. Grants to GSK. Subject to Sections 2.3 and 2.4.2, NeuroMetrix (on behalf of itself and its Affiliates) hereby grants to GSK:

2.2.1. an exclusive, sublicensable, royalty-free, fully paid-up right and license under the NeuroMetrix Background Intellectual Property in the NeuroMetrix Territory solely to Develop, Manufacture, and have Manufactured products in the Field solely for Commercialization of the products in the GSK Territory;

2.2.2. an exclusive, sublicensable, royalty-free, fully paid-up right, license and right of reference under the NeuroMetrix Arising Patents and the NeuroMetrix Arising Copyrights in the NeuroMetrix Territory solely to Develop, Manufacture and have Manufactured products in the Field solely for Commercialization of the products in the GSK Territory; and

2.2.3. an exclusive, sublicensable, royalty-free, fully paid-up right, license and right of reference under the NeuroMetrix Clinical Trial Data solely (a) to Develop, Manufacture and have Manufactured products in the Field solely for Commercialization of the products in the GSK Territory and (b) to Commercialize products in the Field in the GSK Territory.

2.3. Sublicenses. Subject to Section 5.6 of the Asset Purchase Agreement, either Party shall have the right to grant sublicenses (or further rights of reference), through multiple tiers of sublicensees, under the licenses and rights of reference granted in Section 2.1 and Section 2.2, as applicable, to its Affiliates and other Persons; *provided* that any such sublicenses shall be consistent with the terms and conditions of this Agreement. A copy of any sublicense agreement with a Third Party executed by a Party shall be provided to the other Party within thirty (30) days after its execution; *provided* that the financial and any other terms of any such sublicense agreement not pertinent to an understanding of a Party's obligations or benefits under this Agreement may be redacted.

2.4. Retention of Rights.

2.4.1. GSK expressly retains for itself the right (including the right to grant licenses) under the GSK Background Intellectual Property, the GSK Arising Patents, the GSK Arising Copyrights and the GSK Clinical Trial Data, to Develop, Manufacture and have Manufactured products in the Field for Commercialization of the products in the GSK Territory, and such retained rights shall be antecedent to the rights granted in Section 2.1 to NeuroMetrix. Except as expressly provided herein, GSK grants to NeuroMetrix no other right or license, including any rights or licenses to any other Patent, Copyright, Information or intellectual property rights not otherwise expressly granted herein.

2.4.2. NeuroMetrix expressly retains for itself the right (including the right to grant licenses) under the NeuroMetrix Background Intellectual Property, the NeuroMetrix Arising Patents, the NeuroMetrix Arising Copyrights and the NeuroMetrix Clinical Trial Data, to Develop, Manufacture and have Manufactured products in the Field for Commercialization of the products in the NeuroMetrix Territory, and such retained rights shall be antecedent to the rights granted in Section 2.2 to GSK. Except as expressly provided herein, NeuroMetrix grants to GSK no other right or license, including any rights or licenses to any other Patent, Copyright, Information or intellectual property rights not otherwise expressly granted herein.

2.5. Disclosure of Clinical Trial Data.

2.5.1. Subject to Applicable Law, GSK shall, and shall cause its Affiliates to, without additional compensation, disclose and make available to NeuroMetrix GSK Clinical Trial Data (a) that is in existence as of the Effective Date, promptly after the Effective Date and (b)

that comes into existence after the Effective Date, promptly after the completion of the final clinical trial report with respect to such GSK Clinical Trial Data.

2.5.2. Subject to Applicable Law, NeuroMetrix shall, and shall cause its Affiliates to, without additional compensation, disclose and make available to GSK NeuroMetrix Clinical Trial Data (a) that is in existence as of the Effective Date, promptly after the Effective Date and (b) that comes into existence after the Effective Date, promptly after the completion of the final clinical trial report with respect to such NeuroMetrix Clinical Trial Data.

ARTICLE 3
DEVELOPMENT, REGULATORY AND COMMERCIALIZATION ACTIVITIES

3.1. Development.

3.1.1. Joint Development During Initial Term.

(i) Attached hereto as Schedule 3.1.1 is the initial plan for the Development of the initial Device and the Application during the Initial Term (the "**Development Plan**"), which plan shall assign responsibility for Development activities between the Parties (such activities, "**Joint Development Activities**") and a budget for such activities (in accordance with Section 3.1.1(iii)).

(ii) The JSC shall review each Development Plan regularly for the purpose of considering appropriate amendments thereto. In addition, either Party**,** through its representatives on the JSC, may propose amendments to any Development Plan for Joint Development Activities at any time, which amendments shall not be effective unless approved by both Parties through their representatives on the JSC; *provided*, that GSK shall have the right to amend any Development Plan without the consent of NeuroMetrix if GSK, in its reasonable discretion, determines that such amendment is necessary (a) for Device user-safety reasons or (b) to assure GSK's compliance with Applicable Law.

(iii) During (a) the [***] year of the Initial Term, but no later than [***], and (b) if this Agreement has not been terminated pursuant to Section 11.2.5, the [***] year of the Initial Term, but no later than [***], NeuroMetrix shall, in each case ((a) and (b)), submit to GSK a plan and budget detailing the proposed continued Development activities in the Field for, in the case of clause (a), the [***] year of the Initial Term, and in the case of clause (b), the [***] year of the Initial Term. The Parties shall meet to discuss such proposed Development Plan and agree through their respective representatives on the JSC upon a Development Plan that is mutually acceptable to the Parties. If the Parties have not agreed on a Development Plan by [***] of the same Calendar Year, either Party shall have the right to terminate this Agreement pursuant to Section 11.2.5.

(iv) Under the direction and supervision of the JSC, each Party shall perform the Joint Development Activities assigned to it under the applicable Development Plan and shall use Commercially Reasonable Efforts to do so in accordance with the timelines set forth in the Development Plan. Each Party shall perform or cause to be performed, any and all of

its Joint Development Activities in accordance with the Development Plan (including with respect to NeuroMetrix, the budget set forth therein) and in good scientific manner and in compliance with all Applicable Law by allocating sufficient time, effort, equipment, and skilled personnel to complete such Joint Development Activities.

(v) If NeuroMetrix is in breach of its obligation to perform any Joint Development Activity and fails to remedy such breach within [***] days after written notice thereof from GSK, GSK shall have the right, at GSK's sole election, and without limitation to any other right or remedy available to GSK, to assume and complete some or all of such Joint Development Activities assigned to NeuroMetrix under the Development Plan.

3.1.2. Development During Renewal Period(s).

(i) During (a) the [***] year of the Initial Term, but no later than [***] and, (b) during any Renewal Period, but no later than [***] of the relevant year, NeuroMetrix shall, in each case ((a) and (b)), submit a plan and budget detailing the proposed continued Development activities in the Field for the following year to GSK for discussion (each such plan, a "**Renewal Development Plan**"). The Parties shall meet to discuss the applicable Renewal Development Plan and agree through their respective representatives on the JSC upon a Renewal Development Plan that is mutually acceptable to the Parties. If the Parties have not agreed on a Renewal Development Plan by [***] of the same Calendar Year, such Renewal Development Plan shall be deemed to be rejected by the Parties.

(ii) Either Party**,** through its representatives on the JSC, may propose amendments to any Renewal Development Plan any time, which amendments shall not be effective unless approved by both Parties through their representatives on the JSC; *provided*, that GSK shall have the right to amend any Renewal Development Plan without the consent of NeuroMetrix if GSK, in its reasonable discretion, determines that such amendment is necessary (a) for Device user-safety reasons or (b) to assure GSK's compliance with Applicable Law.

(iii) Under the direction and supervision of the JSC, NeuroMetrix shall perform the Development activities assigned to it under the applicable Renewal Development Plan and shall use Commercially Reasonable Efforts to do so in accordance with the timelines set forth in such Renewal Development Plan. NeuroMetrix shall perform or cause to be performed, any and all of its Development activities in accordance with the applicable Renewal Development Plan (including the budget set forth therein) and in good scientific manner and in compliance with all Applicable Law by allocating sufficient time, effort, equipment, and skilled personnel to complete such Development activities.

3.2. Subcontracting . Subject to Section 7.1.4, each Party shall have the right to subcontract its Development activities under Section 3.1 to a Third Party without the approval of the other Party; *provided* that no such permitted subcontracting shall relieve the subcontracting Party of any obligation (except to the extent satisfactorily performed by such subcontractor).

3.3. Deliverables .

3.3.1. Prototype. NeuroMetrix shall deliver to GSK (i) Prototypes in such quantities and at such times as are set forth in the applicable Development Plan or Renewal Development Plan, and (ii) such reasonable quantities of additional then-current Prototypes as GSK may reasonably request from time to time. GSK shall pay to NeuroMetrix the reasonable out-of-pocket cost of such Prototypes within [***] days after delivery thereof.

3.3.2. Interim Components. NeuroMetrix shall deliver to GSK components of the Device (including Software) (i) in such quantities and at such times as are set forth in the applicable Development Plan or Renewal Development Plan, and (ii) such additional then-current components of the Device (including Software) as GSK may request from time to time. GSK shall pay to NeuroMetrix the reasonable out-of-pocket cost of such components within [***] after delivery thereof. In furtherance of the foregoing, until such time as GSK otherwise notifies NeuroMetrix, NeuroMetrix shall deliver no later than [***] Business Days after the end of each month during the Calendar Year a complete copy (in source code format, to include all programmer comments) of all Device Software and all Software integrated into the Application. In addition to the foregoing, upon GSK's request, NeuroMetrix shall provide such demonstrations of the Application and any Software in such format as GSK may reasonably request.

3.3.3. Design and Regulatory Documentation. Within [***] days after the end of each Calendar Quarter during the Term, NeuroMetrix shall deliver to GSK all Design and Regulatory Documentation that came into existence or was generated during such Calendar Quarter.

3.4. Development Records . Each Party shall maintain, in good scientific manner, complete and accurate books and records pertaining to their respective Development of the Device hereunder, in sufficient detail to verify compliance with its obligations under this Agreement and which shall be appropriate for patent and regulatory purposes, in compliance with Applicable Law and properly reflect all work done and results achieved in the performance of its Development activities hereunder. Such books and records shall be retained by NeuroMetrix or GSK, as the case maybe for at least three (3) years after the expiration or termination of this Agreement in its entirety or for such longer period as may be required by Applicable Law. Each Party shall have the right, during normal business hours and upon reasonable notice, to inspect and copy all records of the other Party maintained pursuant to this Section 3.4; *provided* that the inspecting Party shall maintain such records and the information disclosed therein in confidence in accordance with Article 8.

3.5. Development Reports . Each Party shall provide to the JSC a detailed report regarding its Development activities under Section 3.1 within [***] days after the end of each Calendar Quarter. Such report shall contain (a) sufficient detail to enable a Party to assess the compliance by the other Party with the applicable Development Plan or Renewal Development Plan, as applicable, and (b) information regarding any defects and bugs identified or resolved through the date of such report.

3.5.1. Adverse Events Reporting. To the extent required by Applicable Law, the Parties shall enter into an agreement on commercially reasonable terms to jointly collect and report adverse events in the GSK Territory and the NeuroMetrix Territory, including pursuant

to Manufacturer and User Facility Device Experience and other comparable foreign law relating to the subject matter thereof.

3.6. GSK Quality Audits . At the request of GSK, NeuroMetrix shall, and shall use Commercially Reasonable Efforts to cause each of its Critical Vendors to, permit GSK or GSK's agent or designee, at reasonable times and upon reasonable notice, to conduct a vendor quality audit of NeuroMetrix and such Critical Vendor; *provided*, that any such audit of NeuroMetrix shall be to ensure compliance with GSK quality standards, and any such audit of a Critical Vendor shall be [***].

3.7. Technology Transfer .

3.7.1. Manufacture and Supply. NeuroMetrix shall, when and as requested by GSK, transfer to GSK or its designee (which designee may be an Affiliate, sublicensee or a Third Party manufacturer) that of NeuroMetrix's Information relating to the Manufacture of the Device, including, for clarity, the then-current process for the Manufacture of the Devices as may be requested by GSK, as well as any improvements or enhancements to such processes (the "**Manufacturing Process**") in such form as GSK may reasonably request, and provide such support as may be necessary or reasonably useful to GSK or its designee to use and practice the Manufacturing Process, including by using Commercially Reasonable Efforts to assist GSK or its designee to enter into agreements with any of NeuroMetrix's Third Party manufacturers. Except to the extent that a transfer of the Manufacturing Process is requested in connection with a breach of this Agreement by NeuroMetrix, [***].

3.7.2. Quality Management System. NeuroMetrix shall, when and as requested by GSK, transfer to GSK or its designee (which designee may be an Affiliate, sublicensee or a Third Party) the protocols, procedures and such other information and material relating to the quality management system for the Device, in such form as GSK may reasonably request, as may be reasonably necessary in order for GSK or its designee to implement a quality management system substantially the same as the quality management system for the Device.

3.8. Open Source and Third Party IP.

3.8.1. NeuroMetrix represents and warrants to GSK that as of the Effective Date, only the Open Source Software set forth on Schedule 3.8.1 is incorporated into the Product Software. NeuroMetrix shall not incorporate additional Open Source Software into its future Development activities, except with respect to such Open Source Software as may be proposed included by NeuroMetrix and approved by GSK, such approval not to be unreasonably withheld or delayed.

3.8.2. NeuroMetrix shall not incorporate Third-Party Software into its Development activities without the prior written consent of GSK, except with respect to "off-the-shelf" or similar Software or other technology generally available on commercially reasonable terms.

3.9. Commercial Launch Diligence.

3.9.1. GSK shall use Commercially Reasonable Efforts to achieve the First Commercial Sale of a Device in each Milestone Country and [***]; *provided,* that (a) if GSK has not achieved the First Commercial Sale of a Device in at least [***], then GSK shall, absent a Material European Interruption, be deemed to have breached its diligence obligation under this Section 3.9.1 with respect to all [***], and (b) [***]. Notwithstanding the foregoing, GSK shall not be in breach of its diligence obligations under this Section 3.9.1 in the event that NeuroMetrix has failed to meet its own diligence obligations set forth in Section 3.1.1(iv) or Section 3.1.2(iii).

3.9.2. GSK may pay to NeuroMetrix a milestone payment (including as a pre-payment before such payment is due or pursuant to the cure provisions set forth in Section 11.2.6) (a) under Section 6.1.1(iv) with respect to [***] or (b) under Section 6.1.1(v) with respect to [***], in which case GSK's diligence obligations pursuant to Section 3.9.1 shall be deemed permanently fulfilled with respect to [***], as applicable.

3.10. Non-Competition.

3.10.1. In each country in [***]during the Restricted Period, NeuroMetrix shall not and shall cause its Affiliates (now existing or hereafter incorporated, formed or otherwise organized or acquired) not to (whether as owner, stockholder, partner, officer, director, employee, consultant, investor, lender or otherwise, except as the holder of not more than [***] of the stock in companies whose stock is traded on a national securities exchange or in the public over-the-counter market), (i) directly or indirectly practice, or (ii) license, authorize, appoint or otherwise enable any Third Party to directly or indirectly practice, in either case ((i) or (ii)), the Joint Arising Intellectual Property Rights; *provided*, that NeuroMetrix shall have the right to Develop, Manufacture and have Manufactured products in the Field in [***] solely for Commercialization of the products in [***].

3.10.2. In each country in [***] during the Restricted Period, GSK shall not and shall cause its Affiliates (now existing or hereafter incorporated, formed or otherwise organized or acquired) not to (whether as owner, stockholder, partner, officer, director, employee, consultant, investor, lender or otherwise, except as the holder of not more than [***] of the stock in companies whose stock is traded on a national securities exchange or in the public over-the-counter market), (i) directly or indirectly practice, or (ii) license, authorize, appoint or otherwise enable any Third Party to directly or indirectly practice, in either case ((i) or (ii)), the Joint Arising Intellectual Property Rights; *provided*, that GSK shall have the right to Develop, Manufacture and have Manufactured products in the Field in [***] solely for Commercialization of the products in [***].

ARTICLE 4
MOBILE APPLICATION AND DEVICE SOFTWARE SERVICES

4.1. Support Services. During the Term, NeuroMetrix shall perform all Support Services at the Service Levels set forth in this Article 4. The Support Services are included in the Development Costs, and NeuroMetrix shall not assess any additional fees, costs or charges for such Support Services; *provided,* that during the period that this Article 4 survives termination or expiration of this Agreement pursuant to Section 11.6.2, GSK shall reimburse NeuroMetrix for

its direct out-of-pocket costs incurred in providing such Support Services as are requested by GSK in writing, up to a maximum aggregate amount of [***].

4.1.1. Support Service Responsibilities. NeuroMetrix shall:

(i) develop the Product Software in accordance with industry standard software design principles, guidelines and best practices, as may be further defined in the Development Plan;

(ii) design and maintain the Application (A) for use by end users on their mobile phones, tablets and other portable computing devices, (B) to be compatible with the latest releases of the iOS and Android operating systems (or their successors), (C) to back up data to and connect to the Cloud Database, (D) to pair as quickly and reliably as possible with the Device, and (E) to meet the requirements set out in the Development Plan;

(iii) provide unlimited email and telephone support to GSK during the hours of 8 a.m. to 6 p.m. EST on Business Days and emergency telephone support for critical issues 24/7;

(iv) provide online access to technical support bulletins and other user support information and forums;

(v) perform maintenance of the Product Software as specified in Section 4.1.2; and

(vi) respond to and Resolve all Support Requests as specified in Section 4.1.3.

4.1.2. Maintenance. NeuroMetrix shall continuously maintain the Product Software. Such maintenance services will include (i) all updates, Bug Fixes, security patches, new releases, new versions and other improvements to the Product Software; and (ii) all such services and repairs as are required to maintain the Product Software, so that the Product Software operates properly in accordance with this Article 4 and this Agreement.

4.1.3. Support Requests. GSK shall classify its requests for Bug Fixes, corrections or other requests for assistance in connection with the Product Software in accordance with the descriptions set forth in the chart on Schedule 4.1.3 (each a "**Support Request**"). GSK shall notify NeuroMetrix of Support Requests by e-mail, telephone or such other means as the Parties may subsequently agree to in writing. NeuroMetrix shall respond to and Resolve all Support Requests in accordance with the required times and other terms and conditions set forth below based on the severity of the identified issue. "Response Time" and "Resolution Time" will be measured from the time GSK submits a Support Request. All determinations of classification of a Support Request will be in GSK's reasonable discretion.

4.1.4. NeuroMetrix shall ensure that the Product Software is designed to be efficient, reliable, secure, and free from defects, including, as applicable, in the transmission of

data to a mobile device and in communications between the component parts of the Product Software. NeuroMetrix shall ensure that the Product Software conforms to any and all representations and descriptions made in marketing materials or other documentation, and that neither shall include any disabling devices, malware, spyware, backdoors, time bombs, or other similar devices, features, or functionalities except as set forth in Schedule 4.1.4, which schedule may be updated from time-to-time upon agreement of the Parties.

4.2. Service Level Credits. Failure to achieve any of the required times and other terms set forth in Section 4.1.3 and Schedule 4.1.3 will constitute a Service Level Failure for which NeuroMetrix shall, at GSK's election, either issue to GSK the service credits set forth on Schedule 4.2 ("**Service Level Credits**") or reimburse GSK for the cost GSK incurred as a result of such failure; *provided,* that NeuroMetrix shall not be obligated to reimburse GSK more than an aggregate amount of [***] with respect to Service Level Credits or direct reimbursement per Calendar Quarter.

4.3. Software Development Services. NeuroMetrix shall conduct Product Software development and perform other programming requests in accordance with the required schedule, budget, and other terms and conditions set forth under the heading "Software Development" in the then-current Development Plan or Renewal Development Plan, as the case may be. All such Development services shall conform with the design requirements set forth in this Article 4 and any such developments shall be maintained and supported by NeuroMetrix according to the terms in this Article 4.

4.4. Cloud Database Services. NeuroMetrix shall provide all necessary and reasonably requested assistance to enable GSK to set up, configure and test the Cloud Database. Such services will include any development and configuration activities required to establish communication between the Application and the Cloud Database and to ensure proper ingestion, processing and storage of data by the Cloud Database.

4.5. App Store Publication. NeuroMetrix shall deliver the Application to GSK in a format suitable for publication in each app store in which the Application is to be published. At GSK's election, GSK shall either arrange for the publication of the Application to the relevant app store or require NeuroMetrix to publish the Application on GSK's behalf.

4.6. Issuance of Support Service Level Credits. NeuroMetrix will, for each invoice period under this Agreement, issue to GSK, together with NeuroMetrix's invoice for such period, a written acknowledgment setting forth all Service Level Credits to which GSK has become entitled during that invoice period. NeuroMetrix will apply a credit in the amount of the Service Level Credit on the next invoice to GSK. Any Service Level Credit which is unused in an invoice period may be credited to amounts due under this Agreement.

4.6.1. Compensatory Purpose. Except with respect to Third Party Claims (as set forth under Section 10.2), [***].

ARTICLE 5
COLLABORATION MANAGEMENT

5.1. Joint Steering Committee. Within fifteen (15) days after the Effective Date, the Parties shall establish a joint executive committee (the "**Joint Steering Committee**" or "**JSC**"), which shall consist of [***] representatives from each of the Parties, each with the requisite experience and seniority to enable such person to make decisions on behalf of the Parties with respect to the issues falling within the jurisdiction of the JSC. From time to time, each Party may substitute one or more of its representatives to the JSC on written notice to the other Party. NeuroMetrix shall select from its representatives the initial chairperson for the JSC to serve for the first twelve (12) months after the Effective Date, which chairperson may be changed from time to time, on written notice to GSK. The Party selecting the chairperson shall alternate every twelve (12) months thereafter. The JSC shall:

5.1.1. periodically serve as a forum for discussing Joint Development Activities or other Development activities, including by reviewing Development Plans or Renewal Development Plans and overseeing the conduct of the Joint Development Activities or other Development activities as provided in Section 3.1.1 and Section 3.1.2, as applicable, and making determinations with respect to and reviewing Development reports as provided in Section 3.5 as well as any deliverables provided under the Development Plan or Renewal Development Plan (including any demonstrations of the Application and Software);

5.1.2. approve FTE Rate adjustments as provided in Section 1.55 and review reports related to Development Costs as provided in Section 6.2;

5.1.3. approve amendments to the Development Plan or any Renewal Development Plan as provided in Section 3.1 and Section 3.2;

5.1.4. review and approve proposed Development Plans for the second (2nd) and third (3rd) year of the Initial Term as provided in Section 3.1.1(iii);

5.1.5. coordinate the Parties' activities under this Agreement; and

5.1.6. perform such other functions as the Parties may mutually agree in writing, except where in conflict with any provision of this Agreement.

5.2. General Provisions Applicable to the JSC.

5.2.1. Meetings and Minutes. The JSC shall meet quarterly during the Initial Term or as otherwise agreed to by the Parties, with the location of such meetings alternating between locations designated by NeuroMetrix and locations designated by GSK. The chairperson of the JSC shall be responsible for calling meetings on no less than twenty (20) Business Days' notice unless exigent circumstances require shorter notice. Each Party shall make all proposals for agenda items at least fifteen (15) Business Days in advance of the applicable meeting and shall provide all appropriate information with respect to such proposed items at least five (5) Business Days in advance of the applicable meeting; *provided* that under exigent circumstances requiring input by the JSC, a Party may provide its agenda items to the other Party within a shorter period of time in advance of the meeting or may propose that there not be a specific agenda for a particular meeting, so long as the other Party consents to such later addition of such agenda items or the

absence of a specific agenda for such meeting (which consent shall not be unreasonably withheld, conditioned or delayed). The chairperson of the JSC shall prepare and circulate for review and approval of the Parties minutes of each meeting within thirty (30) days after the meeting. The Parties shall agree on the minutes of each meeting promptly, but in no event later than the next meeting of the JSC.

5.2.2. Procedural Rules. The JSC shall have the right to adopt such standing rules as shall be necessary for its work, to the extent that such rules are not inconsistent with this Agreement. A quorum of the JSC shall exist whenever there is present at a meeting at least one (1) representative appointed by each Party. Representatives of the Parties on the JSC may attend a meeting either in person or by telephone, video conference or similar means in which each participant can hear what is said by and be heard by, the other participants. Representation by proxy shall be allowed. Subject to Section 5.2.3, the JSC shall take action by consensus of the representatives present at a meeting at which a quorum exists, with each Party having a single vote irrespective of the number of representatives of such Party in attendance or by a written resolution signed by at least one (1) representative appointed by each Party. Project Managers or other employees or consultants of a Party who are not representatives of the Parties on the JSC may attend meetings of the JSC; *provided, however*, that such attendees (i) shall not vote or otherwise participate in the decision-making process of the JSC and (ii) are bound by obligations of confidentiality and non-disclosure at least as protective of the other Party as those set forth in Article 8.

5.2.3. Decision-Making. Except for matters outside the jurisdiction and authority of the JSC (including as set forth in Section 5.2.4), if a dispute arises within the JSC with respect to any decision under the jurisdiction of the JSC that remains unresolved for [***] days, then either Party shall have the right to refer such dispute to the Senior Management for attempted resolution by good faith negotiations during a period of [***] Business Days. Any final decision mutually agreed to by the Senior Management shall be conclusive and binding on the Parties. If the Senior Management is unable to resolve any such dispute within such [***]-Business Day period, either Party shall be free to institute litigation in accordance with Section 12.9 and seek such remedies as may be available. Notwithstanding anything in this Agreement to the contrary, either Party shall be entitled to institute litigation in accordance with Section 12.9 immediately if litigation is necessary to prevent irreparable harm to that Party. Additionally, nothing contained in this Agreement shall deny any Party the right to seek injunctive or other equitable relief from a court of competent jurisdiction in the context of a bona fide emergency or prospective irreparable harm.

5.2.4. Limitations on Authority. Without limitation to the foregoing, the Parties hereby agree that matters explicitly reserved to the consent, approval or other decision-making authority of one or both Parties, as expressly provided in this Agreement, are outside the jurisdiction and authority of the JSC, including (i) amendment, modification or waiver of compliance with this Agreement, (which may only be amended or modified as provided in Section 12.11 or compliance with which may only be waived as provided in Section 12.12) and (ii) such other matters as are reserved to the consent, approval, agreement or other decision-making authority of either or both Parties in this Agreement that are not required by this Agreement to be considered by the JSC prior to the exercise of such consent, approval or other decision-making authority.

5.2.5. Project Managers. Each Party shall appoint a person(s) who shall oversee contact between the Parties for all matters between meetings of the JSC and shall have such other responsibilities as the Parties may agree in writing after the Effective Date, which person(s) may be replaced at any time by notice in writing to the other Party. The Project Managers shall work together to manage and facilitate the communication between the Parties under this Agreement, including the resolution (in accordance with the terms of this Agreement) of issues between the Parties that arise in connection with this Agreement. The Project Managers shall not have final decision-making authority with respect to any matter under this Agreement.

5.2.6. Discontinuation; Disbandment; Annual Reports. The JSC shall continue to exist until the first to occur of: (i) the Parties mutually agreeing to disband the JSC; and (ii) the end of the Term. Upon the occurrence of any of the foregoing, (a) the JSC shall disband, have no further responsibilities or authority under this Agreement and will be considered dissolved by the Parties, (b) any requirement of a Party to provide Information or other materials to the JSC shall be deemed a requirement to provide such Information or other materials to the other Party and GSK shall have the right to solely decide, without consultation with NeuroMetrix, all matters that are subject to the review or approval by the JSC hereunder.

5.3. Joint IP Working Group. Within fifteen (15) days after the Effective Date, the Parties shall establish a joint working group consisting of at least one (1) designee of GSK and at least one (1) designee of NeuroMetrix, each of which shall have experience in the protection, prosecution/registration and enforcement of intellectual property rights in the medical device field (the "**Joint IP Working Group**"). Each Party may change its designee(s) on the Joint IP Working Group upon written notice to the other Party. The Joint IP Working Group shall be responsible for coordinating all material activities and material communications relating to (a) the preparation, filing, prosecution, maintenance, defense, infringement and enforcement of Arising Intellectual Property Rights under Section 7.2 and Section 7.3 and for coordinating all other material communications between the Parties with respect to the Arising Intellectual Property Rights and (b) the filing of patent applications (e.g. PCT applications) and design applications at the end of the priority periods established by the respective US Provisionals and US design patent applications in the Excluded Territory Patents (as defined in the Asset Purchase Agreement). The Joint IP Working Group shall strive to reach consensus with respect to such matters; provided, however, that, in the event that consensus cannot be reached, (a) subject to any applicable provisions of Section 7.2, the Party [***]

5.4. Regulatory Coordination. Each Party shall, and shall cause its applicable Affiliates to, provide such assistance as may be reasonably requested by the other Party in connection with regulatory matters relating to the Device.

ARTICLE 6
PAYMENTS AND RECORDS

6.1. Milestones .

6.1.1. Development and Regulatory Milestones. In partial consideration of the rights granted by NeuroMetrix to GSK hereunder and subject to the terms and conditions of

this Agreement, including the last sentence of this Section 6.1.1 and any right of GSK to offset amounts due from NeuroMetrix to GSK pursuant to Article 7, GSK shall pay to NeuroMetrix a milestone payment within [***] days after the achievement of each of the following milestones, calculated as follows:

(i) receipt by GSK (a) of a [***], and (b) written confirmation by [***] that it has validated its ability to [***];

(ii) delivery to GSK of [***] fully verified Prototypes meeting the [***] and incorporating [***];

(iii) receipt by GSK of written certification from GSK's Contract Manufacturer of the completion and validation of the manufacturing transfer described in Section 3.7.1. but in the event that such receipt occurs prior to receipt of the [***], upon receipt of such [***];

(iv) First Commercial Sale by GSK, its Affiliate or licensee, of a Device meeting the [***]; and

(v) First Commercial Sale by GSK, its Affiliate or licensee, of a Device meeting the [***].

Except as provided in the following sentence with respect to the milestone set forth in clause (iv) of this Section 6.1.1, each milestone payment in this Section 6.1.1 shall be payable only upon the first achievement of such milestone and no amounts shall be due for subsequent or repeated achievements of such milestone, whether for the same or a different Device. The milestone payment set forth in clause (iv) of this Section 6.1.1 may become payable a maximum of [***] separate times (for a maximum aggregate amount of [***], upon its achievement in up to [***] [***]. The maximum aggregate amount payable by GSK pursuant to this Section 6.1.1 is [***].

6.2. Development Costs .

6.2.1. Subject to this Section 6.2, beginning on the [***] anniversary of the Effective Date, GSK shall reimburse NeuroMetrix for [***] of its Development Costs net of any Service Level Credits incurred after such date in connection with the performance of Development activities in accordance with the applicable Development Plan or Renewal Development Plan, as applicable. NeuroMetrix shall record and account for its FTE effort with respect to the Device to the extent that such FTE efforts are included in Development Costs and shall report such FTE effort to the JSC on a quarterly basis. Out-of-pocket costs allocable to Development Costs, as applicable, but otherwise included within FTE Costs, shall not be charged separately as Development Costs.

6.2.2. NeuroMetrix shall promptly inform GSK upon NeuroMetrix determining that it is likely to overspend or underspend by more than the greater of [***] or [***] of its Development Costs for an activity set forth in the Development Plan or Renewal Development

Plan, as the case may be. If NeuroMetrix exceeds its budgeted costs and expenses by more than the greater of [***] for an activity, it shall provide to GSK a full explanation for such overspend. Any overspend by NeuroMetrix of [***] or less of NeuroMetrix for an activity set forth in the Development Plan or Renewal Development Plan, as the case may be, shall be borne [***] by the Parties [***], and any overspend over such amount shall be borne by NeuroMetrix and shall be excluded from Development Costs hereunder.

6.2.3. NeuroMetrix shall report to GSK, within [***] days after the end of each Calendar Quarter (and within [***] days after receipt of each such report, GSK shall reimburse NeuroMetrix for) the Development Costs incurred by NeuroMetrix during such Calendar Quarter and the Development activities performed by NeuroMetrix during such Calendar Quarter. Each such report shall (a) allocate the Development Costs to the extent possible to a specific Development activity, (b) specify in reasonable detail all amounts included in Development Costs during such Calendar Quarter (broken down by activity), (c) if requested by GSK, include copies any invoices or other supporting documentation for any payments to a Third Party that individually exceed [***] (or such other amount approved by the JSC) and (d) enable GSK to compare the reported costs against the applicable Development Plan or Renewal Development Plan, as the case may be, on both a quarterly basis and a cumulative basis for each activity. The Parties shall seek to resolve any questions related to such accounting statements within [***] days following receipt by GSK of NeuroMetrix's report hereunder.

6.3. Royalty Payments by NeuroMetrix. NeuroMetrix shall calculate all amounts payable to GSK pursuant to Section 11.4.4, as applicable, at the end of each Calendar Quarter, which amounts shall be converted to Dollars, in accordance with Section 6.4. NeuroMetrix shall pay to GSK the royalty amounts due with respect to a given Calendar Quarter within [***] after the end of such Calendar Quarter. Each payment of royalties due to GSK shall be accompanied by a statement specifying, the amount of Invoiced Sales, Net Sales and deductions taken to arrive at Net Sales attributable to each Device in each country the applicable territory as provided in Section 11.4.4, as applicable, during the applicable Calendar Quarter (including such amounts expressed in local currency and as converted to Dollars) and a calculation of the amount of royalty payment due on such Net Sales for such Calendar Quarter. Without limiting the generality of the foregoing, NeuroMetrix shall require its Affiliates and sublicensees to account for their Net Sales and to provide such reports with respect thereto, as if such sales were made by NeuroMetrix.

6.4. Mode of Payment. All payments to either Party under this Agreement shall be made by deposit of Dollars in the requisite amount to such bank account as the receiving Party may from time to time designate by notice to the paying Party. For the purpose of calculating any sums due under, or otherwise reimbursable pursuant to, this Agreement, a Party shall convert any amount expressed in a foreign currency into Dollar equivalents using its actual transaction cost.

6.5. Taxes.

6.5.1. General. The milestones, royalties and other amounts payable by either Party pursuant to this Agreement (each, a "**Payment**") shall be paid free and clear of any and all taxes, except for any withholding taxes required by Applicable Law. Except as provided in this Section 6.5, each Party shall be responsible for paying any and all taxes (other than withholding

taxes required by Applicable Law to be deducted from Payments and remitted by the payor Party) levied on such Party on account of, or measured in whole or in part by reference to, any Payments it makes or receives. The payor Party shall deduct or withhold from the Payments any taxes that it is required by Applicable Law to deduct or withhold. Notwithstanding the foregoing, if the payee Party is entitled under any applicable tax treaty to a reduction of rate of, or the elimination of, applicable withholding tax, it may deliver to the payor Party or the appropriate governmental authority (with the assistance of the payor Party to the extent that this is reasonably required and is expressly requested in writing) the prescribed forms necessary to reduce the applicable rate of withholding or to relieve the payor Party of its obligation to withhold such tax and the payor Party shall apply the reduced rate of withholding or dispense with withholding, as the case may be; *provided* that the payor Party has received evidence, in a form satisfactory to the payor Party, of the payee Party's delivery of all applicable forms (and, if necessary, its receipt of appropriate governmental authorization) at least [***] days prior to the time that the Payments are due. If, in accordance with the foregoing, the payor Party withholds any amount, it shall pay to the payee Party the balance when due, make timely payment to the proper taxing authority of the withheld amount and send to the payee Party proof of such payment within [***] days following such payment, and provide the payee Party with reasonable documentation or other assistance as necessary to enable the payee Party to claim any available credit or other allowance for such withheld amount.

6.5.2. Value Added Tax. Notwithstanding anything contained in Section 6.5.1, this Section 6.5.2 shall apply with respect to value added tax ("**VAT**"). All Payments are exclusive of VAT. If any VAT is chargeable in respect of any Payments, the payor Party shall pay VAT at the applicable rate in respect of any such Payments following the receipt of a VAT invoice in the appropriate form issued by the payee Party in respect of those Payments, such VAT to be payable on the later of the due date of the payment of the Payments to which such VAT relates and thirty (30) days after the receipt by the payor Party of the applicable invoice relating to that VAT payment.

6.6. Financial Records. (a) Each Party shall and shall cause its Affiliates and its and their sublicensees and subcontractors to, keep complete and accurate financial books and records pertaining to the Development of the Device hereunder (including, with respect to NeuroMetrix's Development Costs, including actual expenditures with respect to the budgets set forth in the Development Plan), and (b) in the event NeuroMetrix exercises its termination right under Section 11.2.6, NeuroMetrix shall and shall cause its Affiliates and its and their sublicensees and subcontractors to, keep complete and accurate financial books and records pertaining to the Commercialization of the Device hereunder (including Net Sales of the Product), in each case ((a) and (b)), to the extent required to calculate and verify all amounts payable hereunder. Each Party shall, and shall cause its Affiliates and its and their sublicensees and subcontractors to, retain such books and records until the later of (x) three (3) years after the end of the period to which such books and records pertain and (y) the expiration of the applicable tax statute of limitations (or any extensions thereof) or for such longer period as may be required by Applicable Law.

6.7. Audit.

6.7.1. Procedures. At the request a Party, the other Party shall, and shall cause its Affiliates and sublicensees to, permit an independent auditor designated by such first Party

and reasonably acceptable to the audited Party, at reasonable times and upon reasonable notice, to audit the books and records maintained pursuant to Section 6.6 solely pertaining to the Device to ensure the accuracy of all reports and payments made hereunder. Such examinations may not (i) be conducted for any Calendar Quarter more than [***] years after the end of such quarter, (ii) be conducted more than once in any [***] month period (unless a previous audit during such [***]-month period revealed an underpayment (or with respect to any reimbursement, an overpayment) with respect to such period) or (iii) be repeated for any Calendar Quarter. Except as provided below, the cost of this audit shall be borne by the auditing Party, unless the audit reveals a variance of more than [***] from the reported amounts, in which case the audited Party shall bear the cost of the audit. Unless disputed pursuant to Section 6.7.2 below, if such audit concludes that (x) additional amounts were owed by the audited Party, the audited Party shall pay the additional amounts, or (y) excess payments were made by the audited Party, the auditing Party shall reimburse such excess payments, in either case ((x) or (y)), within [***] days after the date on which such audit is completed by the auditing Party.

6.7.2. Audit Dispute. In the event of a dispute with respect to any audit under Section 6.7, NeuroMetrix and GSK shall work in good faith to resolve the dispute. If the Parties are unable to reach a mutually acceptable resolution of any such dispute within [***] days, the dispute, if the disputed amount is more than [***], shall be submitted for resolution to a certified public accounting firm jointly selected by each Party's certified public accountants or to such other Person as the Parties shall mutually agree (the "**Auditor**"). The decision of the Auditor shall be final and the costs of such arbitration as well as the initial audit shall be borne between the Parties in such manner as the Auditor shall determine. Not later than [***] days after such decision and in accordance with such decision, the applicable Party shall pay the amounts owed.

6.7.3. Confidentiality. The receiving Party shall treat all information subject to review under this Article 6 in accordance with the confidentiality provisions of Article 8 and the Parties shall cause the Auditor to enter into a reasonably acceptable confidentiality agreement with the audited Party obligating such firm to retain all such financial information in confidence pursuant to such confidentiality agreement.

6.8. Right to Offset . Each Party shall have the right to offset any amount owed by the other Party to such first Party under or in connection with this Agreement or the Asset Purchase Agreement (subject to the terms and limitations of this Agreement and the Asset Purchase Agreement, as applicable), including pursuant to Article 10 or in connection with any breach, against any payments owed by such first Party to such other Party under Section 6.1 of this Agreement or the Asset Purchase Agreement. Such offsets shall be in addition to any other rights or remedies available under this Agreement and Applicable Law.

ARTICLE 7
INTELLECTUAL PROPERTY

7.1. Ownership of Intellectual Property.

7.1.1. Ownership of Technology. As between the Parties, each Party shall own and retain all right, title and interest in and to any and all Information, Patents, Copyrights and

other intellectual property rights that are owned or otherwise controlled (other than pursuant to the license grants set forth in Section 2.1) by such Party or any of its Affiliates or its or their sublicensees other than through this Agreement.

7.1.2. Ownership of Joint Arising Intellectual Property Rights. The Parties shall jointly own and retain all right, title and interest in and to any and all Joint Arising Intellectual Property Rights. Each Party shall promptly disclose to the other Party in writing and shall cause its Affiliates, and its and their licensees, sublicensees and subcontractors to so disclose any Arising Intellectual Property Rights. Each Party shall, and does hereby, assign to the other Party an undivided one half interest in all Joint Arising Intellectual Property Rights which is created by or on behalf of it or its Affiliates. Subject to the terms and conditions of this Agreement (including, for clarity, Section 3.10), each Party shall be free to practice, use, and license, in its sole discretion, the Joint Arising Intellectual Property Rights. NeuroMetrix hereby disclaims, and releases GSK from any duty of accounting with respect to use of the Joint Arising Intellectual Property Rights or right to restrict (other than pursuant to Section 3.10) GSK's use of Joint Arising Intellectual Property Rights. GSK hereby disclaims, and releases NeuroMetrix from any duty of accounting with respect to use of the Joint Arising Intellectual Property Rights or right to restrict (other than pursuant to Section 3.10) NeuroMetrix's use of Joint Arising Intellectual Property Rights.

7.1.3. Ownership of Arising Copyrights and Arising Patents. As between the Parties, all rights, title and interest in and to any and all Copyrights in Arising Know-How and in any expression thereof (the "**Arising Copyrights**") and any and all Patents claiming Arising Know-How (the "**Arising Patents**") shall be owned by GSK in the GSK Territory (the "**GSK Arising Copyrights**" and "**GSK Arising Patents**", respectively) and by NeuroMetrix in the NeuroMetrix Territory (the "**NeuroMetrix Arising Copyrights**" and "**NeuroMetrix Arising Patents**", respectively). GSK hereby assigns, and agrees to assign, to NeuroMetrix all of its right, title and interest in any Arising Copyright and Arising Patent (and the claimed subject-matter thereof) in the NeuroMetrix Territory; NeuroMetrix hereby assigns, and agrees to assign, to GSK all of its right, title and interest in any Arising Copyright and Arising Patent (and the claimed subject-matter thereof) in the GSK Territory; provided in either case, that if in any specific country, such assignment, of right title and interest in an Arising Copyright is not permitted or would not be recognized, then, as to such country, the Party that would otherwise be the assignor shall take such action as the other Party may reasonably request to most nearly reflect the relative ownership between the Parties described above, including granting a perpetual, royalty-free, full paid-up, fully transferable and sublicensable license to such Arising Copyrights.

7.1.4. Assignment Obligation. Each Party shall cause all Persons who perform Development activities for such Party under this Agreement or who conceive, discover, develop or otherwise make any Arising Know-How by or on behalf of either Party or its Affiliates or its or their sublicensees under or in connection with this Agreement to be under an obligation to assign their rights in any Arising Know-How to such Party for such Party to meet its obligations to the other Party under this Agreement including (a) providing the other Party an undivided one half interest in Joint Arising Intellectual Property Rights as provided in Section 7.1.2, (b) granting the other Party the licenses under Arising Intellectual Property Rights as provided in this Agreement, and (c) assigning their rights in any Arising Copyrights and Arising Patents as provided in Section

7.1.3. The Parties shall use Commercially Reasonable Efforts to enforce the assignment and grant obligations required under this Section. Each Party shall be responsible for any and all costs incurred (x) to secure the assignments and grants to it required under this Section and (y) for onward assignments or grants to the other Party as required under this Agreement.

7.2. Maintenance and Prosecution of Patents and Copyrights .

7.2.1. Patent Prosecution and Maintenance of Arising Patents and Arising Copyrights. As between the Parties, GSK shall have the sole right, but not the obligation, using counsel (including in-house counsel) of its own choice, to prepare, file, prosecute and maintain the Arising Patents and Arising Copyrights in or for the GSK Territory, including PCT Patent applications (including those that designate the NeuroMetrix Territory), and to be responsible for any related interference, re-issuance, re-examination and opposition proceedings, in each case, at its sole cost and expense. NeuroMetrix shall have the sole right, but not the obligation, using counsel of its own choice, to prepare, file, prosecute and maintain the Arising Patents and Arising Copyrights in the NeuroMetrix Territory, and to be responsible for any related interference, re-issuance, re-examination and opposition proceedings for all such Arising Patents and Arising Copyrights, in each case, at its sole cost and expense.

7.2.2. Cooperation. Each Party shall, and shall cause its Affiliates to, assist and cooperate, through the Joint IP Working Group (and after dissolution of the Joint IP Working Group, with each other), with the other Party, as the other Party may reasonably request from time to time, in the perfection, preparation, filing, prosecution, maintenance and defense of the Arising Patents and Arising Copyrights including to (to the extent applicable), (i) offer its comments, if any, promptly, (ii) execute or provide access to relevant documents and other evidence (including assignments, Inventor Declarations and Powers of Attorney) and make its and its Affiliates' employees, consultants and subcontractors available at reasonable business hours and, with respect to any Arising Patents, (iii) provide upon request copies of any invention disclosures, patentability search and examination reports, prior art and other potentially material information, Patent Office reports and Third Party (including anonymous) communications with respect to the Arising Patents or the invention(s) disclosed therein, (*provided* that neither Party shall be required to provide legally privileged information with respect to such intellectual property unless and until procedures reasonably acceptable to such Party are in place to protect such privilege).

7.2.3. Common Ownership Under Joint Research Agreements. Notwithstanding anything to the contrary in this Article 7, neither Party shall have the right to make an election under 35 U.S.C. 102(c) when exercising its rights under this Article 7 without the prior written consent of the other Party, which consent shall not be withheld unreasonably. With respect to any such permitted election, the Parties shall coordinate their activities with respect to any submissions, filings or other activities in support thereof. The Parties acknowledge and agree that this Agreement is a "joint research agreement" as defined in 35 U.S.C. 100(h).

7.3. Enforcement of Arising Intellectual Property Rights.

7.3.1. Notice. Each Party shall promptly notify the other Party in writing of any alleged or threatened infringement or misappropriation, as the case may be, of the Arising

Copyrights, Arising Patents, and Joint Arising Intellectual Property Rights in any jurisdiction in the Territory (an "**Infringement**").

7.3.2. Enforcement of Arising Copyrights and Arising Patents. As between the Parties, GSK shall have the sole right, but not the obligation, to take any and all action (including to prosecute) for any Infringement with respect to the Arising Copyrights, Arising Patents, and Joint Arising Intellectual Property Rights at GSK's sole cost and expense, using counsel of its own choice, in the GSK Territory, and NeuroMetrix shall have the sole right, but not the obligation, to take any and all action (including to prosecute) for any Infringement with respect to the Arising Copyrights, Arising Patents, and Joint Arising Intellectual Property Rights at NeuroMetrix's sole cost and expense, using counsel of its own choice, in the NeuroMetrix Territory.

7.3.3. Cooperation. Each Party agrees to cooperate fully, through the Joint IP Working Group (and after dissolution of the Joint IP Working Group, with each other), in any Infringement action pursuant to this Section 7.3, including by making the inventors/authors/creators, applicable records and documents (including laboratory notebooks) of the relevant Arising Patents, Arising Copyrights and Joint Arising Intellectual Property available to the other Party upon such other Party's reasonable request. Where a Party controls such an action, the other Party shall, and shall cause its Affiliates to, assist and cooperate with the controlling Party, as such controlling Party may reasonably request from time to time, in connection with its activities set forth in this Section, including where necessary, furnishing such consents or powers of attorney solely for such purpose or joining in, or being named as a necessary party to, such action, providing access to relevant documents and other evidence and making its employees available at reasonable business hours; *provided* that the controlling Party shall reimburse such other Party for its reasonable and verifiable out-of-pocket costs and expenses incurred in connection therewith. Unless otherwise set forth herein, the Party entitled to bring any infringement litigation in accordance with this Section 7.3 shall have the right to settle such claim; *provided* that neither Party shall have the right to settle any Infringement litigation under this Section 7.3 in a manner that has a material adverse effect on the rights or interest of the other Party or in a manner that imposes any costs or liability on or involves any admission by, the other Party, without the express written consent of such other Party (which consent shall not be unreasonably withheld, conditioned or delayed); *provided, further* that the foregoing limitation shall not be deemed to preclude or require the consent of such other Party in connection with a settlement of Infringement that would or may result in reduced Payments hereunder, but would not otherwise fall within the scope of the foregoing limitation.

7.3.4. Recovery. Except as otherwise agreed by the Parties in connection with a cost sharing arrangement, any recovery realized as a result of such litigation described above in this Section 7.3 (whether by way of settlement or otherwise) shall be first, allocated to reimburse the Parties for their costs and expenses in making such recovery (which amounts shall be allocated pro rata if insufficient to cover the totality of such expenses). [***].

ARTICLE 8
CONFIDENTIALITY AND NON-DISCLOSURE

8.1. Confidentiality Obligations. At all times during the Term and for a period of [***] years following termination or expiration hereof in its entirety, each Party shall and shall

cause its officers, directors, employees and agents to, keep confidential and not publish or otherwise disclose to a Third Party, and not use, directly or indirectly, for any purpose outside the Field, any Confidential Information, except to the extent such disclosure or use is expressly permitted by the terms of this Agreement or in consequence of a Party making the Device available to the public through the regulatory process, marketing and sale. "**Confidential Information**" means (i) any technical, business or other information relating to the specifications and operability of [***], (ii) any technical, business or other information relating to the integration and interoperability of the various components of the Device, (iii) the Software, to the extent related to the Device or the Cloud Database and (iv) the terms and conditions of this Agreement. All Confidential Information shall be considered confidential as to both Parties. Notwithstanding the foregoing, the confidentiality and non-use obligations under this Section 8.1 with respect to any Confidential Information shall not include any information that:

8.1.1. is or hereafter becomes part of the public domain by public use, publication, general knowledge or the like through no breach of this Agreement by either Party; *provided*, that, if Confidential Information becomes part of the public domain through breach of this Agreement by a Party, the confidentiality and non-use obligations under this Section 8.1 shall no longer apply to the other Party with respect to such Confidential Information;

8.1.2. is subsequently received by a Party (or an Affiliate thereof) from a Third Party who is not bound by any obligation of confidentiality with respect to such information, except that such Party shall only be free to use the information to the extent permitted by the Third Party; *provided,* that, the other Party's obligations of confidentiality and non-use under this Section 8.1 shall not be affected by the first Party's (or its Affiliates') receipt of such Confidential Information;

8.1.3. has been published by a Third Party or otherwise enters the public domain through no fault of a Party in breach of this Agreement; *provided*, that, if Confidential Information has been published or otherwise enters public domain through breach of this Agreement by a Party, the confidentiality and non-use obligations under this Section 8.1 shall no longer apply to other Party with respect to such Confidential Information; or

8.1.4. can be demonstrated by documentation or other competent evidence to have been independently developed by or for a Party (or an Affiliate thereof) without reference (direct or indirect) to the Confidential Information.

Specific aspects or details of Confidential Information shall not be deemed to be within the public domain or in the possession of a Party merely because the Confidential Information is embraced by more general information in the public domain or in the possession of such Party. Further, any combination of Confidential Information shall not be considered in the public domain or in the possession of a Party merely because individual elements of such Confidential Information are in the public domain or in the possession of such Party unless the combination and its principles are in the public domain or in the possession of such Party.

8.2. Permitted Disclosures. Each Party may disclose Confidential Information of the other Party (including that comprised in Arising Know-How) to the extent that such disclosure is:

8.2.1. made in response to a valid order of a court of competent jurisdiction or other supra-national, federal, national, regional, state, provincial or local governmental or regulatory body of competent jurisdiction or, if in the reasonable opinion of such Party's legal counsel, such disclosure is otherwise required by Applicable Law, including by reason of filing with securities regulators; provided, however, that such Party shall first have given notice to the other Party and given the other Party a reasonable opportunity to quash such order or to obtain a protective order or confidential treatment requiring that the Confidential Information and documents that are the subject of such order be held in confidence by such court or agency or, if disclosed, be used only for the purposes for which the order was issued; and provided, further, that the Confidential Information disclosed in response to such court or governmental order shall be limited to that information which is legally required to be disclosed in response to such court or governmental order;

8.2.2. made by or on behalf of such Party or an Affiliate thereof to the Regulatory Authorities as required in connection with any filing, application or request for Regulatory Approval; provided, however, that reasonable measures shall be taken to assure confidential treatment of such information to the extent practicable and consistent with Applicable Law;

8.2.3. made by or on behalf of such Party or an Affiliate thereof to a patent authority as may be reasonably necessary or useful for purposes of obtaining or enforcing a Patent; provided, however, that reasonable measures shall be taken to assure confidential treatment of such information, to the extent such protection is available;

8.2.4. made by or on behalf of such Party or an Affiliate to potential or actual investors or acquirers of all or substantially all of the business to which this Agreement relates as may be necessary in connection with their evaluation of such potential or actual investment or acquisition; provided, however, that such persons shall be subject to obligations of confidentiality and non-use with respect to such Confidential Information substantially similar to the obligations of confidentiality and non-use of such Party pursuant to this Article 8; and

8.2.5. made by or on behalf of such Party or an Affiliate thereof to potential or actual contract manufacturers, contract research organizations and collaborators, in each case, with respect to the Device; provided, however, that such persons shall be subject to obligations of confidentiality and non-use with respect to such Confidential Information substantially similar to the obligations of confidentiality and non-use of such Party pursuant to this Article 8.

ARTICLE 9
REPRESENTATIONS AND WARRANTIES

9.1. Mutual Representations and Warranties. NeuroMetrix and GSK each represents and warrants to the other, as of the Effective Date, and covenants, that:

9.1.1. It is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and has all requisite power and authority, corporate or otherwise, to execute, deliver and perform this Agreement;

9.1.2. The execution and delivery of this Agreement and the performance by it of the transactions contemplated hereby have been duly authorized by all necessary corporate action and do not violate: (i) such Party's charter documents, bylaws or other organizational documents; (ii) in any material respect, any agreement, instrument or contractual obligation to which such Party is bound; (iii) any requirement of any Applicable Law; or (iv) any order, writ, judgment, injunction, decree, determination or award of any court or governmental agency presently in effect applicable to such Party;

9.1.3. This Agreement is a legal, valid and binding obligation of such Party enforceable against it in accordance with its terms and conditions, subject to the effects of bankruptcy, insolvency or other laws of general application affecting the enforcement of creditor rights, judicial principles affecting the availability of specific performance and general principles of equity (whether enforceability is considered a proceeding at law or equity);

9.1.4. It is not under any obligation, contractual or otherwise, to any Person that conflicts with or is inconsistent in any material respect with the terms of this Agreement or that would impede the diligent and complete fulfillment of its obligations hereunder; and

9.1.5. Neither it nor any of its Affiliates has been debarred or is subject to debarment and neither it nor any of its Affiliates will use in any capacity, in connection with the services to be performed under this Agreement, any Person who has been debarred pursuant to Section 306 of the FFDCA or who is the subject of a conviction described in such section. It agrees to inform the other Party in writing promptly if it or any such Person who is performing services hereunder is debarred or is the subject of a conviction described in Section 306 or if any action, suit, claim, investigation or legal or administrative proceeding is pending or, to the best of its or its Affiliates' Knowledge, is threatened, relating to the debarment or conviction of it or any such Person performing services hereunder.

9.2. DISCLAIMER OF WARRANTIES. EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH HEREIN, NEITHER PARTY MAKES ANY REPRESENTATIONS OR GRANTS ANY WARRANTIES, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, BY STATUTE OR OTHERWISE AND EACH PARTY SPECIFICALLY DISCLAIMS ANY OTHER WARRANTIES, WHETHER WRITTEN OR ORAL OR EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF QUALITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE OR ANY WARRANTY AS TO THE VALIDITY OF ANY PATENTS OR THE NON-INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHTS OF THIRD PARTIES, THAT EFFORTS TO DEVELOP THE DEVICE WILL BE SUCCESSFUL, OR THAT A DEVICE WILL RECEIVE REGULATORY AUTHORIZATION FOR COMMERCIALIZATION IN ANY PART OF THE TERRITORY.

9.3. Anti-Bribery and Anti-Corruption Compliance.

9.3.1. NeuroMetrix acknowledges receipt of the 'Prevention of Corruption – Third Party Guidelines' attached hereto as Schedule 9.3.1 and agrees to perform its obligations under this Agreement in accordance with the principles set out therein.

9.3.2. NeuroMetrix shall comply fully at all times with all Anti-Corruption Laws of the territory in which NeuroMetrix conducts business. NeuroMetrix shall not take any action that will cause GSK or its Affiliates to be in breach of any Anti-Corruption Laws.

9.3.3. NeuroMetrix agrees that it has not, and covenants that it will not, in connection with the performance of this Agreement, make, promise, authorize, ratify or offer to make, or take any act in furtherance of any payment or transfer of anything of value, directly or indirectly: (i) to any individual including Government Officials (as defined in Schedule 9.3.1); or (ii) to an intermediary for payment to any individual including Government Officials; or (iii) to any political party; in each case with the purpose or effect of public or commercial bribery, acceptance of or acquiescence in extortion, kickbacks or other unlawful or improper means of securing an improper advantage or obtaining or retaining business for NeuroMetrix or its Affiliates in violation of applicable Anti-Corruption Laws.

9.3.4. NeuroMetrix shall not contact, or otherwise meet with any Government Official with respect to any transactions required under this Agreement, without the prior written approval of GSK and, when requested by GSK, only in the presence of a GSK designated representative.

9.3.5. GSK shall have the right during the term of this Agreement to conduct an investigation and audit of NeuroMetrix to monitor compliance with the terms of this Section 14 upon reasonable notice to NeuroMetrix. NeuroMetrix shall reasonably cooperate with such investigation or audit.

9.3.6. NeuroMetrix agrees that GSK may make full disclosure to appropriate government bodies and their agencies of information relating to NeuroMetrix's breach of this Article 14 if GSK determines in good faith after due investigation that such breach violates applicable Anti-Corruption Laws.

ARTICLE 10
INDEMNITY

10.1. Indemnification of NeuroMetrix. GSK shall indemnify NeuroMetrix, its Affiliates, its or their sublicensees and distributors and its and their respective directors, officers, employees and agents (each a "**NeuroMetrix Indemnified Party**") and defend and save each of them harmless, from and against any and all losses, damages, liabilities, costs and expenses (including reasonable attorneys' fees and expenses) (collectively, "**Losses**") in connection with any and all suits, investigations, claims or demands of Third Parties (collectively, "**Third Party Claims**") arising from or occurring as a result of: [***] *provided, however* that GSK's indemnification obligation hereunder with respect to any Loss arising from or occurring as a result of the acts or omissions of a permitted Third Party subcontractor hereunder [***].

10.2. Indemnification of GSK. NeuroMetrix shall indemnify GSK, its Affiliates, its or their licensees and its and their respective directors, officers, employees and agents (each a "**GSK Indemnified Party**") and defend and save each of them harmless, from and against any and all Losses in connection with any and all Third Party Claims arising from or occurring as a result of: [***] *provided, however* that NeuroMetrix's indemnification obligation hereunder with respect to any Loss (a) arising from or occurring as a result of the acts or omissions of a permitted Third Party subcontractor hereunder with respect to Development activities [***].

10.3. Indemnification Procedures.

10.3.1. In order for a NeuroMetrix Indemnified Party or a GSK Indemnified Party (an "**Indemnified Party**") to be entitled to any indemnification provided for under Section 10.1 or Section 10.2 in respect of, arising out of or involving a Third Party Claim, such Indemnified Party must notify, with respect to a claim for indemnification pursuant to Section 10.1, NeuroMetrix, or, with respect to a claim for indemnification pursuant to Section 10.2, GSK (each, an "**Indemnifying Party**") in writing of the Third Party Claim (including in such notice a brief description of the applicable claim(s), including damages sought or estimated, to the extent actually known or reasonably ascertainable by such Indemnified Party, and, if not then known or reasonably ascertainable, the maximum amount of such damages reasonably estimated by the Indemnified Party) within [***] Business Days after receipt by such Indemnified Party of actual notice of the Third Party Claim; provided, however, that failure to give such notification shall not affect the indemnification provided under Section 10.1 or Section 10.2 except to the extent the Indemnifying Party has been actually prejudiced as a result of such failure.

10.3.2. The Indemnifying Party shall have the right to undertake, at the Indemnifying Party's expense, the defense or opposition to a Third Party Claim of which it has been notified in accordance with Section 10.3.1, with counsel selected by it and reasonably satisfactory to the Indemnified Party, so long as (i) the Indemnifying Party gives written notice to the Indemnified Party within ten (10) Business Days after it has been notified of the Third Party Claim, that it will defend the Indemnified Party against such Third Party Claim and that the Indemnifying Party acknowledges its obligation to indemnify the Indemnified Party for Losses related to such Third Party Claim; (ii) the Third Party Claim involves only money damages, does not seek an injunction or other equitable relief against the Indemnified Party and does not relate to or arise in connection with any criminal proceeding, action, indictment, allegation or investigation; (iii) the Indemnified Party has not been advised in writing by outside counsel that a legal conflict exists between the Indemnified Party and the Indemnifying Party in connection with conducting the defense of the Third Party Claim; and (iv) the Indemnifying Party commits in writing to the Indemnified Party to diligently and vigorously and in good faith conduct the defense of the Third Party Claim. The Indemnified Party shall be entitled to participate in the defense of the Third Party Claim using counsel selected and retained by Indemnified Party at its own expense. Neither the Indemnified Party nor the Indemnifying Party shall settle any Third Party Claim without the prior written consent of the other Party unless (1) the claimant in such Third Party Claim provides to such other Party an unqualified release of such other Party from all liability in respect of such Third Party Claim, (2) such settlement does not involve any injunctive relief binding upon such other Party, (3) such settlement does not encumber any of the assets of such other Party or impose any restriction or

condition that would apply to or materially affect such other Party or the conduct of such other Party's businesses and (4) such settlement does not involve any admission of liability or wrongdoing by such other Party.

10.3.3. In order for an Indemnified Party to be entitled to any indemnification provided for under this Agreement other than in respect of, arising out of or involving a Third Party Claim, such Indemnified Party shall deliver notice of such claim with reasonable promptness to the Indemnifying Party (including in such notice a brief description of the applicable claim(s), including damages sought or estimated, to the extent actually known by such Indemnified Party); provided, however, that failure to give such notification shall not affect the indemnification provided under Section 10.1 or Section 10.2 except to the extent the Indemnifying Party has been actually prejudiced as a result of such failure. If the Indemnifying Party does not notify the Indemnified Party within ten (10) Business Days following its receipt of such notice that the Indemnifying Party disputes the indemnity claimed by the Indemnified Party under Section 10.1 or Section 10.2, such indemnity claim specified by the Indemnified Party in such notice shall be conclusively deemed a liability to be indemnified under Section 10.1 or Section 10.2 and the Indemnified Party shall be indemnified for the amount of the Losses stated in such notice to the Indemnified Party on demand or, in the case of any notice in which the Losses (or any portion thereof) are estimated, on such later date when the amount of such Losses (or such portion thereof) becomes finally determined.

10.4. Special, Indirect and Other Losses. EXCEPT (I) IN THE EVENT OF THE WILLFUL MISCONDUCT OR FRAUD OF A PARTY OR A PARTY'S BREACH OF ITS OBLIGATIONS UNDER ARTICLE 8 OR SECTION 3.10, (II) AS PROVIDED UNDER SECTION 12.13, AND (III) TO THE EXTENT ANY SUCH DAMAGES ARE REQUIRED TO BE PAID TO A THIRD PARTY AS PART OF A CLAIM FOR WHICH A PARTY PROVIDES INDEMNIFICATION UNDER THIS ARTICLE 10, NEITHER PARTY NOR ANY OF ITS AFFILIATES OR SUBLICENSEES SHALL BE LIABLE IN CONTRACT, TORT, NEGLIGENCE, BREACH OF STATUTORY DUTY OR OTHERWISE FOR ANY SPECIAL OR PUNITIVE DAMAGES OR FOR LOSS OF PROFITS SUFFERED BY THE OTHER PARTY.

10.5. Insurance. Each Party shall have and maintain such types and amounts of insurance covering its Exploitation of the Devices as is (i) normal and customary in the medical device industry generally for parties similarly situated and (ii) otherwise required by Applicable Law Upon request by the other Party, each Party shall provide to the other Party evidence of its insurance coverage. The insurance policies shall be under an occurrence form, but if only a claims-made form is available to a Party, then such Party shall continue to maintain such insurance after the expiration or termination of this Agreement in its entirety for a period of five (5) years. Notwithstanding the foregoing, GSK may self-insure in whole or in part the insurance requirements described above.

ARTICLE 11
TERM AND TERMINATION

11.1. Term and Expiration. This Agreement shall commence on the Effective Date and, unless earlier terminated in accordance herewith, shall continue in force and effect until the [***] anniversary of the Effective Date (such period, the "**Initial Term**") and for any Renewal

Period(s) pursuant to the following sentence. Upon such [***] anniversary, the term of this Agreement shall renew for an additional one (1)-year period and thereafter upon each subsequent anniversary for additional one (1)-year periods, if the Parties have agreed under Section 3.1.2(i) to a Renewal Development Plan for such Renewal Period (each, a "**Renewal Period**").

11.2. Termination.

11.2.1. Material Breach. In the event that either Party (the "**Breaching Party**") materially breaches any of its material obligations under this Agreement (other than a breach of Section 3.9), in addition to any other right and remedy the other Party (the "**Non-Breaching Party**") may have, the Non-Breaching Party may terminate this Agreement by providing [***] days (the "**Notice Period**") prior written notice (the "**Termination Notice**") to the Breaching Party and specifying the breach and its claim of right to terminate; *provided* that the termination shall not become effective at the end of the Notice Period if the Breaching Party cures the breach specified in the Termination Notice during the Notice Period.

11.2.2. Termination for Failure of Vendor Audit. In the event that GSK, in its reasonable discretion, determines that NeuroMetrix or any of the Critical Vendors has failed the requirements of GSK's vendor quality audit, including, without limitation, the failure to participate in the audit, GSK may terminate this Agreement by providing [***] days prior written notice to NeuroMetrix and specifying the reason for such failure and its claim of right to terminate; *provided* that the termination shall not become effective at the end of such [***]-day period if (a) NeuroMetrix cures the specified breach during such [***]-day period or (b) upon mutual agreement of the Parties, [***]

11.2.3. Termination for Failure to Achieve Development Milestones. GSK may terminate this Agreement immediately, by giving written notice if NeuroMetrix has failed to achieve [***] in accordance with the timeframe specified in the then-current Development Plan with respect to such development milestone.

11.2.4. Termination for Failure to Comply with Anti-bribery and Anti-corruption Policies. GSK may terminate this Agreement in its entirety immediately on written notice to NeuroMetrix, if NeuroMetrix breaches its obligations under Section 9.3. NeuroMetrix shall have no claim against GSK for compensation for any loss of any nature by virtue of the termination of this Agreement in accordance with this Section 11.2.4. To the extent (and only to the extent) that the laws of the territory provide for any such compensation to be paid to NeuroMetrix upon the termination of this Agreement, NeuroMetrix hereby expressly agrees to waive (to the extent possible under the laws of the territory) or to repay to GSK any such compensation or indemnity.

11.2.5. Termination for Failure to Agree Upon a Development Plan. Either Party may terminate this Agreement in its entirety upon [***] days' written notice to the other Party upon the failure to agree upon a Development Plan for the [***] year of the Initial Term, as provided in Section 3.1.1(iii).

11.2.6. Termination for Breach of Commercialization Diligence.

(i) In the event that GSK breaches its obligations under Section 3.9.1 with respect to [***], NeuroMetrix may, as its exclusive remedy, terminate this Agreement with respect to [***], as applicable, by providing GSK [***] days prior written notice of such termination and specifying the basis for its termination; *provided*, that, the termination shall not become effective at the end of the such [***]-day period if GSK cures the breach specified in the notice during such [***]-day period by paying all potential milestone payments with respect to [***], as applicable, under Section 6.1 that have not yet been paid by GSK.

(ii) In the event that GSK breaches its obligations under Section 3.9.1 with respect to [***], NeuroMetrix may, as its exclusive remedy, terminate this Agreement with respect to every country that is a member of either [***], by providing GSK [***] days prior written notice of such termination and specifying the basis for its termination; *provided*, that, the termination shall not become effective at the end of the such sixty (60)-day period if GSK cures the breach specified in the notice during such [***]-day period by paying all potential milestone payments with respect to the [***] under Section 6.1 that have not yet been paid by GSK.

11.3. Rights in Bankruptcy. All rights and licenses granted under or pursuant to this Agreement by GSK or NeuroMetrix are and shall otherwise be deemed to be, for purposes of Section 365(n) of the U.S. Bankruptcy Code or any analogous provisions in any other country or jurisdiction, licenses of right to "intellectual property" as defined under Section 101 of the U.S. Bankruptcy Code. The Parties agree that the Parties, as licensees of such rights under this Agreement, shall retain and may fully exercise all of their rights and elections under the U.S. Bankruptcy Code or any analogous provisions in any other country or jurisdiction. The Parties further agree that, in the event of the commencement of a bankruptcy proceeding by or against either Party under the U.S. Bankruptcy Code or any analogous provisions in any other country or jurisdiction, the Party hereto that is not a Party to such proceeding shall be entitled to a complete duplicate of (or complete access to, as appropriate) any such intellectual property and all embodiments of such intellectual property, which, if not already in the non-subject Party's possession, shall be promptly delivered to it (i) upon any such commencement of a bankruptcy proceeding upon the non-subject Party's written request therefor, unless the Party subject to such proceeding elects to continue to perform all of its obligations under this Agreement or (ii) if not delivered under clause (i) above, following the rejection of this Agreement by or on behalf of the Party subject to such proceeding upon written request therefor by the non-subject Party. The Parties acknowledge and agree that payments made under Section 6.1 or Section 6.2 or pursuant to the Asset Purchase Agreement shall not (x) constitute royalties within the meaning of Section 365(n) of the U.S. Bankruptcy Code or any analogous provisions in any other country or jurisdiction or (y) relate to licenses of intellectual property hereunder.

11.4. Consequences of Termination and Expiration.

11.4.1. Termination by GSK.

(i) In the event of a termination of this Agreement by GSK pursuant to Section 11.2.1 (a) the rights and licenses granted by GSK to NeuroMetrix under Section 2.1.1 through Section 2.1.3 shall become irrevocable, (b) the rights and licenses granted by NeuroMetrix to GSK under Section 2.2 shall become irrevocable, (c) GSK's obligation to

make the milestone payments set forth in Section 6.1 shall immediately terminate, and (d) the Restricted Period with respect to GSK's obligations under Section 3.10.2 shall be deemed to be terminated and the restrictions on GSK under Section 3.10.2 shall be of no further effect.

(ii) In the event of a termination of this Agreement by GSK pursuant to Section 11.2.3 or Section 11.2.4 (a) the rights and licenses granted by GSK to NeuroMetrix under Section 2.1.1 through Section 2.1.3 shall become irrevocable, (b) the rights and licenses granted by NeuroMetrix to GSK under Section 2.2 shall become irrevocable, and (c) GSK's obligation to make the milestone payments set forth in Section 6.1 shall immediately terminate.

(iii) In the event of a termination of this Agreement by GSK pursuant to Section 11.2.2, (a) the rights and licenses granted by GSK to NeuroMetrix under Section 2.1.1 through Section 2.1.3 shall become irrevocable, (b) the rights and licenses granted by NeuroMetrix to GSK under Section 2.2 shall become irrevocable, (c) Section 3.9.1 (including GSK's obligations thereunder) shall survive (provided that clause (a) of the proviso of Section 3.9.1 shall be of no effect), (d) GSK's obligation to make the milestone payments set forth in Sections 6.1(i), 6.1(ii) and 6.1(iii) shall immediately terminate; and (e) GSK's obligation to make the milestone payments set forth in Sections 6.1(iv) and 6.1(v) shall survive such termination; *provided* that (1) the applicable milestone amounts payable by GSK under Sections 6.1(iv) or 6.1(v), as applicable, shall be discounted by [***], and (2) after reducing the amount payable pursuant to the foregoing clause (1), GSK may deduct from its milestone payment the [***].

11.4.2. Termination for Failure to Agree Upon a Development Plan. In the event of a termination of this Agreement by either Party pursuant to Section 11.2.5, (a) the rights and licenses granted by GSK to NeuroMetrix under Section 2.1.1 through Section 2.1.3 shall become irrevocable, (b) the rights and licenses granted by NeuroMetrix to GSK under Section 2.2 shall become irrevocable, (c) Section 3.9.1 (including GSK's obligations thereunder) shall survive (provided that clause (a) of the proviso of Section 3.9.1 shall be of no effect), (d) GSK's obligation to make the milestone payments set forth in Sections 6.1(i), 6.1(ii) and 6.1(iii) shall immediately terminate; and (e) GSK's obligation to make the milestone payments set forth in Sections 6.1(iv) and 6.1(v) shall survive such termination.

11.4.3. Termination by NeuroMetrix for Material Breach. In the event of a termination of this Agreement by NeuroMetrix pursuant to Section 11.2.1, (a) the rights and licenses granted by GSK to NeuroMetrix under Section 2.1.1 through Section 2.1.3 shall become irrevocable, (b) the rights and licenses granted by NeuroMetrix to GSK under Section 2.2 shall become irrevocable, (c) Section 3.9.1 (including GSK's obligations thereunder) shall survive (provided that clause (a) of the proviso of Section 3.9.1 shall be of no effect), (d) GSK's obligation to make the milestone payments set forth in Sections 6.1(i), 6.1(ii) and 6.1(iii) shall immediately terminate; (e) GSK's obligation to make the milestone payments set forth in Sections 6.1(iv) and 6.1(v) shall survive such termination; and (f) the Restricted Period with respect to NeuroMetrix's obligations under Section 3.10.1 shall be deemed to be terminated and the restrictions on NeuroMetrix under Section 3.10.1 shall be of no further effect.

11.4.4. Termination by NeuroMetrix for Breach of Commercialization Diligence. In the event of a termination of this Agreement by NeuroMetrix pursuant to Section 11.2.6 with respect to a country or group of countries (the "**Terminated Territory**"), (a) the rights and licenses granted by NeuroMetrix to GSK under this Agreement with respect to such Terminated Territory shall terminate, (b) GSK's rights under any Arising Intellectual Property Rights and the GSK Background Intellectual Property in such Terminated Territory shall be automatically assigned to NeuroMetrix, (c) such Terminated Territory shall be deemed to be within the NeuroMetrix Territory, and (d) for a period of [***] years after the date such termination becomes effective with respect to such Terminated Territory, NeuroMetrix shall, in accordance with the provisions of Section 6.3, pay to GSK a royalty at the end of each Calendar Quarter on [***]; *provided,* that for purposes of this Section 11.4.4, the term "Device" shall also include any modifications or developments made separately by or on behalf of NeuroMetrix after the date such termination becomes effective.

11.4.5. Expiration of the Term. Upon the later of (i) expiration of the Initial Term as provided in Section 11.1 or (ii) the conclusion (without early termination) of each Renewal Term, as applicable, (a) the rights and licenses granted by GSK to NeuroMetrix under Section 2.1.1 through Section 2.1.3 shall become irrevocable, (b) the rights and licenses granted by NeuroMetrix to GSK under Section 2.2 shall become irrevocable, (c) Section 3.9.1 (including GSK's obligations thereunder) shall survive (provided that clause (a) of the proviso of Section 3.9.1 shall be of no effect), (d) GSK's obligation to make the milestone payments set forth in Sections 6.1(i), 6.1(ii) and 6.1(iii) shall immediately terminate; and (e) GSK's obligation to make the milestone payments set forth in Sections 6.1(iv) and 6.1(v) shall survive such termination.

11.5. Remedies. Except as otherwise expressly provided herein, termination of this Agreement in accordance with the provisions hereof shall not limit remedies that may otherwise be available in law or equity.

11.6. Accrued Rights; Surviving Obligations.

11.6.1. Termination or expiration of this Agreement for any reason shall be without prejudice to any rights that shall have accrued to the benefit of a Party prior to such termination or expiration.

11.6.2. Such termination or expiration shall not relieve a Party from obligations that are expressly indicated to survive the termination or expiration of this Agreement. Without limiting the foregoing, Sections 2.1.1 through 2.1.3, 2.2, 2.3, 2.4, 3.10 (in accordance with its terms), 6.3, 6.4, 6.5, 6.6, 6.7, 6.8, 11.2, 11.3 and 11.4, 11.5 and this Section 11.6 and Articles 1, 7, 8, 10 and 12 of this Agreement shall survive the termination or expiration of this Agreement for any reason. In addition, (A) the provisions of Article 4 and Section 3.7 shall survive (a) until the end of the Initial Term following termination pursuant to Section 11.2.5, and (b) for a period of [***] months following any other termination, expiration or non-renewal pursuant to Section 11.1 or Section 11.2; (B) Section 6.1 shall survive according to the provisions of Section 11.4; (C) Section 3.9 shall survive according to the provisions of Section 11.4; (D) NeuroMetrix's obligations under Section 2.5.2 shall survive until the later of (1) termination or expiration of this Agreement and (2) the termination of any payment obligations of GSK pursuant to this Agreement; and (E) the

provisions of Section 5.3 shall survive for a period of [***] years following the termination or expiration of this Agreement.

ARTICLE 12
MISCELLANEOUS

12.1. Rules of Construction . The Parties agree that they have been represented by counsel during the negotiation and execution of this Agreement and have together drafted this Agreement and, therefore, waive the application of any Applicable Law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the Party drafting such agreement or document.

12.2. Notices . All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given and received (a) upon receipt, if delivered personally, (b) three Business Days after deposit in the mail, if sent by registered or certified mail, (c) on the next Business Day after deposit with an overnight courier, if sent by overnight courier, (d) upon transmission, if sent by facsimile or email transmission prior to 6:00 p.m., local time, in the place of receipt and receipt is confirmed or (e) on the next Business Day following transmission, if sent by facsimile or email transmission after 6:00 p.m., local time, in the place of receipt and receipt is confirmed; provided that the notice or other communication is sent to the address, facsimile number or email address set forth beneath the name of such Party below (or to such other address, facsimile number or email address as such Party shall have specified in a written notice to the other Party):

if to GSK, to:

Novartis Consumer Healthcare, S.A.
Route de L'Etraz,
1260 Nyon
Switzerland

Attn: Mark P. Van Emst, Esq.,
Assistant General Counsel
Email: mark.p.van-emst@gsk.com

and:

GlaxoSmithKline
980 Great West Road
Brentford, Middlesex TW8 9GS, UK
Attn: Senior Vice President, Consumer Healthcare Business Development
Email: Chris.Harley-Martin@gsk.com

with copies (which shall not constitute notice) to:

GlaxoSmithKline
980 Great West Road
Brentford, Middlesex TW8 9GS, UK

Attn: Corporate Secretariat
Email: paul.y.williamson@gsk.com

and:

GlaxoSmithKline LLC
709 Swedeland Road
King of Prussia, PA 19406, USA
Attn: Vice President and Associate General Counsel, Legal Corporate Functions-Business Development Transactions
Email: lisa.a.demarco@gsk.com

and:

Covington & Burling LLP
The New York Times Building
620 Eighth Avenue
New York, NY 10018
Attention: Jack S. Bodner
Fax: (646) 441-9079
Email: jbodner@cov.com

if to NeuroMetrix, to:

NeuroMetrix, Inc.
1000 Winter St.
Waltham MA 02451
Attention: Shai N. Gozani
Fax: 781-663-3820
Email: Shai_Gozani@neurometrix.com

with a copy (which shall not constitute notice) to:

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, PC
One Financial Center
Boston, MA 02111
Attention: John A. Dellapa
Fax: (617) 542-2241
Email: jadellapa@mintz.com

12.3. Consents and Approvals . For any matter under this Agreement requiring the consent or approval of either Party to be valid and binding on the Party, such consent or approval must be in writing.

12.4. Counterparts . This Agreement may be executed in one or more counterparts (including by facsimile or electronic transmission in .pdf, .tiff or any similar format),

all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party.

12.5. Entire Agreement . Before signing this Agreement, the Parties had numerous conversations, including preliminary discussions, formal negotiations and informal conversations at meals and social occasions, and have generated correspondence and other writings, in which the Parties discussed the transactions contemplated by this Agreement and the Asset Purchase Agreement and their goals and objectives related thereto. In such conversations and writings, individuals representing the Parties may have expressed their judgments and beliefs concerning the intentions, capabilities, and practices of the Parties, and may have forecasted future events. The Parties recognize that such conversations and writings often involve an effort by both Parties to present a positive and optimistic outlook about the prospects for a transaction such as the contemplated transactions. However, the Parties also recognize that business transactions contain an element of risk, as do the contemplated transactions, and that it is normal business practice to limit the legal obligations of contracting parties to only those promises and representations which are essential to their transaction so as to provide certainty as to their respective future rights and remedies. Accordingly, other than the Transaction Agreements (as defined the Asset Purchase Agreement), the Confidentiality Agreements, and the other related documents, this Agreement is intended to define the full extent of the legally enforceable undertakings of the Parties, and no promise or representation, written or oral, which is not set forth explicitly in this Agreement is intended by either Party to be legally binding. Each of the Parties acknowledges that, in deciding to enter into this Agreement and to consummate the contemplated transactions, none of them has relied upon any statements or representations, written or oral, other than those explicitly set forth herein or therein.

12.6. No Third-Party Beneficiaries . This Agreement and other related documents are not intended to and do not confer upon any Person other than the Parties any legal or equitable rights.

12.7. Assignment . Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned, in whole or in part, by operation of law or otherwise by either of the Parties without the prior written consent of the other Party, and any assignment without such consent shall be null and void, except that (a) GSK, upon prior written notice to NeuroMetrix, may assign, in its sole discretion, any of or all its rights, interests and obligations under this Agreement to any of its Affiliates, but no such assignment shall relieve GSK of any of its obligations hereunder; *provided* that any such assignee of GSK shall be primarily liable with respect to the obligations hereunder and the liability of GSK shall be secondary; and (b) NeuroMetrix or GSK and its Affiliates, as applicable, may assign, in their sole discretion, all their rights, interests and obligations under this Agreement to a Third Party in connection with any transaction or series of transactions in which such Third Party directly or indirectly acquires the Business, the Device or the other assets purchased under the Asset Purchase Agreement (whether by merger, stock sale or other similar transaction) or substantially all its assets or business. Subject to the preceding sentences, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the Parties and their respective successors and assigns.

12.8. GOVERNING APPLICABLE LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE APPLICABLE LAWS OF THE STATE OF NEW YORK, REGARDLESS OF THE APPLICABLE LAWS THAT MIGHT OTHERWISE GOVERN UNDER APPLICABLE PRINCIPLES OF CONFLICTS OF APPLICABLE LAWS THEREOF.

12.9. Enforcement .

12.9.1. Each Party irrevocably submits to the exclusive jurisdiction of (i) the state courts of New York located in New York County, and (ii) the United States District Court for the Southern District of New York, for the purposes of any suit, action or other proceeding arising out of this Agreement or the transactions contemplated herein. Each Party agrees to commence any such action, suit or proceeding either in the United States District Court for the Southern District of New York or if such suit, action or other proceeding may not be brought in such court for jurisdictional reasons, in the state courts of New York located in New York County. Each Party further agrees that service of any process, summons, notice or document by the U.S. registered mail to such Party's respective address set forth above shall be effective service of process for any action, suit or proceeding in New York with respect to any matters to which it has submitted to jurisdiction in this Section 12.9. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the transactions contemplated hereby in (x) the state courts of New York located in New York County, and (y) the United States District Court for the Southern District of New York, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

12.9.2. EACH PARTY WAIVES ITS RIGHT TO TRIAL OF ANY ISSUE BY JURY. Each Party certifies that no representative, agent or attorney of the other Party has represented, expressly or otherwise, that such Party would not, in the event of any action, suit or proceeding, seek to enforce the foregoing waiver and (ii) acknowledges that it and the other Party has been induced to enter into this Agreement, by, among other things, the mutual waiver and certifications in this Section 12.9.2.

12.9.3. Except for purposes of any right to indemnity under Article 10, each Party waives (i) with the exception of relief mandated by statute, any claim to punitive, exemplary, or multiplied damages and (ii) any claim for attorney fees, costs and prejudgment interest.

12.9.4. The Parties agree that irreparable damage would occur and that the Parties would not have any adequate remedy at Applicable Law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in the state courts of New York located in New York County, and the United States District Court for the Southern District of New York, this being in addition to any other remedy to which they are entitled at Applicable Law or in equity and as further set forth in this Section 12.9.

12.10. Severability . If any term or other provision of this Agreement or any related document is invalid, illegal or incapable of being enforced by any rule of Applicable Law or public policy, all other conditions and provisions of this Agreement or such related document shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement or such related document so as to effect the original intent of the Parties as closely as possible to the fullest extent permitted by Applicable Law in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

12.11. Amendment . This Agreement may be amended by the Parties at any time by an instrument in writing signed on behalf of each of the Parties.

12.12. Extension; Waiver . As it relates to any obligation under this Agreement or any related document to be performed at any time after the Effective Date, the Parties may (a) extend the time for the performance of any of the obligations or other acts of the other Party, (b) to the extent permitted by Applicable Law, waive any inaccuracies in the representations and warranties contained herein or in any related document or (c) to the extent permitted by Applicable Law, waive compliance with any of the agreements or conditions contained herein. Any agreement on the part of a Party to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such Party. The failure of either Party to assert any of its rights under this Agreement or otherwise shall not constitute a waiver of such rights.

12.13. Equitable Relief. Each Party acknowledges and agrees that the restrictions set forth in Section 3.10 and Articles 7 and 8 are reasonable and necessary to protect the legitimate interests of the other Party and that such other Party would not have entered into this Agreement in the absence of such restrictions and that any breach or threatened breach of any provision of such Section or Articles may result in irreparable injury to such other Party for which there will be no adequate remedy at law. In the event of a breach or threatened breach of any provision of such Section or Articles, the non-breaching Party shall be authorized and entitled to seek from any court of competent jurisdiction injunctive relief, whether preliminary or permanent, specific performance and an equitable accounting of all earnings, profits and other benefits arising from such breach, which rights shall be cumulative and in addition to any other rights or remedies to which such non-breaching Party may be entitled in law or equity. Both Parties agree to waive any requirement that the other (i) post a bond or other security as a condition for obtaining any such relief and (ii) show irreparable harm, balancing of harms, consideration of the public interest or inadequacy of monetary damages as a remedy. Nothing in this Section 12.13 is intended or should be construed, to limit either Party's right to equitable relief or any other remedy for a breach of any other provision of this Agreement.

[SIGNATURE PAGE FOLLOWS.]

THIS AGREEMENT IS EXECUTED by the authorized representatives of the Parties as of the date first written above.

NOVARTIS CONSUMER HEALTH S.A.

By: /s/ M.P. van Ernst

Name: M.P. van Ernst

Title: Legal Director

By: /s/ Marianne Lysses

Name: Marianne Lysses

Title: Senior Legal Counsel

Novartis Consumer Health S.A.

CH – 1260 Nyon 1

NEUROMETRIX, INC.

By: /s/ Shai Gozani

Name: Shai Gozani

Title: President & CEO

Schedule 1.10

[***], 2 pages

Portions of the exhibit, indicated by the mark "[***]," were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

Schedule 1.27

Critical Vendors

[***], 1 page

Portions of the exhibit, indicated by the mark "[***]," were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

Schedule 1.50

FTE Rate

[***], 1 page

Portions of the exhibit, indicated by the mark "[***]," were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

Schedule 1.78

[***], 7 pages

Portions of the exhibit, indicated by the mark "[***]," were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

Schedule 3.1.1

Development Plan

[***], 1 page

Portions of the exhibit, indicated by the mark "[***]," were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

Schedule 3.8.1

Current Open Source Software

[***], 1 page

Portions of the exhibit, indicated by the mark "[***]," were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

Schedule 4.1.3

[***], 1 page

Portions of the exhibit, indicated by the mark "[***]," were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

Schedule 4.1.4

[***], 1 page

Portions of the exhibit, indicated by the mark "[***]," were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

Schedule 4.2

[***], 1 page

Portions of the exhibit, indicated by the mark "[***]," were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

Schedule 9.3.1
PREVENTION OF CORRUPTION – THIRD PARTY GUIDELINES

The GSK Anti-Bribery and Corruption Policy (POL-GSK-007) requires compliance with the highest ethical standards and all anti-corruption laws applicable in the countries in which GSK (whether through a third party or otherwise) conducts business. POL-GSK-007 requires all GSK employees and any third party acting for or on behalf of GSK to ensure that all dealings with third parties, both in the private and government sectors, are carried out in compliance with all relevant laws and regulations and with the standards of integrity required for all GSK business. GSK values integrity and transparency and has zero tolerance for corrupt activities of any kind, whether committed by GSK employees, officers, or third-parties acting for or on behalf of the GSK.

Corrupt Payments – GSK employees and any third party acting for or on behalf of GSK, shall not, directly or indirectly, promise, authorize, ratify or offer to make or make any "payments" of "anything of value" (as defined in the glossary section) to any individual (or at the request of any individual) including a "government official" (as defined in the glossary section) for the improper purpose of influencing or inducing or as a reward for any act, omission or decision to secure an improper advantage or to improperly assist the company in obtaining or retaining business.

Government Officials – Although GSK´s policy prohibits payments by GSK or third parties acting for or on its behalf to any individual, private or public, as a "quid pro quo" for business, due to the existence of specific anticorruption laws in the countries where we operate, this policy is particularly applicable to "payments" of "anything of value" (as defined in the glossary section), or at the request of, "government officials" (as defined in the glossary section).

Facilitating Payments – For the avoidance of doubt, facilitating payments (otherwise known as "greasing payments" and defined as payments to an individual to secure or expedite the performance of a routine government action by government officials) are no exception to the general rule and therefore prohibited.

GLOSSARY

The terms defined herein should be construed broadly to give effect to the letter and spirit of the ABAC Policy. GSK is committed to the highest ethical standards of business dealings and any acts that create the appearance of promising, offering, giving or authorizing payments prohibited by this policy will not be tolerated.

Anything of Value: this term includes cash or cash equivalents, gifts, services, employment offers, loans, travel expenses, entertainment, political contributions, charitable donations, subsidies, per diem payments, sponsorships, honoraria or provision of any other asset, even if nominal in value.

Payments: this term refers to and includes any direct or indirect offers to pay, promises to pay, authorizations of or payments of anything of value.

Government Official shall mean:

- Any officer or employee of a government or any department, agency or instrument of a government;
- Any person acting in an official capacity for or on behalf of a government or any department, agency, or instrument of a government;
- Any officer or employee of a company or business owned in whole or part by a government;
- Any officer or employee of a public international organization such as the World Bank or United Nations;
- Any officer or employee of a political party or any person acting in an official capacity on behalf of a political party; and/or any candidate for political office.

Portions of the exhibit, indicated by the mark "[***]," were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

CONTRIBUTION AGREEMENT

This Contribution Agreement (this "Agreement") is made as of December 21, 2017, by and between NeuroMetrix, Inc., a Delaware corporation ("NeuroMetrix"), and Quell Intellectual Property Corp., LLC, a Delaware limited liability company (the "Company").

WHEREAS, NeuroMetrix formed the Company pursuant to a Certificate of Formation filed with the Secretary of State of the State of Delaware on December 21, 2017, and is the sole member of the Company; and

WHEREAS, in exchange for its membership interest in the Company, NeuroMetrix desires to convey certain assets to the Company, and the Company accepts the conveyance of such assets in consideration of NeuroMetrix's membership interest in the Company.

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Definitions. For purposes of this Agreement, the following terms shall have the corresponding meanings set forth below:

"Affiliate" of any Person means another Person that directly or indirectly, through one or more intermediaries, Controls, is Controlled by or is under common Control with, such first Person.

"Agreement" has the meaning set forth in the preamble.

"Asset Purchase Agreement" means that certain Asset Purchase Agreement contemplated to be entered into between NeuroMetrix and GSK and relating to the sale by NeuroMetrix of the GSK Assets to GSK, and related matters.

"Business" means that portion of the business of NeuroMetrix, directly or indirectly, consisting of the Exploitation of the Product, as conducted as of immediately prior to the closing of the transactions contemplated in the Asset Purchase Agreement.

"Company" has the meaning set forth in the preamble.

"Contract" means any loan or credit agreement, bond, debenture, note, mortgage, indenture, lease, supply agreement, license agreement, development agreement, distribution agreement or other legally binding contract, agreement, obligation, commitment, arrangement, understanding, instrument, permit, franchise or license, whether oral or written.

"Contributed Assets" means all Intellectual Property Rights Controlled by NeuroMetrix or any of its Affiliates as of immediately prior to the consummation of the Contribution (other than the GSK Patent Rights and the Excluded Intellectual Property) to the extent such Intellectual Property Rights claim, cover, or otherwise relate to the GSK Field or to the Product or the Exploitation of the Product, including (a) the Design and Regulatory Documentation and (b) as contemplated under the Development Agreement.

"Contribution" has the meaning set forth in Section 2 below.

"Control" including its various tenses and derivatives (such as "Controlled" and "Controlling") means (a) when used with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through the ownership of voting securities, by Contract or otherwise, (b) when used with respect to any security, the possession, directly or indirectly, of the power to vote, or to direct the voting of, such security or the power to dispose of, or to direct the disposition of, such security and (c) when used with respect to any Intellectual Property Rights, possession of the right, whether directly or indirectly, and whether by ownership, license or otherwise, to assign or grant a license, sublicense or other right to or under such Intellectual Property Rights.

"Copyrights" means all copyrights, mask works, and other rights in any works of authorship of any type, in all forms, media or medium, now known or hereinafter developed, and whether or not completed, published, or used, including all drafts, plans, sketches, artwork, layouts, copy, designs, photographs, illustrations, collections, serials, printed or graphic matter, slides, compilations, serials, promotions, audio or visual recordings, transcriptions, Software, and all derivative works, translations, adaptations, or combinations of any of the foregoing, all registrations and applications therefor and all extensions, restorations, and renewals of any of the foregoing, all worldwide rights and priorities afforded under any Law with respect to any of the foregoing, and all termination rights, moral rights, rights of publicity, author rights and all other rights associated therewith.

"Design and Regulatory Documentation" means all (a) designs, schematics, specifications and quality, testing and release procedures; (b) Software in source code format (other than with respect to third-party libraries associated with the microprocessor used in the Product and for which the source code is not available to NeuroMetrix, but including such libraries); (c) applications (including all applications for Device Regulatory Approvals), registrations and licenses (including Regulatory Authorizations); (d) correspondence and reports submitted to or received from Regulatory Authorities (including minutes and official contact reports relating to any communications with any Regulatory Authority) and all supporting documents with respect thereto, including all adverse event files and complaint files; (e) clinical and other data contained or relied upon in any of the foregoing; and (f) all technical files maintained by NeuroMetrix for purposes of demonstrating compliance with the EU Medical Devices Directive; in each case of clauses (a) through (f) relating to the Product.

"Development Agreement" means that certain Development and Services Agreement contemplated to be entered into between NeuroMetrix and GSK as contemplated under the Asset Purchase Agreement.

"Device Regulatory Approval" means, with respect to a country, any and all approvals, licenses, clearances, CE marking certifications, registrations or authorizations of any Regulatory Authority necessary or useful to commercially distribute, sell or market a Product in such country, including, where applicable, (a) pricing or reimbursement approval in such country, (b) pre- and post-approval marketing authorizations (including any prerequisite manufacturing approval or

authorizations related thereto), (c) Labeling approval and (d) technical, medical and scientific licenses.

"Distribute" means any and all activities related to the distribution, exploitation, marketing, promoting, offering for sale and selling of the Product, including advertising, detailing, educating, planning, promoting, reporting, storing, handling, shipping and communicating with Governmental Authorities and Third Parties in connection therewith. "Distribution" means the act of Distributing a product or device.

"EU Medical Devices Directive" means Council Directive 93/42/EEC of 14 June 1993 concerning medical devices, as amended or supplemented from time to time.

"Excluded Intellectual Property" means (a) the Intellectual Property Rights of NeuroMetrix that do not relate to the Product, the Exploitation of the Product, or the Business, including the Intellectual Property Rights set forth on Annex 1 to this Agreement, (b) raw data Controlled by NeuroMetrix, as existing as of immediately prior to the consummation of the Contribution, relating to customers based outside the GSK Territory and included in the cloud application named by NeuroMetrix as the "Quell Health Cloud" and (c) lists of customers outside the GSK Territory and Controlled by NeuroMetrix, as existing as of immediately prior to the consummation of the Contribution.

"Excluded Territory Patents" means any Patents filed or issued outside the GSK Territory.

"Exploit" means to make, have made, import, use, sell, offer for sale, and otherwise dispose of, including to research, develop, register, modify, enhance, improve, manufacture, have manufactured, store, formulate, optimize, export, transport, Distribute, commercialize, promote, market, have sold and otherwise dispose of. "Exploitation" means the act of Exploiting a product or device.

"FDA" means the U.S. Food and Drug Administration.

"FDCA" means the Federal Food, Drug, and Cosmetic Act, as amended.

"Governmental Authority" means any federal, state, local, supranational or foreign government, any court, administrative, regulatory or other governmental agency, commission or authority or any non-governmental self-regulatory agency, commission or authority.

"GSK" means Novartis Consumer Health S.A., a *société anonyme* organized under the laws of Switzerland.

"GSK Assets" means (a) all GSK Patent Rights, (b) a copy of each and all Design and Regulatory Documentation existing as of immediately prior to the consummation of the Contribution, and (c) all claims, counterclaims, credits, causes of action, choses in action, rights of recovery, and rights of indemnification or setoff against third parties and other claims arising out of or relating to any of the foregoing.

"GSK Field" means transcutaneous electric nerve stimulation for treatment of pain.

"GSK Patent Rights" means (a) all Patents filed or issued in or for the GSK Territory and in the GSK Field (but, subject to (b) and (c), excluding any right, title and interest in counterparts outside the GSK Territory or outside the GSK Field), including PCT applications insofar as all designations in the Territory, and including the Patents set forth on Annex 2 to this Agreement, (b) with respect to Excluded Territory Patents, all rights of priority for the GSK Field arising from Excluded Territory Patents for use in or for the GSK Territory, including all rights to claim such priority rights to such Excluded Territory Patents in any patent application filed in or for the GSK Territory (including PCT applications), and (c) all existing or future Patents filed or issued in or for the GSK Territory and in the GSK Field (including PCT applications) that claim priority to any Excluded Territory Patent.

"GSK Territory" means worldwide, excluding the United States and its states, territories and possessions.

"Intellectual Property Rights" means any and all intellectual property rights and proprietary rights of any kind or nature, whether protected, created or arising under any Law, anywhere in the world, including all: (a) Copyrights and copyrightable subject matter, (b) Trademarks, (c) Patents, (d) domain names, (e) social media names, handles, tags, and other identifiers and accounts, (f) registered designs, (g) compilations of data and aggregated data contained in any databases (in each case excluding personally identifiable information), (h) Trade Secrets, discoveries, concepts, ideas, know-how, inventions (whether or not patentable and whether or not reduced to practice), invention disclosures, improvements, proprietary information, confidential information, technology, processes, processing methods, manufacturing techniques, logics, algorithms, designs (whether or not registerable), design rights (including unregistered design rights), specifications, schematics, work-flow diagrams, work product, and technical data and all other proprietary information, including customer lists, supplier lists, pricing and cost information, and business and marketing plans, in any form whether or not specifically listed herein, and all rights to limit the use or disclosure of any of the foregoing, and all documentation relating to any of the foregoing, (i) Software and application programming interfaces, (j) corresponding recordings, licenses or similar agreements relating to any of the foregoing, (k) applications for any intellectual property rights and proprietary rights and the rights to file such applications, establish and claim a right to priority under applicable Law, and to prosecute, obtain grant of, maintain, defend and exploit all such intellectual property rights and proprietary rights, (l) rights to bring an action for any past, present or future infringement, dilution, misappropriation or other impairment or violation of rights and to seek and receive damages, proceeds or any other legal or equitable protections and remedies with respect to any of the foregoing, (m) similar or equivalent rights to or embodied in any of the foregoing anywhere in the world, and (n) exclusive and other rights subsisting in any of the foregoing.

"Labeling" shall be as defined in Section 201(m) of FDCA (21 U.S.C. § 321(m)) and other comparable foreign Law relating to the subject matter thereof, including any Product's label, packaging and instructions for use accompanying such Product, and any other written, printed, or graphic materials accompanying such Product, including patient instructions or patient indication guides.

"Law" means any federal, state, local, supranational or foreign constitution, convention, treaty, law, statute, ordinance, rule, regulation, interpretation, guidance document, directive, policy, order, writ, award, decree, injunction, judgment, stay or restraining order of any Governmental Authority, and any other ruling or decision of, agreement with or by, or any other requirement of, any Governmental Authority.

"Lien" means any lien (statutory or otherwise), security interest, pledge, hypothecation, mortgage, assessment, lease, claim, levy, license, defect in title, charge, or any other Third Party right, license or property interest of any kind, or any conditional sale or other title retention agreement, right of first option, right of first refusal or similar restriction, any covenant not to sue, or any restriction on use, transfer, receipt of income or exercise of any other attribute of ownership or any agreement to give any of the foregoing in the future or similar encumbrance of any kind or nature whatsoever.

"NeuroMetrix" has the meaning set forth in the preamble.

"Notified Body" means an entity licensed, authorized or approved by the applicable Governmental Authority to assess and certify the conformity of a medical device with the requirements of the EU Medical Devices Directive and applicable harmonized standards.

"Patents" means all United States and foreign issued patents and applications therefor, including (a) all applications made pursuant to the Patent Cooperation Treaty (PCTs), the European Patent Convention (EPs) or any other multi-national agreement (including the country and/or regional designations therein), (b) provisionals, non-provisionals, converted provisionals, requests for continued examination, continuations, divisionals, continuations-in-part, substitutions, and additions, (c) all patents and patent certificates resulting from reexaminations and reissues, oppositions, *inter partes* review, post-grant review, transitional program for covered business method patent review, derivation proceedings, or other proceedings established by the America Invents Act or any similar foreign proceeding, (d) all rights in respect of utility models, petty patents, innovation patents, design patents (also known as registered designs) and certificates of invention, and (e) all worldwide rights and priorities afforded under any Law with respect to any of the foregoing, and all extensions (including Supplementary Protection Certificates), restorations, and renewals of any of the foregoing.

"Permit" means any approval, authorization, certificate, filing, franchise, license, notice, clearance or permit of or with any Governmental Authority.

"Person" means an individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization or other entity or any Governmental Authority.

"Product" means each and all of the following: (a) the device marketed by NeuroMetrix as of the date of the Asset Purchase Agreement under the Quell name, (b) the next-generation version thereof as contemplated under the Development Agreement, (c) any data analytics or cloud application (including any mobile application), tool or Software relating to any of the foregoing,

and related services, and (d) any modifications, successors, derivatives, fragments or variants of any of the foregoing as described in clauses (a) through (c).

"Regulatory Authority" means any applicable supranational, federal, national, regional, state, provincial or local regulatory agencies, departments, bureaus, commissions, councils or other government entities or any Notified Body regulating or otherwise exercising authority with respect to the Exploitation of the Product, including the FDA in the United States and the competent authorities of the European Union Member States.

"Regulatory Authorizations" means (a) all licenses, Permits, certificates, clearances, Device Regulatory Approvals, exemptions, approvals, consents and other authorizations that NeuroMetrix owns, holds or possesses, including those prepared for submission to or issued by any Regulatory Authority or research ethics committee (including pre-market notification clearances, pre-market approvals, investigational device exemptions, non-clinical and clinical study authorizations, product re-certifications, manufacturing approvals and authorizations, CE marking certifications, pricing and reimbursement approvals, Labeling approvals, registration notifications or their foreign equivalent), that are required for or relate to the Exploitation of any Product or the Purchased Assets; and (b) all applications, supporting files, writings, data, studies and reports, and all correspondence to, with, or from the FDA or any other Regulatory Authority or research ethics committee, relating to any license, Permit, certificate, clearance, Device Regulatory Approval, exemption, approval, consent or other authorization described in clause (a).

"Software" means all computer software, programs and code, including Internet web sites, web content and links, source code (including all programmer comments), object code, pseudocode, algorithms, development tools, operating systems and specifications, database management code, utilities, graphical user interfaces, menus, images, icons, forms, methods of processing, software engines, platforms and data forms (excluding personally identifiable information), and all versions, updates, corrections, derivations enhancements and modifications thereof, and all related documentation, developer notes, flowcharts, comments, annotations files, records and data on all media on which any of the foregoing is recorded.

"Third Party" means any Person other than: (a) NeuroMetrix, GSK or the Company or (b) any Affiliates of NeuroMetrix or GSK.

"Trade Secrets" means all trade secrets (including those trade secrets defined in the Uniform Trade Secrets Act and under corresponding foreign statutory and common law), know-how, and similar proprietary rights in confidential information of any kind, inventions (whether patentable or not and whether or not reduced to practice), discoveries, analytic models, improvements, compounds, processes, techniques, chemical and biological materials, devices, methods, patterns, formulations, specifications and any other technical information and data.

"Trademarks" means all trademarks, service marks, trade names, service names, brand names, trade dress rights, logos, designs, product configuration rights, certification marks, collective marks, collective membership marks, corporate names, and all words, names, symbols, colors, shapes, designations or devices, and all combination thereof, that function as an identifier of source, origin, quality or membership, whether or not registered, all registrations and applications therefor

and all renewals of any of the foregoing, and all worldwide rights and priorities afforded under any Law with respect to any of the foregoing, including all statutory and common law rights therein and thereto, together with all goodwill associated with the use of, or symbolized by, any of the foregoing.

2. Contribution of Assets. On the terms and subject to the conditions and other provisions set forth in this Agreement, effective as of the date hereof, NeuroMetrix hereby assigns, contributes, transfers, conveys and delivers to the Company, and the Company hereby acquires and accepts from NeuroMetrix, all of the Contributed Assets (such transaction, the "Contribution").

3. Consideration. The parties agree that the joining of NeuroMetrix as a member of the Company, and the creation by the Company of the membership interest held by NeuroMetrix in the Company, shall be sufficient consideration for the Contributed Assets as contributed pursuant to Section 1 above.

4. Representations and Warranties of NeuroMetrix. NeuroMetrix hereby represents and warrants to the Company as follows:

(a) NeuroMetrix is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

(b) NeuroMetrix has all requisite power and authority to execute and deliver this Agreement, to carry out its obligations hereunder, and to consummate the transactions contemplated hereby. NeuroMetrix has obtained all necessary corporate approvals for the execution and delivery of this Agreement, the performance of its obligations hereunder, and the consummation of the transactions contemplated hereby. This Agreement has been duly executed and delivered by NeuroMetrix and (assuming due authorization, execution and delivery by the Company) shall constitute NeuroMetrix's legal, valid and binding obligation, enforceable against it in accordance with its terms.

(c) NeuroMetrix has valid, good and marketable title to all of the Contributed Assets, and such Contributed Assets are free and clear of all Liens. NeuroMetrix has the unrestricted right to contribute, sell, transfer, assign, convey and deliver to the Company all right, title and interest in and to the Contributed Assets without penalty or other adverse consequences.

5. Representations and Warranties of the Company. The Company hereby represents and warrants to NeuroMetrix as follows:

(a) The Company is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware.

(b) The Company has all requisite power and authority to execute and deliver this Agreement, to carry out its obligations hereunder, and to consummate the transactions contemplated hereby. The Company has obtained all necessary limited liability company approvals for the execution and delivery of this Agreement, the performance of its obligations hereunder, and the consummation of the transactions contemplated hereby. This Agreement has been duly executed

and delivered by the Company and (assuming due authorization, execution and delivery by NeuroMetrix) shall constitute the Company's legal, valid and binding obligation, enforceable against it in accordance with its terms.

6. Further Assurances. Each of NeuroMetrix and the Company shall execute and cause to be delivered to the other party such instruments and other documents, and shall take such other actions, as such other party shall reasonably request for the purpose of carrying out or evidencing any of the transactions contemplated by this Agreement, including assigning, contributing, transferring, conveying and delivering to the Company the Contributed Assets and preparing and filing all documents and instruments required to be filed by such party with any Governmental Authority or other Third Party in connection with this Agreement or the transactions contemplated by this Agreement.

7. Amendment and Waiver. This Agreement may not be amended except by an instrument in writing signed by or on behalf of each of the parties. Any waiver of any of the terms or conditions of this Agreement must be in writing and must be duly executed by or on behalf of the party to be charged with such waiver. Except as expressly set forth in this Agreement, the failure of a party to exercise any of its rights hereunder or to insist upon strict adherence to any term or condition hereof on any one occasion shall not be construed as a waiver or deprive that party of the right thereafter to insist upon strict adherence to the terms and conditions of this Agreement at a later date. Further, no waiver of any of the terms and conditions of this Agreement shall be deemed to or shall constitute a waiver of any other term of condition hereof (whether or not similar).

8. Rules of Construction. The parties agree that they have been represented by counsel during the negotiation and execution of this Agreement and have together drafted this Agreement and, therefore, waive the application of any Law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the party drafting such agreement or document.

9. Counterparts. This Agreement may be executed in one or more counterparts (including by facsimile or electronic transmission in .pdf, .tiff or any similar format), all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party.

10. Third-Party Beneficiaries. GSK shall be an express third-party beneficiary of this Agreement, with the right to enforce any of its provisions and to seek any of the recourse and remedies provided hereunder, as if GSK were a party to this Agreement. Except as provided in the preceding sentence, this Agreement is not intended to and does not confer upon any Person any legal or equitable rights other than the parties hereto.

11. Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned, in whole or in part, by operation of law or otherwise by either of the parties without the prior written consent of the other party, and any assignment without such consent shall be null and void. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the parties and their respective successors and assigns.

12. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, REGARDLESS OF THE LAWS THAT MIGHT OTHERWISE GOVERN UNDER APPLICABLE PRINCIPLES OF CONFLICTS OF LAWS THEREOF.

13. Enforcement.

(a) Each party irrevocably submits to the exclusive jurisdiction of (i) the state courts of New York located in New York County, and (ii) the United States District Court for the Southern District of New York, for the purposes of any suit, action or other proceeding arising out of this Agreement or the Contribution. Each party agrees to commence any such action, suit or proceeding either in the United States District Court for the Southern District of New York or if such suit, action or other proceeding may not be brought in such court for jurisdictional reasons, in the state courts of New York located in New York County. Each party further agrees that service of any process, summons, notice or document by the U.S. registered mail to such Party's respective address as set forth in the Company's limited liability company agreement as in effect as of the applicable time shall be effective service of process for any action, suit or proceeding in New York with respect to any matters to which it has submitted to jurisdiction in this Section 13. Each party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the transactions contemplated hereby in (x) the state courts of New York located in New York County, and (y) the United States District Court for the Southern District of New York, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

(b) EACH PARTY WAIVES ITS RIGHT TO TRIAL OF ANY ISSUE BY JURY. Each party (i) certifies that no representative, agent or attorney of the other party has represented, expressly or otherwise, that such party would not, in the event of any action, suit or proceeding, seek to enforce the foregoing waiver and (ii) acknowledges that it and the other party has been induced to enter into this Agreement, by, among other things, the mutual waiver and certifications in this Section 13(b).

(c) Except as otherwise provided under the Asset Purchase Agreement, each party waives (i) with the exception of relief mandated by statute, any claim to punitive, exemplary, or multiplied damages and (ii) any claim for attorney fees, costs and prejudgment interest.

(d) The parties agree that irreparable damage would occur and that the parties would not have any adequate remedy at law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in the state courts of New York located in New York County, and the United States District Court for the Southern District of New York, this being in addition to any other remedy to which they are entitled at law or in equity and as further set forth in this Section 13.

14. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible to the fullest extent permitted by applicable Law in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

[*Signature page follows*]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered by each of them or their respective officers thereunto duly authorized, all as of the date first written above.

NEUROMETRIX, INC.

By: /s/ Shai Gozani

Name: Shai Gozani
Title: President and CEO

QUELL INTELLECTUAL PROPERTY CORP., LLC

By:/s/ M. P. van Ernst

Name: M. P. van Ernst
Title: Legal Director

By:/s/ Marianne Lysses

Name: Marianne Lysses
Title: Senior Legal Counsel

Portions of the exhibit, indicated by the mark "[***],"were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

ANNEX 1
EXCLUDED INTELLECTUAL PROPERTY

[***], 4 pages

Portions of the exhibit, indicated by the mark "[***]," were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

ANNEX 2

GSK PATENT RIGHTS

[***], 2 pages

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Portions of the exhibit, indicated by the mark "[***]," were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

Execution version

AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT

OF

QUELL INTELLECTUAL PROPERTY CORP., LLC

DATED AS OF JANUARY 12, 2018

TABLE OF CONTENTS

AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT
OF
QUELL INTELLECTUAL PROPERTY CORP., LLC

THIS AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT (this "Agreement") of QUELL INTELLECTUAL PROPERTY CORP., LLC (the "Company") is entered into as of January 12, 2018, by and between NeuroMetrix, Inc., a Delaware corporation ("NeuroMetrix") and Novartis Consumer Health S.A., a *société anonyme* organized under the laws of Switzerland ("GSK"), as the members of the Company (the "Members").

WITNESSETH

WHEREAS, NeuroMetrix formed the Company as a limited liability company pursuant to and in accordance with the Delaware Limited Liability Company Act (6 Del. C. § 18-101 et seq.), as amended from time to time (the "Delaware Act"), by causing the filing of a Certificate of Formation with the Secretary of the State of the State of Delaware on December 21, 2017 (the "Certificate");

WHEREAS, NeuroMetrix has contributed the Contributed Assets (as defined in **Schedule B**) to the Company pursuant to that certain Contribution Agreement dated December 21, 2017 (the "Contribution Agreement");

WHEREAS, NeuroMetrix entered into a Limited Liability Company Agreement of the Company dated December 21, 2017 (the "Original Agreement");

WHEREAS, GSK has acquired from NeuroMetrix 50% of the membership interests in the Company pursuant to that certain Asset Purchase Agreement between NeuroMetrix and GSK, dated January 12, 2018 (the "Purchase Agreement");

WHEREAS, the Members desire to amend and restate the Original Agreement in its entirety and enter into this Agreement to set forth the parties' understandings and agreements with respect to the operation and governance of the Company and to set out more fully the rights, obligations and duties of the Members, and therefore replace the Original Agreement, all as set forth herein;

NOW, THEREFORE, in consideration of the premises and covenants and provisions herein contained, GSK and NeuroMetrix hereby agree as follows:

1. Name.

The name of the limited liability company is Quell Intellectual Property Corp., LLC. The business of the Company may be conducted under that name or, upon compliance with applicable Law, any other name that the Members deem appropriate or advisable, other than any name or trade name belonging to either Member, and in any case as approved by Consent of the Members.

2. Principal Business Office; Registered Agent.

The principal business office of the Company shall be located at 1000 Winter Street, Waltham, MA 02451, or such other location as may hereafter be determined by Consent of the Members. The location of the Company's principal place of business may be changed at any time and from time to time by Consent of the Members. The name and address of the registered agent for service of process for the Company in the State of Delaware shall be the Corporation Service Company, 251 Little Falls Drive, City of Wilmington, County of New Castle, Delaware, or such other agent as may be designated by Consent of the Members.

3. Purpose.

3.1 The Company is formed for the sole object and purpose of, and the sole nature of the business to be conducted and

promoted by the Company is:

(a) to hold all Contributed Assets, as contributed to the Company by NeuroMetrix pursuant to the Contribution Agreement, and which Contributed Assets are defined and described in **Schedule B**, and to engage in any activities and transactions related thereto;

(b) to own, hold, manage and defend, all of the Contributed Assets;

(c) to license to NeuroMetrix certain of the Contributed Assets in the GSK Territory, pursuant to a license agreement entered into on or about the date hereof in respect of (the "Ex-US License Agreement");

(d) to license to NeuroMetrix certain of the Contributed Assets outside the GSK Territory, pursuant to a license agreement entered into on or about the date hereof (the "US License Agreement");

(e) to pay the organizational, start-up and routine transactional and maintenance expenses of the Company, including the creation, assumption or incurrence of obligations to pay service providers to the Company and other ordinary course expenses of maintaining its existence and carrying out its various purposes under this Agreement;

(f) to accept capital contributions from time to time from the Members; and

(g) subject to Section 5, to engage in any lawful act or activity which is incidental to and reasonably necessary or convenient for the accomplishment of the foregoing purposes (including the establishment of bank accounts, the undertaking of any and all commercially reasonable actions to defend the Contributed Assets against any infringement as contemplated by the Material Agreements or any breach of any of the Material Agreements by any party obligated thereunder, in each case in accordance with such Material Agreements, and any and all commercially reasonable actions in connection with any bankruptcy of any Member as reasonably requested by the other Member(s)).

3.2 The Company, by or through both Members acting collectively or, subject to the Consent of the Members, by any Manager on behalf of the Company, may enter into and perform the obligations set forth under the Material Agreements to which it is a party and all documents, agreements, certificates, or financing statements contemplated thereby or related thereto, and establish one or more bank accounts. For purposes of this Agreement, "Material Agreements" shall mean:

(a) the Purchase Agreement;

(b) the Contribution Agreement;

(c) the Ex-US License Agreement;

(d) the US License Agreement; and

(e) that certain Development and Services Agreement entered into on or about the date hereof between NeuroMetrix and GSK (the "Development Agreement").

3.3 Notwithstanding any provision hereof or any other document governing the formation, management or operation of the Company to the contrary, the Company shall be a "special purpose entity" and shall not perform any act or permit any act to be performed that would be inconsistent with its status as a special purpose entity.

4. Members.

4.1 The name and the mailing address of each Member are as set forth on **Schedule A**. The Members shall hold membership interests in the Company in the percentages set forth on **Schedule A** ("Interests"), as such schedule may be amended from time to time by Consent of the Members.

4.2 The Members shall have the power to exercise any and all rights and powers granted to the Members pursuant to the express terms of this Agreement.

5. Powers of the Company and the Members.

5.1 Subject to this Section 5, the Company (a) shall have the power and authority to take any and all actions necessary, appropriate, advisable, convenient or incidental to, or for the furtherance of, the purposes set forth in Section 3, (b) shall have and exercise all of the powers and rights conferred upon limited liability companies formed pursuant to the Delaware Act and (c)

shall be represented in the taking of such actions by the Managers, in accordance with Section 6, or otherwise as determined by Consent of the Members.

5.2 Unless otherwise expressly provided in this Agreement or as otherwise expressly authorized or delegated by Consent of the Members, and notwithstanding any provision of Law that otherwise so empowers the Company, the Members, any Manager or any other Person, none of the Company or any Member, nor any Manager or any other Person, shall be authorized or empowered, nor shall they permit the Company to take any action or perform any act without the prior Consent of the Members. For purposes of this Agreement, "Consent of the Members" shall mean the unanimous written approval of all Members.

5.3 The Members and the Managers shall cause the Company to do or cause to be done all things necessary to preserve and keep in full force and effect its existence, rights (charter and statutory) and franchises; provided, however, that the Company shall not be required to preserve any such right or franchise if all the Members shall determine that the preservation thereof is no longer desirable for the conduct of the Company's business and that the loss thereof is not disadvantageous in any material respect to the Company and is not otherwise inconsistent with the terms, obligations and limitations contained herein. The Members and the Managers shall also cause the Company at all times to:

(a) remain solvent and pay its debts and liabilities (including, as applicable, fairly allocated obligations in connection with personnel and overhead expenses) from its assets as they become due;

(b) subject to Section 5.4(r), maintain an arm's-length relationship in all dealings with the Members and their respective Affiliates, and only upon terms and conditions that are intrinsically fair and substantially similar to those that would be available at an arm's-length basis with Third Parties;

(c) hold itself out to the public and all other Persons, and identify itself, as a legal entity separate from each of the Members, their respective Affiliates or any other Person, and otherwise not identify itself as a division or part of another Person, including any Member and any of its respective Affiliates, and correct any known misunderstanding regarding its status as a separate entity;

(d) maintain adequate financial statements, books, records, bank accounts and other business records (including stationery and invoices) separate and apart from those of any of the Members and their respective Affiliates;

(e) allocate fairly and reasonably any shared expenses, including shared office space;

(f) act and conduct its business solely in its own name, whether directly or through any agent, without confusing use of any trade names related to any of the Members and their respective Affiliates, or any other Third Party;

(g) file its own tax returns (unless prohibited by applicable Law from doing so) and other public documents and filings, separate and apart from any such returns, documents or filings of any of the Members or any of their respective Affiliates or any other Person;

(h) strictly comply with all organizational and corporate formalities necessary to maintain its separate existence, and conduct itself so as to avoid any other grounds for exposure as an alter ego of any of the Members or any of their respective Affiliates;

(i) preserve its existence as an entity duly organized, validly existing and in good standing under Delaware Law;

(j) maintain adequate capital in light of its contemplated business purpose, operations, transactions and liabilities and pay its own expenses from such capital, including the salaries of its own employees, if any;

(k) act only pursuant to written consent or by resolutions taken at a duly convened meeting, in each case subject to the approval requirements set forth in this Agreement, and keep minutes of such meetings and actions and observe all other Delaware limited liability company formalities; and

(l) cause the Managers, agents and other representatives of the Company to act at all times with respect to the Company consistently and in furtherance of the foregoing and in the best interests of the Company.

5.4 Notwithstanding any other provision of this Agreement and any provision of Law, the Company shall not (and the Members, any Manager or any other Person shall not cause the Company to), without the Consent of the Members:

(a) enter into any Contract or any transaction or series of related transactions with any Person (including with

any Member or Affiliate thereof);

(b) institute or file any proceedings to have the Company be adjudicated bankrupt or insolvent, or consent to the institution or filing of bankruptcy or insolvency proceedings against the Company, or file a petition seeking, or consent to, reorganization or relief with respect to the Company under any applicable federal or state Law relating to bankruptcy, insolvency, relief from debts or the protection of debtors, or seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian (or other similar official) of the Company or a substantial part of its property, or make any assignment for the benefit of creditors of the Company, or take any action that is intended to cause the Company to become insolvent, or declare or effectuate a moratorium on the payment of any of the Company's obligations, or take any action in furtherance of any of the foregoing;

(c) admit in writing the Company's inability to pay its debts generally as they become due;

(d) dissolve or liquidate;

(e) change its legal structure, or change its corporate type or otherwise convert its legal status or cease to be a limited liability company;

(f) take any action that is inconsistent with the classification of the Company as a corporation for U.S. federal income tax purposes or revoke any election to that effect;

(g) incur any indebtedness, or assume or guarantee any indebtedness of any other Person, whether secured or unsecured, direct or indirect, absolute or contingent;

(h) grant or suffer to exist any lien, security interest or other encumbrances on any of its assets, for its own behalf or for the benefit of any Member, its respective Affiliates or any other Person;

(i) guarantee or otherwise become liable for any indebtedness of any of the Members, their respective Affiliates or any other Person, hold itself out to be responsible for the indebtedness of any other Person, or hold out its credit as being available to satisfy the obligations of any other Person, including any of the Members and any of their respective Affiliates;

(j) issue any additional Interest in the Company;

(k) acquire any securities or other obligations of any of the Members, any of their respective Affiliates or any other Person;

(l) engage in any business other than as set forth in Section 3;

(m) commingle or pool Company funds and assets with those of any of the Members, their respective Affiliates, or any other Person;

(n) own any assets or property other than (i) the Contributed Assets, and (ii) incidental personal and intangible property related to the ownership of the Contributed Assets;

(o) own any subsidiary or make an investment in any Person;

(p) fail to do or cause to be done all things necessary to observe organizational formalities and preserve its existence, or amend, modify, or otherwise change the organizational documents of the Company;

(q) permit any of the Members or any of their respective Affiliates independent access to its bank accounts;

(r) except for the Contribution Agreement, Ex-US License Agreement and US License Agreement, engage in any transaction with any of the Members or any of their respective Affiliates;

(s) initiate any litigation; or

(t) take any action in furtherance of any of the foregoing, or agree to do any of the foregoing.

5.5 Failure of the Company, any Member, any Manager or any other Person acting on behalf of the Company, to comply with any of the foregoing provisions in this Section 5 or any other covenants contained in this Agreement shall not affect the status of the Company as a separate legal entity or the limited liability of the Members or the Managers.

6. Management.

6.1 Managers.

(a) Appointment. The Company may have one or more managers (each, a "Manager"), to act on behalf of the Company as such powers may be delegated or authorized only by Consent of the Members. The initial number of Managers shall be two (2), one of which shall be designated by NeuroMetrix and one of which shall be designated by GSK. Any additional Managers may be designated, in all cases by Consent of the Members.

(b) Removal. Each Manager shall serve until removed and such Manager's successor is duly designated and qualified or until such Manager's earlier death, retirement or incapacity. Any Manager may be removed with or without cause by the Member with the right to designate such Manager. Any Manager so removed shall be replaced by a Manager designated by the Member with the right to designate the removed Manager.

(c) Resignation. Any Manager may resign at any time by delivering his resignation to the Members in writing or by electronic transmission, such resignation to specify whether it will be effective at a particular time, upon receipt by the Members or at the pleasure of the Members. If no such specification is made, it shall be deemed effective at the pleasure of the Members. Any Manager so resigning shall be replaced by a Manager designated by the Member with the right to designate the resigning Manager.

(d) Compensation; Expenses. The Managers shall not be entitled to any compensation; provided that the Managers may be paid their reasonable, documented out-of-pocket expenses, if any, incurred in connection with performing their duties.

(e) Managers as Agents. The Managers shall have only those powers and shall perform only those actions as may be authorized or delegated by Consent of the Members, and in such event the Managers shall be agents of the Company for the purpose of the Company's business, and the actions of the Managers taken in accordance with such powers shall bind the Company. Notwithstanding the last sentence of Section 18-402 of the Delaware Act, except as provided in this Agreement, a Manager may not bind the Company.

6.2 Meetings of the Members.

(a) Time and Place. The Members may hold meetings, both regular and special, within or outside the State of Delaware. Regular meetings of the Members may be held without notice at such time and at such place as shall from time to time be determined by Consent of the Members. Special meetings of the Members may be called by any Member on not less than seventy-two hours' notice to each other Member by telephone, facsimile, mail, electronic transmission or any other means of communication.

(b) Quorum; Actions of the Members. At all meetings of the Members, the presence of all Members shall constitute a quorum for the transaction of business and any such actions may only be approved by Consent of the Members, except where otherwise expressly provided in this Agreement. If a quorum shall not be present at any meeting, the Members present at such meeting may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. Any action required or permitted to be taken at any meeting of the Members may be taken without a meeting if all of the Members consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Members.

(c) Electronic Communications. Members may participate in meetings by means of telephone conference or similar communications equipment that allows all Persons participating in the meeting to hear each other, and such participation in a meeting shall constitute presence in Person at the meeting. If all the participants are participating by telephone conference or similar communications equipment, the meeting shall be deemed to be held at the principal place of business of the Company.

6.3 Subject to the Consent of the Members, (a) the Company may appoint, employ, or otherwise contract with such other Persons for the transaction of the business of the Company or the performance of services for, or on behalf of, the Company as the Members shall determine, subject to the terms and limitations contained herein and (b) the Members may delegate to any such other Person, such authority to act on behalf of the Company as the Members may from time to time deem appropriate. The agents of the Company shall not be entitled to salaries or other compensation, unless otherwise approved with the Consent of the Members.

7. Capital Contributions.

7.1 The Members shall be required to make additional capital contributions, from time to time, sufficient to cover the expenses related to the maintenance of the Company and its assets, pro rata in accordance with their Interests and in such amounts as shall be determined by the Members (each, a "Working Capital Contribution" and, together with any other capital contribution to the Company, the "Capital Contributions"). In the event that any Member (a "Contributing Member"), in its reasonable judgment, determines that a Working Capital Contribution would be necessary to cover the expenses described in this Section 7.1, the

Contributing Member shall give notice of such determination to the other Member(s) (a "Contribution Notice"), specifying the aggregate amount of the proposed Working Capital Contribution and the pro rata portion to be so contributed by such other Member(s) (each, a "Notified Member"), and such Notified Member(s) shall be required to make its (their) respective pro rata portion of such Working Capital Contributions within 20 days following receipt of such Contribution Notice. In case a Notified Member fails to make such pro rata share of a Working Capital Contribution within such 20-day period, the Contributing Member shall be entitled to make such Capital Contribution itself in lieu of such Notified Member and, in case such Working Capital Contributions are finally determined to have been necessary in accordance with Section 23, the Contributing Member shall be entitled to recover such amount from the Notified Member, together with interest on such amount from the end of the 20-day period specified in the relevant Contribution Notice until the actual date of payment at a rate per annum equal to the prime interest rate published in *The Wall Street Journal* on the date such interest begins accruing. Notwithstanding any of the foregoing in this Section 7.1, [***].

7.2 Other than the Working Capital Contributions as set forth in Section 7.1, the Members may (with the Consent of the Members), but are not required to, make any additional Capital Contribution or otherwise provide any additional funds to the Company. To the extent that the Members make any additional Capital Contribution to the Company (including any amounts made pursuant to Section 7.1), the Members shall revise the books and records of the Company to reflect such Capital Contribution. The provisions of this Agreement, including this Section 7.2, are intended to benefit the Members and, to the fullest extent permitted by Law, shall not be construed as conferring any benefit upon any creditor of the Company (and no other creditor of the Company shall be a third-party beneficiary of this Agreement). The Members shall not have any duty or obligation to any creditor of the Company to make any Capital Contribution to the Company or to issue any call for capital pursuant to this Agreement.

7.3 No Member shall have the right to receive the return of all or any part of any Capital Contribution or capital account, or any other distribution. No Member shall have any right to demand and receive property of the Company in exchange for all or any portion of its Capital Contributions, except as provided in Section 18 upon dissolution and liquidation of the Company. No interest or preferred return shall accrue or be paid on any Capital Contribution or capital account.

8. Tax Status.

The Company has elected to be classified as a corporation for U.S. federal income tax purposes from the date of its formation and such election has not been revoked, modified or terminated. The Members shall file all tax returns, information statements and similar documents in accordance with such classification of the Company for all U.S. federal, state and local income tax purposes unless otherwise notified by the Company that the Members have revoked such election in accordance with Section 5.4(f).

9. Distributions.

Distributions shall be made to the Members at the times and in the amounts determined by Consent of the Members; provided that no distribution shall be made in violation of the Delaware Act.

10. Transfers of Interests.

10.1 No Member shall transfer, sell, assign, exchange, pledge, hypothecate, encumber, grant a security interest in or lien over, gift or otherwise dispose of in any manner, whether voluntary or involuntary, directly or indirectly, any legal, beneficial or other interest in (any of the foregoing actions, a "Transfer," with correlative meanings given to the terms "Transferring," "Transferred," "Transferee" and "Transferor"), any Interest in the Company, except in accordance with the provisions of this Section 10.

10.2 Notwithstanding any other provision in this Section 10, no Member shall be permitted to (a) pledge, hypothecate or encumber (i) any or all Interests in the Company owned by such Member or (ii) any direct or indirect legal or beneficial ownership interest of any form or type in such Member's Interests or (b) grant any form of security interest in (i) Interests in the Company owned by such Member or (ii) any direct or indirect legal or beneficial ownership interest of any form or type in such Member's Interests, in each case ((a) or (b)) to secure indebtedness of such Member, one or more of its direct or indirect legal or beneficial owners or any other Person and owing to a bank, financial institution, institutional investor or any other Person.

10.3 Any Transfer permitted by this Section 10 shall be subject to the following:

(a) No Transfer of any Interest in the Company may be made if such Transfer would cause or result in a breach of any Contract binding upon the Company or of then applicable rules and regulations of any Governmental Authority having jurisdiction over such Transfer.

(b) In the event of any Transfer, (i) there shall be filed with the Company a duly executed and acknowledged counterpart instrument effecting such Transfer, (ii) the Transferee shall execute a counterpart of or other writing agreeing to be bound by this Agreement, and such additional documents and instruments as shall be reasonably required by the Company. The Company shall not recognize any such Transfer unless and until all such instruments are so executed and filed.

10.4 Any attempt by a Member or one or more of its direct or indirect legal or beneficial owners to Transfer any of its Interests in the Company without compliance with Section 10.2 and Section 10.3 shall be null and void *ab initio* and the Company shall not give any effect to such attempted Transfer in its books and records, and such purported Transferee shall not be recognized or treated as a Member for any purpose. In the event any Member shall at any time Transfer an Interest in the Company in contravention of any of the provisions of this Agreement, then the Company and each other Member shall, in addition to all rights and remedies at law and equity, be entitled to seek, without any requirement to post a bond or other security, a decree or order restraining and enjoining such transaction, and the offending Member shall not plead in defense thereto that there would be an adequate remedy at law; it being expressly hereby acknowledged and agreed by the Members that damages at law would be an inadequate remedy for a breach or threatened breach or other violation of the provisions concerning such transaction set forth in this Agreement.

10.5 Upon any Transfer of any Interest and subject to the execution by the Transferee of a counterpart of or other writing agreeing to be bound by this Agreement, (a) the Transferee, if not already a Member, shall be for all purposes of this Agreement deemed a Member, and (b) the Transferor Member shall cease to be a Member as to the Transferred Interests for all purposes of this Agreement.

11. Withdrawal and Resignation.

So long as a Member continues to hold any Interests, such Member shall not have the ability to withdraw or resign as a Member or withdraw such Member's capital from the Company prior to the dissolution and winding up of the Company, and any such withdrawal or resignation or attempted withdrawal or resignation by a Member prior to the dissolution or winding up of the Company shall be null and void. In furtherance of the foregoing, no Member shall be entitled to any distribution under Section 18-604 of the Delaware Act or any other provision of the Delaware Act whether upon the disassociation of such Member from the Company or otherwise. As soon as any Person who is a Member ceases to hold any Interests, such Person shall no longer be a Member.

12. Admission of Additional Members.

Subject to Section 10, one or more additional Members of the Company may be admitted to the Company with the Consent of the Members.

13. Limited Liability.

Except as otherwise expressly provided by the Delaware Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be the debts, obligations and liabilities solely of the Company, and neither the Members nor any Manager shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member or Manager of the Company.

14. Books and Records.

The Managers shall keep or cause to be kept complete and accurate books of account and records with respect to the Company's business. The books of the Company shall at all times be maintained by the Managers. The Members and their respective duly authorized representatives shall have the right to examine the Company books, records and documents during normal business hours. The Company, and the Managers on behalf of the Company, shall not have the right to keep confidential from the Members any information that the Managers would otherwise be permitted to keep confidential from the Members pursuant to Section 18-305(c) of the Delaware Act. The Company's books of account shall be kept using the method of accounting determined by the Consent of the Members. The Company's auditor, if any, shall be a public accounting firm selected by the Consent of the Members.

15. Tax Returns.

The Managers shall cause the income tax and information returns, if any, for the Company to be prepared and timely filed with the appropriate authorities. All such tax returns shall be filed in a manner consistent with the classification of the Company pursuant to this Agreement (including any classification other than as a corporation, if applicable, as a result of an election or revocation made in accordance with Section 5.4(f)). The Company shall provide a copy of each such tax return to each Member before filing.

16. Indemnification.

16.1 Exculpation.

(a) For purposes of this Agreement, the term "Covered Persons" means any Manager, the Members, any Affiliate of a Manager or the Members and any officers, directors, shareholders, equity holders, security holders, partners or employees of a Manager or the Members, and the respective Affiliates of any of the foregoing, and any officer, employee or expressly authorized

agent of the Company or its Affiliates.

(b) No Covered Person shall be liable to the Company or any other Covered Person for any loss, damage or claim incurred by reason of any act or omission performed (whether or not constituting negligence) or omitted by such Covered Person in good faith on behalf of the Company (and in the case of a Member, solely in its capacity as a Member of the Company) and in a manner reasonably believed to be within the scope of authority conferred on such Covered Person by this Agreement, except that a Covered Person shall be liable for any such loss, damage or claim incurred by reason of such Covered Person's gross negligence or willful misconduct. The Members, acting solely in their capacities as Members of the Company, shall not be liable to the Company or to any other Covered Person for any loss, damage or claim incurred by reason of any act or omission (whether or not constituting negligence or gross negligence) performed or omitted by the Members in good faith, except that a Member shall be liable for any such loss, damage or claim incurred as a result of any breach by such Member of this Agreement.

(c) A Covered Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any Person as to matters the Covered Person reasonably believes are within the professional or expert competence of such Person and who or which has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits, losses, or any other facts pertinent to the existence and amount of assets from which distributions to the Members might properly be paid.

16.2 Duties and Liabilities of Covered Persons.

(a) The provisions of this Agreement, to the extent that they restrict the duties and liabilities of a Covered Person otherwise existing at law or in equity, are agreed by the Members to replace such other duties and liabilities of such Covered Person.

(b) To the fullest extent permitted by applicable Law, including Section 18-1101(c) of the Delaware Act, and notwithstanding any duty otherwise existing at law or in equity, each Member and each Manager and, to the extent applicable, each other Covered Person, shall owe fiduciary duties (including the duty of care and the duty of loyalty) to the Company when acting or otherwise voting on any matter requiring the Consent of the Members pursuant to Section 5.4 or any action or matter that would be in contravention of the provisions of Section 5.3, and in each such case no interests other than the interests of the Company shall be considered by such Member, Manager or Covered Person, as the case may be.

(c) To the fullest extent permitted by applicable Law, including Section 18-1101(c) of the Delaware Act, other than as provided in Section 16.2(b) or as otherwise expressly provided in this Agreement, no Covered Person shall owe any fiduciary duties (including the duty of care and the duty of loyalty) to the Company or any other Covered Person in the performance of their duties and exercising their rights hereunder or otherwise.

(d) Except in the cases set forth in Section 16.2(b), whenever in this Agreement a Covered Person is permitted or required to make a decision in its "discretion" or under a grant of similar authority or latitude, the Covered Person shall be entitled to consider, in addition to the Company's best interests, such interests and factors as it desires, including its own interests, and shall have no duty or obligation to give any consideration to any interest of, or factors affecting, any other Person.

(e) The provisions of this Section 16.2 shall not eliminate the implied contractual covenant of good faith and fair dealing under applicable Law.

(f) All provisions of this Section 16 shall apply to any former Member or Manager of the Company for all actions or omissions taken while such Person was the Member or a Manager, as applicable, of the Company to the same extent as if such Person were still the Member or a Manager, as applicable, of the Company.

16.3 Indemnification.

To the fullest extent permitted by applicable Law, any Covered Person shall be entitled to indemnification from the Company for any loss, damage or claim incurred by such Covered Person by reason of any act or omission (whether or not constituting negligence) performed or omitted by such Covered Person in good faith on behalf of the Company (and in the case of any Member, solely in its capacity as a Member of the Company) and in a manner reasonably believed to be within the scope of authority conferred on such Covered Person by this Agreement, except that no Covered Person (other than the Members acting solely in their capacities as Members) shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Covered Person by reason of gross negligence or willful misconduct with respect to such acts or omissions; provided, however, that any indemnity under this Section 16 shall be provided out of, and to the extent of, Company assets only, and no Covered Person shall have any personal liability on account thereof; provided, further, that no such indemnification shall be provided in respect of any act or omission of any Member

that would constitute a breach by such Member of this Agreement or any Material Agreement.

16.4 Expenses.

To the fullest extent permitted by applicable Law, reasonable, documented out-of-pocket expenses (including reasonable attorney fees) incurred by a Covered Person in defending any claim, demand, action, suit or proceeding in which such Covered Person is a party or is otherwise involved in its capacity as a Covered Person shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Covered Person to repay such amount if it shall be determined that the Covered Person is not entitled to be indemnified as authorized in this Section 16.

17. Amendment; Waivers.

17.1 No amendment or modification of this Agreement shall be valid or binding unless set forth in writing and duly executed by all Members, and any such amendment or modification shall be binding on all the parties.

17.2 No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

18. Dissolution.

18.1 Subject to Sections 5.4 and 18.4, the Company shall be dissolved, and its affairs shall be wound up upon the first to occur of the following: (a) the Consent of the Members, (b) at any time there are no Members of the Company, unless the Company is continued in accordance with Section 18-801(a)(4) of the Delaware Act, or (c) the entry of a decree of judicial dissolution under Section 18-802 of the Delaware Act, following any action with respect thereto taken by the Members pursuant to and in accordance with the terms of this Agreement.

18.2 In the event of dissolution, the Company shall conduct only such activities as are necessary to wind up its affairs (including the sale of the assets of the Company in an orderly manner), and the assets of the Company shall be applied in the manner, and in the order of priority, set forth in Section 18-804 of the Delaware Act.

18.3 The Company shall terminate when (a) all of the assets of the Company (after payment of or due provision for all debts, liabilities and obligations of the Company as described in Section 18.2 and in Section 18-804 of the Delaware Act) shall have been distributed to the Members in the manner provided for in this Agreement and the Delaware Act and (b) the Certificate shall have been canceled in the manner required by the Delaware Act.

18.4 Upon the occurrence of any event that causes any Member to cease to be a Member of the Company (other than upon a Transfer by the Member of all of its Interests in the Company and the admission of the Transferee pursuant to Section 10), the remaining Member(s) shall, without any action of any Person and simultaneously with the Member ceasing to be a member of the Company, continue the Company without dissolution.

19. Waiver of Partition; Nature of Interest.

Except as otherwise expressly provided in this Agreement, to the fullest extent permitted by Law, each of the Members hereby irrevocably waives any right or power that such Person might have to cause the Company or any of its assets to be partitioned, to cause the appointment of a receiver for all or any portion of the assets of the Company, to compel any sale of all or any portion of the assets of the Company pursuant to any applicable Law or to file a complaint or to institute any proceeding at law or in equity to cause the dissolution, liquidation, winding up or termination of the Company. The Members shall not have any interest in any specific assets of the Company, and the Members shall not have the status of a creditor with respect to any distribution pursuant to Section 9. The Interest of any Member in the Company is personal property.

20. Certain Defined Terms.

In addition to the terms defined elsewhere in this Agreement, for purposes of this Agreement, the following terms shall have the corresponding meanings set forth below:

"Affiliate" of any Person means another Person that directly or indirectly, through one or more intermediaries, Controls, is

Controlled by or is under common Control with, such first Person; provided that, for purposes of this Agreement, the Company shall not be deemed to be an Affiliate of any Member.

"Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions located in New York City or London are permitted or required by applicable Law to remain closed.

"Contracts" means any loan or credit agreement, bond, debenture, note, mortgage, indenture, lease, supply agreement, license agreement, development agreement, distribution agreement or other legally binding contract, agreement, obligation, commitment, arrangement, understanding, instrument, permit, franchise or license, whether oral or written.

"Control" including its various tenses and derivatives (such as "Controlled" and "Controlling") means (a) when used with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through the ownership of voting securities, by Contract or otherwise, (b) when used with respect to any security, the possession, directly or indirectly, of the power to vote, or to direct the voting of, such security or the power to dispose of, or to direct the disposition of, such security and (c) when used with respect to any Intellectual Property Rights, possession of the right, whether directly or indirectly, and whether by ownership, license or otherwise, to assign or grant a license, sublicense or other right to or under such Intellectual Property Rights.

"Copyrights" means all copyrights, mask works, and other rights in any works of authorship of any type, in all forms, media or medium, now known or hereinafter developed, and whether or not completed, published, or used, including all drafts, plans, sketches, artwork, layouts, copy, designs, photographs, illustrations, collections, serials, printed or graphic matter, slides, compilations, serials, promotions, audio or visual recordings, transcriptions, Software, and all derivative works, translations, adaptations, or combinations of any of the foregoing, all registrations and applications therefor and all extensions, restorations, and renewals of any of the foregoing, all worldwide rights and priorities afforded under any Law with respect to any of the foregoing, and all termination rights, moral rights, rights of publicity, author rights and all other rights associated therewith.

"Governmental Authority" means any federal, state, local, supranational or foreign government, any court, administrative, regulatory or other governmental agency, commission or authority or any non-governmental self-regulatory agency, commission or authority.

"GSK Territory" means worldwide, excluding the United States and its states, territories and possessions"

"Intellectual Property Rights" means any and all intellectual property rights and proprietary rights of any kind or nature, whether protected, created or arising under any Law, anywhere in the world, including all: (a) Copyrights and copyrightable subject matter, (b) Trademarks, (c) Patents, (d) domain names, (e) social media names, handles, tags, and other identifiers and accounts, (f) registered designs, (g) compilations of data and aggregated data contained in any databases (in each case excluding personally identifiable information), (h) Trade Secrets, discoveries, concepts, ideas, know-how, inventions (whether or not patentable and whether or not reduced to practice), invention disclosures, improvements, proprietary information, confidential information, technology, processes, processing methods, manufacturing techniques, logics, algorithms, designs (whether or not registerable), design rights (including unregistered design rights), specifications, schematics, work-flow diagrams, work product, and technical data and all other proprietary information, including customer lists, supplier lists, pricing and cost information, and business and marketing plans, in any form whether or not specifically listed herein, and all rights to limit the use or disclosure of any of the foregoing, and all documentation relating to any of the foregoing, (i) Software and application programming interfaces, (j) corresponding recordings, licenses or similar agreements relating to any of the foregoing, (k) applications for any intellectual property rights and proprietary rights and the rights to file such applications, establish and claim a right to priority under applicable Law, and to prosecute, obtain grant of, maintain, defend and exploit all such intellectual property rights and proprietary rights, (l) rights to bring an action for any past, present or future infringement, dilution, misappropriation or other impairment or violation of rights and to seek and receive damages, proceeds or any other legal or equitable protections and remedies with respect to any of the foregoing, (m) similar or equivalent rights to or embodied in any of the foregoing anywhere in the world, and (n) exclusive and other rights subsisting in any of the foregoing.

"Law" means any federal, state, local, supranational or foreign constitution, convention, treaty, law, statute, ordinance, rule, regulation, interpretation, guidance document, directive, policy, order, writ, award, decree, injunction, judgment, stay or restraining order of any Governmental Authority, and any other ruling or decision of, agreement with or by, or any other requirement of, any Governmental Authority.

"Patents" means all United States and foreign issued patents and applications therefor, including (a) all applications made pursuant to the Patent Cooperation Treaty (PCTs), the European Patent Convention (EPs) or any other multi-national agreement (including the country and/or regional designations therein), (b) provisionals, non-provisionals, converted provisionals, requests for continued examination, continuations, divisionals, continuations-in-part, substitutions, and additions, (c) all patents and patent certificates resulting from reexaminations and reissues, oppositions, *inter partes* review, post-grant review, transitional program for covered business method patent review, derivation proceedings, or other proceedings established by the America Invents Act or any

similar foreign proceeding, (d) all rights in respect of utility models, petty patents, innovation patents, design patents (also known as registered designs) and certificates of invention, and (e) all worldwide rights and priorities afforded under any Law with respect to any of the foregoing, and all extensions (including Supplementary Protection Certificates), restorations, and renewals of any of the foregoing.

"Permit" means any approval, authorization, certificate, filing, franchise, license, notice, clearance or permit of or with any Governmental Authority.

"Person" means an individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization or other entity or any Governmental Authority.

"Software" means all computer software, programs and code, including Internet web sites, web content and links, source code (including all programmer comments), object code, pseudocode, algorithms, development tools, operating systems and specifications, database management code, utilities, graphical user interfaces, menus, images, icons, forms, methods of processing, software engines, platforms and data forms (excluding personally identifiable information), and all versions, updates, corrections, derivations enhancements and modifications thereof, and all related documentation, developer notes, flowcharts, comments, annotations files, records and data on all media on which any of the foregoing is recorded.

"Third Party" means any Person other than: (a) any Member, (b) the Company or (c) any Affiliates of any of the foregoing.

"Trade Secrets" means all trade secrets (including those trade secrets defined in the Uniform Trade Secrets Act and under corresponding foreign statutory and common law), know-how, and similar proprietary rights in confidential information of any kind, inventions (whether patentable or not and whether or not reduced to practice), discoveries, analytic models, improvements, compounds, processes, techniques, chemical and biological materials, devices, methods, patterns, formulations, specifications and any other technical information and data.

"Trademarks" means all trademarks, service marks, trade names, service names, brand names, trade dress rights, logos, designs, product configuration rights, certification marks, collective marks, collective membership marks, corporate names, and all words, names, symbols, colors, shapes, designations or devices, and all combination thereof, that function as an identifier of source, origin, quality or membership, whether or not registered, all registrations and applications therefor and all renewals of any of the foregoing, and all worldwide rights and priorities afforded under any Law with respect to any of the foregoing, including all statutory and common law rights therein and thereto, together with all goodwill associated with the use of, or symbolized by, any of the foregoing.

21. Interpretation.

When a reference is made in this Agreement to an Article, a Section, Exhibit or Schedule, such reference shall be to an Article of, a Section of, or an Exhibit or Schedule to, this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement, or in any Exhibit or Schedule hereto are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement, or such Exhibit or Schedule. Unless the context otherwise requires, references to a "party" or to "parties" shall be references to a party or the parties hereto. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." The word "or," when used in this Agreement, has the inclusive meaning represented by the phrase "and/or." The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. References to the "date hereof" refer to the date of this Agreement. "Extent" in the phrase "to the extent" means the degree to which a subject or other thing extends, and such phrase does not mean simply "if." All terms defined in this Agreement shall have the defined meanings when used in any Exhibit or Schedule to this Agreement, and in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such term. Any Contract or statute defined or referred to herein or in any Contract that is referred to herein means (a) in the case of any statute, such statute and any comparable statute that from time to time replaces such statute by succession and (b) in the case of any Contract, such Contract and all amendments, modifications and attachments thereto and instruments incorporated therein. References to a Person are also to its permitted successors and assigns.

22. Governing Law.

This Agreement and any dispute, controversy or claim arising hereunder on in connection herewith shall be governed by and construed in accordance with the internal Laws of the State of New York applicable to agreements made and to be performed entirely within such State, without regard to the conflicts of law principles that would otherwise require the applicable of the Laws of a jurisdiction other than the State of New York; provided that the Laws of the State of Delaware shall apply hereto with respect to matters governed by the Delaware Act or the internal affairs doctrine, or otherwise subject to the provisions of the Delaware Act, without regard to the conflicts of law principles that would otherwise require the applicable of the Laws of a jurisdiction other than the

State of Delaware.

23. Jurisdiction.

23.1 Each party irrevocably submits to the exclusive jurisdiction of (a) the state courts of New York located in New York County, and (b) the United States District Court for the Southern District of New York, for the purposes of any suit, action or other proceeding arising out of this Agreement. Each party agrees to commence any such action, suit or proceeding either in the United States District Court for the Southern District of New York or if such suit, action or other proceeding may not be brought in such court for jurisdictional reasons, in the state courts of New York located in New York County. Each party further agrees that service of any process, summons, notice or document by the U.S. registered mail to such party's respective address set forth pursuant to Section 24 shall be effective service of process for any action, suit or proceeding in New York with respect to any matters to which it has submitted to jurisdiction in this Section 23. Each party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the transactions contemplated hereby in (i) the state courts of New York located in New York County, and (ii) the United States District Court for the Southern District of New York, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

23.2 EACH PARTY WAIVES ITS RIGHT TO TRIAL OF ANY ISSUE BY JURY. Each party (a) certifies that no representative, agent or attorney of the other party has represented, expressly or otherwise, that such party would not, in the event of any action, suit or proceeding, seek to enforce the foregoing waiver and (b) acknowledges that it and the other party has been induced to enter into this Agreement, by, among other things, the mutual waiver and certifications in this Section 23.2.

23.3 Except for any express right to indemnity providing otherwise under any Material Agreement or in this Agreement, each party waives (a) with the exception of relief mandated by statute, any claim to punitive, exemplary, or multiplied damages and (b) any claim for attorney fees, costs and prejudgment interest.

23.4 The parties agree that irreparable damage would occur and that the parties would not have any adequate remedy at law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in the state courts of New York located in New York County, and the United States District Court for the Southern District of New York, this being in addition to any other remedy to which they are entitled at law or in equity and as further set forth in this Section 23.

24. Notices.

All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given and received (a) upon receipt, if delivered personally, (b) three Business Days after deposit in the mail, if sent by registered or certified mail, (c) on the next Business Day after deposit with an overnight courier, if sent by overnight courier, (d) upon transmission, if sent by facsimile or email transmission prior to 6:00 p.m., local time, in the place of receipt and receipt is confirmed or (e) on the next Business Day following transmission, if sent by facsimile or email transmission after 6:00 p.m., local time, in the place of receipt and receipt is confirmed; provided that the notice or other communication is sent to the address, facsimile number or email address set forth beneath the name of such Member in **Schedule A** (or to such other address, facsimile number or email address as such Member shall have specified in a written notice to the other Members and the Company, as a result of which **Schedule A** shall be automatically amended) and, in the case of the Company, to the address, facsimile number or email address determined in accordance with Section 2.

25. Entire Agreement.

This Agreement and the documents and agreements contemplated in this Agreement constitute the entire agreement with the Members with regard to the subject matter hereof and thereof.

26. Benefits.

Except as expressly provided herein, this Agreement is entered into for the sole and exclusive benefit of the Members and will not be interpreted in such a manner as to give rise to or create any rights or benefits of or for any Person not a party hereto.

27. Severability.

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible to the fullest extent permitted by

applicable Law in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

28. Counterparts.

This Agreement may be executed in one or more counterparts (including by facsimile or electronic transmission in .pdf, .tiff or any similar format), all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party.

[Remainder of page left intentionally blank.]

IN WITNESS WHEREOF, the undersigned have duly executed this Amended and Restated Limited Liability Company Agreement as of the day and year first written above.

MEMBERS:

NEUROMETRIX, INC.

By: /s/ Shai Gozani

Name: Shai Gozani
Title: President and CEO

NOVARTIS CONSUMER HEALTH S.A.

By:/s/ M. P. van Ernst

Name: M. P. van Ernst
Title: Legal Director

By:/s/ Marianne Lysses

Name: Marianne Lysses
Title: Senior Legal Counsel

Title:

SCHEDULE A
MEMBERS

Member Name	Mailing Address	Percentage of Working Capital Contributions	Membership Interest

NeuroMetrix	NeuroMetrix, Inc. 1000 Winter St. Waltham MA 02451 Attention: Shai N. Gozani Fax: 781-663-3820 Email: Shai_Gozani@neurometrix.com with a copy (which shall not constitute notice) to: Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, PC One Financial Center Boston, MA 02111 Attention: John A. Dellapa Fax: (617) 542-2241 Email: jadellapa@mintz.com	50%	50%
GSK	Novartis Consumer Healthcare S.A. Route de L'Etraz, 1260 Nyon Switzerland Attn: Mark P. Van Emst, Esq., Assistant General Counsel Email: mark.p.van-emst@gsk.com and GlaxoSmithKline 980 Great West Road Brentford, Middlesex TW8 9GS United Kingdom Attn: Senior Vice President, Consumer Healthcare Business Development Email: Chris.Harley-Martin@gsk.com with copies (which shall not constitute notice) to: GlaxoSmithKline 980 Great West Road Brentford, Middlesex TW8 9GS United Kingdom Attn: Corporate Secretariat Email: paul.y.williamson@gsk.com and GlaxoSmithKline LLC 709 Swedeland Road King of Prussia, PA 19406 United States of America Attn: Vice President and Associate General Counsel, Legal Corporate Functions-Business Development Transactions Email: lisa.a.demarco@gsk.com with a copy (which shall not constitute notice) to: Covington & Burling LLP The New York Times Building 620 Eighth Avenue New York, NY 10018 Attention: Jack S. Bodner Fax: (646) 441-9079 Email: jbodner@cov.com	50%[***]	50%

SCHEDULE B
CONTRIBUTED ASSETS

"Contributed Assets" means all Intellectual Property Rights Controlled by NeuroMetrix or any of its Affiliates as of immediately prior to the consummation of the contribution effected pursuant to the Contribution Agreement (other than the GSK Patent Rights and the Excluded Intellectual Property) to the extent such Intellectual Property Rights claim, cover, or otherwise relate to the GSK Field or to the Product or the Exploitation of the Product, including (a) the Design and Regulatory Documentation and (b) as contemplated under the Development Agreement.

For purposes of this Schedule B, the following terms shall have the corresponding meanings set forth below:

"Business"	means that portion of the business of NeuroMetrix, directly or indirectly, consisting of the Exploitation of the Product, as conducted as of immediately prior to the closing of the transactions contemplated in the Purchase Agreement.
"Design and Regulatory Documentation"	means all (a) designs, schematics, specifications and quality, testing and release procedures; (b) Software in source code format (other than with respect to third-party libraries associated with the microprocessor used in the Product and for which the source code is not available to NeuroMetrix, but including such libraries); (c) applications (including all applications for Device Regulatory Approvals), registrations and licenses (including Regulatory Authorizations); (d) correspondence and reports submitted to or received from Regulatory Authorities (including minutes and official contact reports relating to any communications with any Regulatory Authority) and all supporting documents with respect thereto, including all adverse event files and complaint files; (e) clinical and other data contained or relied upon in any of the foregoing; and (f) all technical files maintained by NeuroMetrix for purposes of demonstrating compliance with the EU Medical Devices Directive; in each case of clauses (a) through (f) relating to the Product.
"Device Regulatory Approval"	means, with respect to a country, any and all approvals, licenses, clearances, CE marking certifications, registrations or authorizations of any Regulatory Authority necessary or useful to commercially distribute, sell or market a Product in such country, including, where applicable, (a) pricing or reimbursement approval in such country, (b) pre- and post-approval marketing authorizations (including any prerequisite manufacturing approval or authorizations related thereto), (c) Labeling approval and (d) technical, medical and scientific licenses.
"Distribute"	means any and all activities related to the distribution, exploitation, marketing, promoting, offering for sale and selling of the Product, including advertising, detailing, educating, planning, promoting, reporting, storing, handling, shipping and communicating with Governmental Authorities and Third Parties in connection therewith. "Distribution" means the act of Distributing a product or device.
"EU Medical Devices Directive"	means Council Directive 93/42/EEC of 14 June 1993 concerning medical devices, as amended or supplemented from time to time.
"Excluded Intellectual Property"	means (a) the Intellectual Property Rights of NeuroMetrix that do not relate to the Product, the Exploitation of the Product, or the Business, including the Intellectual Property Rights set forth on Annex 1 to this Schedule B, (b) raw data Controlled by NeuroMetrix, as existing as of immediately prior to the consummation of the contribution effected pursuant to the Contribution Agreement, relating to customers based outside the GSK Territory and included in the cloud application named by NeuroMetrix as the "Quell Health Cloud" and (c) lists of customers outside the GSK Territory and Controlled by NeuroMetrix, as existing as of immediately prior to the consummation of the contribution effected pursuant to the Contribution Agreement.
"Excluded Territory Patents"	means any Patents filed or issued outside the GSK Territory.
"Exploit"	means to make, have made, import, use, sell, offer for sale, and otherwise dispose of, including to research, develop, register, modify, enhance, improve, manufacture, have manufactured, store, formulate, optimize, export, transport, Distribute, commercialize, promote, market, have sold and otherwise dispose of. "Exploitation" means the act of Exploiting a product or device.
"FDA"	means the U.S. Food and Drug Administration.
"FDCA"	means the Federal Food, Drug, and Cosmetic Act, as amended.
"GSK Assets"	means (a) all GSK Patent Rights, (b) a copy of each and all Design and Regulatory Documentation existing as of immediately prior to the consummation of the contribution to be effected pursuant to the Contribution Agreement, and (c) all claims, counterclaims, credits, causes of action, choses in action, rights of recovery, and rights of indemnification or setoff against third parties and other claims arising out of or relating to any of the foregoing.
"GSK Field"	means transcutaneous electric nerve stimulation for treatment of pain.

"GSK Patent Rights"	means (a) all Patents filed or issued in or for the GSK Territory and in the GSK Field (but, subject to (b) and (c), excluding any right, title and interest in counterparts outside the GSK Territory or outside the GSK Field), including PCT applications insofar as all designations in the Territory, and including the Patents set forth on Annex 2 to this Schedule B, (b) with respect to Excluded Territory Patents, all rights of priority for the GSK Field arising from Excluded Territory Patents for use in or for the GSK Territory, including all rights to claim such priority rights to such Excluded Territory Patents in any patent application filed in or for the GSK Territory (including PCT applications), and (c) all existing or future Patents filed or issued in or for the GSK Territory and in the GSK Field (including PCT applications) that claim priority to any Excluded Territory Patent.
"Labeling"	shall be as defined in Section 201(m) of FDCA (21 U.S.C. § 321(m)) and other comparable foreign Law relating to the subject matter thereof, including any Product's label, packaging and instructions for use accompanying such Product, and any other written, printed, or graphic materials accompanying such Product, including patient instructions or patient indication guides.
"Notified Body"	means an entity licensed, authorized or approved by the applicable Governmental Authority to assess and certify the conformity of a medical device with the requirements of the EU Medical Devices Directive and applicable harmonized standards.
"Product"	means each and all of the following: (a) the device marketed by NeuroMetrix as of the date of the Purchase Agreement under the Quell name, (b) the next-generation version thereof as contemplated under the Development Agreement, (c) any data analytics or cloud application (including any mobile application), tool or Software relating to any of the foregoing, and related services, and (d) any modifications, successors, derivatives, fragments or variants of any of the foregoing as described in clauses (a) through (c).
"Regulatory Authority"	means any applicable supranational, federal, national, regional, state, provincial or local regulatory agencies, departments, bureaus, commissions, councils or other government entities or any Notified Body regulating or otherwise exercising authority with respect to the Exploitation of the Product, including the FDA in the United States and the competent authorities of the European Union Member States.
"Regulatory Authorizations"	means (a) all licenses, Permits, certificates, clearances, Device Regulatory Approvals, exemptions, approvals, consents and other authorizations that NeuroMetrix owns, holds or possesses, including those prepared for submission to or issued by any Regulatory Authority or research ethics committee (including pre-market notification clearances, pre-market approvals, investigational device exemptions, non-clinical and clinical study authorizations, product re-certifications, manufacturing approvals and authorizations, CE marking certifications, pricing and reimbursement approvals, Labeling approvals, registration notifications or their foreign equivalent), that are required for or relate to the Exploitation of any Product or the GSK Assets; and (b) all applications, supporting files, writings, data, studies and reports, and all correspondence to, with, or from the FDA or any other Regulatory Authority or research ethics committee, relating to any license, Permit, certificate, clearance, Device Regulatory Approval, exemption, approval, consent or other authorization described in clause (a).

ANNEX 1
EXCLUDED INTELLECTUAL PROPERTY

[***], 2 pages

ANNEX 2
GSK PATENT RIGHTS

[***], 2 pages

NEUROMETRIX LICENSE AGREEMENT

This NeuroMetrix License Agreement (the "**Agreement**") is made and entered into effective as of December 21, 2017 (the "**Effective Date**") by and between Quell Intellectual Property Corp., LLC, a Delaware limited liability company ("**SPV**") and NeuroMetrix, Inc., a Delaware corporation ("**NeuroMetrix**"). SPV and NeuroMetrix are sometimes referred to herein individually as a "**Party**" and collectively as the "**Parties**."

RECITALS

WHEREAS, NeuroMetrix formed SPV as a limited liability company;

WHEREAS, NeuroMetrix has contributed the Contributed Assets to SPV pursuant to that certain Contribution Agreement dated December 21, 2017;

WHEREAS, it is expected that Novartis Consumer Health S.A. ("**GSK**") shall acquire from NeuroMetrix fifty percent (50)% of the membership interests in SPV pursuant to that certain Asset Purchase Agreement relating to the purchase by GSK of such membership interests and other assets from NeuroMetrix, as anticipated to be executed on or around December 22, 2017 (the "**Asset Purchase Agreement**");

WHEREAS, the Parties desire for SPV to grant rights to the Contributed Assets to NeuroMetrix in the United States;

NOW, THEREFORE, in consideration of the premises and the mutual promises and conditions set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, do hereby agree as follows:

ARTICLE 1
DEFINITIONS

Unless otherwise specifically provided herein, the following terms shall have the following meanings:

1.1. "**Affiliate**" means, with respect to a Party, any Person that, directly or indirectly, through one (1) or more intermediaries, controls, is controlled by or is under common control with such Party. For purposes of this definition, "control" and, with correlative meanings, the terms "controlled by" and "under common control with" means: (i) the possession, directly or indirectly, of the power to direct the management or policies of a business entity, whether through the ownership of voting securities, by contract relating to voting rights or corporate governance or otherwise; or (ii) the ownership, directly or indirectly, of more than fifty percent (50%) of the voting securities or other ownership interest of a business entity (or, with respect to a limited partnership or other similar entity, its general partner or controlling entity).

1.2. "**Agreement**" has the meaning set forth in the preamble hereto.

1.3. "**Applicable Law**" means applicable laws, rules and regulations, including any rules, regulations, guidelines or other requirements of the Regulatory Authorities, that may be in effect from time to time, which with respect to each Development activity shall be deemed to include the applicable regulations and guidances of the FDA and European Union (and national implementations thereof) that constitute good laboratory practices, good manufacturing practices and good clinical practices (and, if and as appropriate under the circumstances, International Conference on Harmonization (ICH) guidance or other comparable regulation and guidance of any applicable Regulatory Authority in the Territory).

1.4. "**Asset Purchase Agreement**" has the meaning set forth in the recitals hereto.

1.5. "**Business Day**" means a day other than a Saturday or Sunday or a day on which banking institutions in New York, New York are permitted or required to be closed.

1.6. "**Commercialization**" means any and all activities directed to the preparation for sale of, offering for sale of or sale of the Device, including activities related to marketing, promoting, distributing and importing such Device, and interacting with Regulatory Authorities regarding any of the foregoing. When used as a verb, "**to Commercialize**" and "**Commercializing**" mean to engage in Commercialization and "**Commercialized**" has a corresponding meaning.

1.7. "**Confidential Information**" has the meaning set forth in Section 4.1.

1.8. "**Confidentiality Agreements**" means (a) that certain Confidential Disclosure Agreement dated as of May 8, 2017, by and between GSK and GlaxoSmithKline, LLC, an Affiliate of GSK and (ii) that certain Standstill Agreement, dated as of July 19, 2017, by and between GSK and GlaxoSmithKline, LLC, an Affiliate of GSK.

1.9. "**Contributed Assets**" has the meaning set forth in the Asset Purchase Agreement.

1.10. "**Copyright**" means all copyrights, mask works, and other rights in any works of authorship of any type, in all forms, media or medium, now known or hereinafter developed, and whether or not completed, published, or used, including all drafts, plans, sketches, artwork, layouts, copy, designs, photographs, illustrations, collections, serials, printed or graphic matter, slides, compilations, serials, promotions, audio or visual recordings, transcriptions, databases, Software, and all derivative works, translations, adaptations, or combinations of any of the foregoing, all registrations and applications therefor and all extensions, restorations, and renewals of any of the foregoing, all worldwide rights and priorities afforded under any Applicable Law with respect to any of the foregoing, and all termination rights, moral rights, rights of publicity, author rights and all other rights associated therewith.

1.11. "**Development**" means all activities related to research, pre-clinical and other non-clinical testing, test method development, design, engineering, process development, manufacturing scale-up, qualification and validation, quality assurance/quality control, clinical studies, including Manufacturing in support thereof, statistical analysis and report writing, the

preparation and submission of applications for Regulatory Approval, regulatory affairs with respect to the foregoing and all other activities necessary or reasonably useful or otherwise requested or required by a Regulatory Authority as a condition or in support of obtaining or maintaining a Regulatory Approval. When used as a verb, "**Develop**" means to engage in Development.

1.12. "**Development and Services Agreement**" has the meaning set forth in the Asset Purchase Agreement.

1.13. "**Device**" means a device (including all associated Software, mobile applications and associated cloud database services) that is based upon the Quell device marketed by NeuroMetrix as of the date hereof, as contemplated to be modified pursuant to the Development Plan (as defined under the Development and Services Agreement).

1.14. "**Effective Date**" has the meaning set forth in the preamble hereto.

1.15. "**European Union**" means the economic, scientific and political organization of member states as it may be constituted from time to time.

1.16. "**Exploit**" means to make, have made, import, use, sell or offer for sale, including to research, Develop, Commercialize, register, Manufacture, have Manufactured, hold or keep (whether for disposal or otherwise), have used, export, transport, distribute, promote, market or have sold or otherwise dispose of. "**Exploitation**" means the act of Exploiting a compound, product or process.

1.17. "**FDA**" means the United States Food and Drug Administration and any successor agency thereto.

1.18. "**Field**" means transcutaneous electrical nerve stimulation for treatment of pain.

1.19. "**GSK**" has the meaning set forth in the recitals hereto.

1.20. "**GSK Territory**" means the entire world, other than the United States, as may be further modified by Section 11.4.4 of the Development Agreement.

1.21. "**Information**" means all technical, scientific and other know-how and information, trade secrets and other discoveries, concepts, inventions (whether or not patentable and whether or not reduced to practice), invention disclosures, improvements, proprietary information, confidential information, knowledge, technology, means, methods, processes, processing methods, practices, formulae, instructions, skills, techniques, procedures, manufacturing techniques, logics, algorithms, schematics, work-flow diagrams, work product, experiences, ideas, technical assistance, designs, design rights, drawings, assembly procedures, computer programs, apparatuses, specifications, databases, compilations of data, data (including personally identifiable information) and aggregated data, results and other material.

1.22. "**Infringement**" has the meaning set forth in Section 3.2.1.

1.23. "**Manufacture**" and "**Manufacturing**" means all activities related to the production, manufacture, processing, packaging, labeling, shipping and holding of the Device or any component or part therein, including process development, process qualification and validation, scale-up, manufacture and analytic development, quality assurance and quality control.

1.24. "**NeuroMetrix**" has the meaning set forth in the preamble hereto.

1.25. "**NeuroMetrix Territory**" means the United States, as may be further modified by Section 11.4.4 of the Development Agreement.

1.26. "**Notified Body**" means an entity licensed, authorized or approved by the applicable Regulatory Authority to assess and certify the conformity of a medical device with the requirements of the EU Medical Devices Directive and applicable harmonized standards.

1.27. "**Party**" and "**Parties**" have the meaning set forth in the preamble hereto.

1.28. "**Person**" means an individual, sole proprietorship, partnership, limited partnership, limited liability partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture or other similar entity or organization, including a government or political subdivision, department or agency of a government.

1.29. "**Regulatory Authority**" means any applicable supra-national, federal, national, regional, state, provincial or local regulatory agencies, departments, bureaus, commissions, councils or other government entities or any Notified Body regulating or otherwise exercising authority with respect to the Exploitation of the Device, including the FDA in the United States and the competent authorities of the European Union.

1.30. "**Software**" means all computer software, programs, code and databases in any form, including Internet web sites, web content and links, source code (including all programmer comments), object code, pseudocode, algorithms, development tools, operating systems and specifications, data, database management code, utilities, graphical user interfaces, menus, images, icons, forms, methods of processing, software engines, platforms and data forms, and all versions, updates, corrections, derivations enhancements and modifications thereof, and all related documentation, developer notes, flowcharts, comments, annotations files, records and data on all media on which any of the foregoing is recorded.

1.31. "**SPV**" has the meaning set forth in the preamble hereto.

1.32. "**SPV Copyrights**" means any and all Copyrights contained in, subsisting in or pursuable with respect to the Contributed Assets.

1.33. "**SPV Know-How**" means any and all Information contained in, subsisting in or pursuable with respect to the Contributed Assets.

1.34. "**Third Party**" means any Person other than SPV, NeuroMetrix and their respective Affiliates.

1.35. "**United States**" or "**U.S.**" means the United States of America and its territories and possessions (including the District of Columbia and Puerto Rico).

ARTICLE 2
GRANT OF RIGHTS

2.1. Grants to NeuroMetrix. Subject to Section 2.2, SPV hereby grants to NeuroMetrix:

2.1.1. an exclusive, royalty-free, fully paid-up, sublicensable right and license under the SPV Copyrights (a) in the NeuroMetrix Territory solely to Develop, Manufacture, have Manufactured and Commercialize products in the Field (provided that such Manufacture rights and licenses shall be non-exclusive), and (b) in the GSK Territory to Develop, Manufacture and have Manufactured products in the Field solely for Commercialization in the NeuroMetrix Territory; and

2.1.2. an exclusive, royalty-free, fully paid-up, sublicensable right and license to use the SPV Know-How (a) in the NeuroMetrix Territory solely to Develop, Manufacture, have Manufactured and Commercialize products in the Field (provided that such Manufacture rights and licenses shall be non-exclusive), and (b) in the GSK Territory to Develop, Manufacture and have Manufactured products in the Field solely for Commercialization in the NeuroMetrix Territory.

2.2. Sublicenses. Subject to Section 5.6 of the Asset Purchase Agreement, NeuroMetrix shall have the right to grant sublicenses (or further rights of reference), through multiple tiers of sublicensees, under the licenses and rights of reference granted in Section 2.1, as applicable, to its Affiliates and other Persons; *provided* that any such sublicenses shall be consistent with the terms and conditions of this Agreement. A copy of any sublicense agreement with a Third Party executed by a Party shall be provided to the other Party within thirty (30) days after its execution; *provided* that the financial and any other terms of any such sublicense agreement not pertinent to an understanding of a Party's obligations or benefits under this Agreement may be redacted.

ARTICLE 3
INTELLECTUAL PROPERTY

3.1. Intellectual Property. Subject to this Article 3, as between the Parties, SPV shall own and retain all right, title and interest in and to the Contributed Assets (other than pursuant to the license grants set forth in Section 2.1). NeuroMetrix shall have the sole right to register and renew any SPV Copyrights in the NeuroMetrix Territory, provided that any such registration or renewal will be made in the name of SPV.

3.2. Enforcement of Copyrights.

3.2.1. Notice. Each Party shall promptly notify the other Party in writing of any alleged or threatened infringement of the SPV Copyrights in any jurisdiction in the world of which such Party becomes aware (an "**Infringement**").

3.2.2. Enforcement of SPV Copyrights. As between the Parties, NeuroMetrix shall have the sole right, but not the obligation, to prosecute any Infringement with respect to the SPV Copyrights in the NeuroMetrix Territory, including as a defense or counterclaim in connection with any Third Party Infringement Claim, at NeuroMetrix's sole cost and expense, using counsel of its own choice.

3.2.3. Cooperation. The Parties agree to cooperate fully in any Infringement action pursuant to this Section 3.2, including in the case of SPV, by making the applicable records and documents (including laboratory notebooks) available to NeuroMetrix upon NeuroMetrix's request. SPV shall assist and cooperate with NeuroMetrix, as NeuroMetrix may reasonably request from time to time, in connection with its activities set forth in this Section, including where necessary, furnishing a power of attorney solely for such purpose or joining in, or being named as a necessary party to, such action, providing access to relevant documents and other evidence and making its employees available at reasonable business hours. NeuroMetrix, in its sole discretion, shall have the right to settle such claim.

3.2.4. Recovery. Except as otherwise agreed by the Parties in connection with a cost sharing arrangement, any recovery realized as a result of such litigation described above in this Section 3.2 (whether by way of settlement or otherwise) shall be first, allocated to reimburse each Party for its costs and expenses in making such recovery. Any remainder after such reimbursement is made shall be retained by NeuroMetrix.

3.3. Invalidity or Unenforceability Defenses or Actions. Each Party shall promptly notify the other Party in writing of any alleged or threatened assertion of invalidity or unenforceability of any of the SPV Copyrights by a Third Party of which such Party becomes aware. As between the Parties, NeuroMetrix shall have the sole right, but not the obligation, to defend and control the defense of the validity and enforceability of the SPV Copyrights at its sole cost and expense in the NeuroMetrix Territory and using counsel of its own choice, including when such invalidity or unenforceability is raised as a defense or counterclaim in connection with an Infringement action initiated pursuant to Section 3.2. SPV shall assist and cooperate with NeuroMetrix, as NeuroMetrix may reasonably request from time to time, in connection with its activities set forth in this Section, including where necessary, furnishing a power of attorney solely for such purpose or joining in, or being named as a necessary party to, such action, providing access to relevant documents and other evidence and making its employees available at reasonable business hours.

ARTICLE 4
CONFIDENTIALITY AND NON-DISCLOSURE

4.1. Confidentiality Obligations. At all times during the Term and for a period of ten (10) years following termination or expiration hereof in its entirety, each Party shall and shall cause its officers, directors, employees and agents to, keep confidential and not publish or otherwise disclose to a Third Party, and not use, directly or indirectly, for any purpose outside the Field, any Confidential Information, except to the extent such disclosure or use is expressly permitted by the terms of this Agreement or in consequence of a Party making the Device available to the public through the regulatory process, marketing and sale. "**Confidential Information**"

means (i) any technical, business or other information relating to the specifications and operability of the ASIC chip, (ii) any technical, business or other information relating to the integration and interoperability of the various components of the Device, (iii) the Software, to the extent related to the Device, and (iv) the terms and conditions of this Agreement. All Confidential Information shall be considered confidential as to both Parties. Notwithstanding the foregoing, the confidentiality and non-use obligations under this Section 4.1 with respect to any Confidential Information shall not include any information that:

4.1.1. is or hereafter becomes part of the public domain by public use, publication, general knowledge or the like through no breach of this Agreement by a Party; provided, that, if Confidential Information becomes part of the public domain through breach of this Agreement by a Party, the confidentiality and non-use obligations under this Section 4.1 shall no longer apply to other Party with respect to such Confidential Information;

4.1.2. can be demonstrated by documentation or other competent proof to have been in a Party's (or its Affiliates') possession prior to such Party's receipt of such information without any obligation of confidentiality with respect to such information;

4.1.3. is subsequently received by a Party (or an Affiliate thereof) from a Third Party who is not bound by any obligation of confidentiality with respect to such information, except that such Party shall only be free to use the information to the extent permitted by the Third Party; provided, that, the other Party's obligations of confidentiality and non-use under this Section 4.1 shall not be affected by the first Party's (or its Affiliates') receipt of such Confidential Information;

4.1.4. has been published by a Third Party or otherwise enters the public domain through no fault of a Party in breach of this Agreement; provided, that, if Confidential Information has been published or otherwise enters public domain through breach of this Agreement by a Party, the confidentiality and non-use obligations under this Section 4.1 shall no longer apply to other Party with respect to such Confidential Information; or

4.1.5. can be demonstrated by documentation or other competent evidence to have been independently developed by or for a Party without reference (direct or indirect) to the Confidential Information provided by the other Party under this Agreement.

4.1.6. Specific aspects or details of Confidential Information shall not be deemed to be within the public domain or in the possession of the a Party merely because the Confidential Information is embraced by more general information in the public domain or in the possession of such Party. Further, any combination of Confidential Information shall not be considered in the public domain or in the possession of a Party merely because individual elements of such Confidential Information are in the public domain or in the possession of such Party unless the combination and its principles are in the public domain or in the possession of such Party.

4.2. Permitted Disclosures. Each Party may disclose Confidential Information to the extent that such disclosure is:

4.2.1. made in response to a valid order of a court of competent jurisdiction or other supra-national, federal, national, regional, state, provincial or local governmental or regulatory body of competent jurisdiction or, if in the reasonable opinion of such Party's legal counsel, such disclosure is otherwise required by Applicable Law, including by reason of filing with securities regulators; provided, however, that such Party shall first have given notice to the other Party and given the other Party a reasonable opportunity to quash such order or to obtain a protective order or confidential treatment requiring that the Confidential Information and documents that are the subject of such order be held in confidence by such court or agency or, if disclosed, be used only for the purposes for which the order was issued; and provided, further, that the Confidential Information disclosed in response to such court or governmental order shall be limited to that information which is legally required to be disclosed in response to such court or governmental order;

4.2.2. made by or on behalf of such Party to the Regulatory Authorities as required in connection with any filing, application or request for Regulatory Approval; provided, however, that reasonable measures shall be taken to assure confidential treatment of such information to the extent practicable and consistent with Applicable Law;

4.2.3. made by or on behalf of such Party to a patent authority as may be reasonably necessary or useful for purposes of obtaining or enforcing a Patent; provided, however, that reasonable measures shall be taken to assure confidential treatment of such information, to the extent such protection is available;

4.2.4. made by or on behalf of such Party to potential or actual investors or acquirers of all or substantially all of the business to which this Agreement relates as may be necessary in connection with their evaluation of such potential or actual acquisition; provided, however, that such persons shall be subject to obligations of confidentiality and non-use with respect to such Confidential Information substantially similar to the obligations of confidentiality and non-use of such Party pursuant to this Article 4; and

4.2.5. made by or on behalf of such Party or an Affiliate thereof to potential or actual contract manufacturers, contract research organizations and collaborators, in each case, with respect to the Device; provided, however, that such persons shall be subject to obligations of confidentiality and non-use with respect to such Confidential Information substantially similar to the obligations of confidentiality and non-use of such Party pursuant to this Article 4 (with a duration of confidentiality and non-use obligations as appropriate that is no less than three (3) years from the date of disclosure).

ARTICLE 5
TERMINATION

5.1. Termination. NeuroMetrix may terminate this Agreement immediately for any reason upon written notice to SPV.

5.2. Consequences of Termination. In the event of a termination of this Agreement for any reason, all rights and licenses granted by SPV hereunder shall immediately terminate.

5.3. Remedies. Except as otherwise expressly provided herein, termination of this Agreement in accordance with the provisions hereof shall not limit remedies that may otherwise be available in law or equity.

5.4. Accrued Rights; Surviving Obligations.

5.4.1. Termination or expiration of this Agreement for any reason shall be without prejudice to any rights that shall have accrued to the benefit of a Party prior to such termination or expiration.

5.4.2. Such termination or expiration shall not relieve a Party from obligations that are expressly indicated to survive the termination or expiration of this Agreement. Without limiting the foregoing, Articles 1, 5 and 6 of this Agreement shall survive the termination or expiration of this Agreement for any reason.

ARTICLE 6
MISCELLANEOUS

6.1. Rules of Construction . The Parties agree that they have been represented by counsel during the negotiation and execution of this Agreement and have together drafted this Agreement and, therefore, waive the application of any Applicable Law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the Party drafting such agreement or document.

6.2. Notices . All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given and received (a) upon receipt, if delivered personally, (b) three Business Days after deposit in the mail, if sent by registered or certified mail, (c) on the next Business Day after deposit with an overnight courier, if sent by overnight courier, (d) upon transmission, if sent by facsimile or email transmission prior to 6:00 p.m., local time, in the place of receipt and receipt is confirmed or (e) on the next Business Day following transmission, if sent by facsimile or email transmission after 6:00 p.m., local time, in the place of receipt and receipt is confirmed; provided that the notice or other communication is sent to the address, facsimile number or email address set forth beneath the name of such Party below (or to such other address, facsimile number or email address as such Party shall have specified in a written notice to the other Party):

if to NeuroMetrix, to:

NeuroMetrix, Inc.
1000 Winter St.
Waltham MA 02451
Attention: Shai N. Gozani
Fax: 781-663-3820
Email: Shai_Gozani@neurometrix.com

with copies (which shall not constitute notice) to:

Mintz Levin Cohn Ferris Glovsky and Popeo PC
One Financial Center
Boston, MA 02111
United States of America
Attention: John A. Dellapa
Fax: (617) 542-2241
Email: JADellapa@mintz.com

if to SPV, to:

Quell Intellectual Property Corp., LLC
1000 Winter Street
Waltham, MA 02451
Attention: Thomas T. Higgins
Fax: 781-663-3820
Email: Tom_Higgins@neurometrix.com

with a copy (which shall not constitute notice) to:

Novartis Consumer Healthcare, S.A.
Route de L'Etraz,
1260 Nyon
Switzerland
Attn: Mark P. Van Emst, Esq.,
Assistant General Counsel
Email: mark.p.van-emst@gsk.com

and:

GlaxoSmithKline
980 Great West Road
Brentford, Middlesex TW8 9GS, UK
Attn: Senior Vice President, Consumer Healthcare Business Development

Email: Chris.Harley-Martin@gsk.com

and:

GlaxoSmithKline
980 Great West Road
Brentford, Middlesex TW8 9GS, UK
Attn: Corporate Secretariat
Email: paul.y.williamson@gsk.com

and:

GlaxoSmithKline LLC
709 Swedeland Road
King of Prussia, PA 19406, USA
Attn: Vice President and Associate General Counsel, Legal Corporate Functions-Business Development Transactions
Email: lisa.a.demarco@gsk.com

and:

Covington & Burling LLP
The New York Times Building
620 Eighth Avenue
New York, NY 10018
Attention: Jack S. Bodner
Fax: (646) 441-9079
Email: jbodner@cov.com

6.3. Consents and Approvals . For any matter under this Agreement requiring the consent or approval of either Party to be valid and binding on the Party, such consent or approval must be in writing.

6.4. Counterparts . This Agreement may be executed in one or more counterparts (including by facsimile or electronic transmission in .pdf, .tiff or any similar format), all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party.

6.5. Entire Agreement . Before signing this Agreement, the Parties had numerous conversations, including preliminary discussions, formal negotiations and informal conversations at meals and social occasions, and have generated correspondence and other writings, in which the Parties discussed the transactions contemplated by this Agreement and the Asset Purchase Agreement and their goals and objectives related thereto. In such conversations and writings, individuals representing the Parties may have expressed their judgments and beliefs concerning the intentions, capabilities, and practices of the Parties, and may have forecasted future

events. The Parties recognize that such conversations and writings often involve an effort by both Parties to present a positive and optimistic outlook about the prospects for a transaction such as the contemplated transactions. However, the Parties also recognize that business transactions contain an element of risk, as do the contemplated transactions, and that it is normal business practice to limit the legal obligations of contracting parties to only those promises and representations which are essential to their transaction so as to provide certainty as to their respective future rights and remedies. Accordingly, other than the Transaction Agreements (as defined the Asset Purchase Agreement), the Confidentiality Agreements, and the other related documents, this Agreement is intended to define the full extent of the legally enforceable undertakings of the Parties, and no promise or representation, written or oral, which is not set forth explicitly in this Agreement is intended by either Party to be legally binding. Each of the Parties acknowledges that, in deciding to enter into this Agreement and to consummate the contemplated transactions, none of them has relied upon any statements or representations, written or oral, other than those explicitly set forth herein or therein.

6.6. No Third-Party Beneficiaries . This Agreement and other related documents are not intended to and do not confer upon any Person other than the Parties any legal or equitable rights.

6.7. Assignment . Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned, in whole or in part, by operation of law or otherwise by either of the Parties without the prior written consent of the other Party, and any assignment without such consent shall be null and void, except that NeuroMetrix may assign, in its sole discretion, any of or all its rights, interests and obligations under this Agreement to any of its Affiliates or any Third Party, but no such assignment shall relieve NeuroMetrix of any of its obligations hereunder; *provided* that any such assignee of NeuroMetrix shall be primarily liable with respect to the obligations hereunder and the liability of NeuroMetrix shall be secondary. Subject to the preceding sentences, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the Parties and their respective successors and assigns.

6.8. GOVERNING APPLICABLE LAW . THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE APPLICABLE LAWS OF THE STATE OF NEW YORK, REGARDLESS OF THE APPLICABLE LAWS THAT MIGHT OTHERWISE GOVERN UNDER APPLICABLE PRINCIPLES OF CONFLICTS OF APPLICABLE LAWS THEREOF.

6.9. Enforcement .

6.9.1. Each Party irrevocably submits to the exclusive jurisdiction of (i) the state courts of New York located in New York County, and (ii) the United States District Court for the Southern District of New York, for the purposes of any suit, action or other proceeding arising out of this Agreement or the transactions contemplated herein. Each Party agrees to commence any such action, suit or proceeding either in the United States District Court for the Southern District of New York or if such suit, action or other proceeding may not be brought in such court for jurisdictional reasons, in the state courts of New York located in New York County. Each Party further agrees that service of any process, summons, notice or document by the U.S. registered mail

to such Party's respective address set forth above shall be effective service of process for any action, suit or proceeding in New York with respect to any matters to which it has submitted to jurisdiction in this Section 6.9. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the transactions contemplated hereby in (x) the state courts of New York located in New York County, and (y) the United States District Court for the Southern District of New York, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

6.9.2. EACH PARTY WAIVES ITS RIGHT TO TRIAL OF ANY ISSUE BY JURY. Each Party certifies that no representative, agent or attorney of the other Party has represented, expressly or otherwise, that such Party would not, in the event of any action, suit or proceeding, seek to enforce the foregoing waiver and (ii) acknowledges that it and the other Party has been induced to enter into this Agreement, by, among other things, the mutual waiver and certifications in this Section 6.9.2.

6.9.3. Each Party waives (i) with the exception of relief mandated by statute, any claim to punitive, exemplary, or multiplied damages and (ii) any claim for attorney fees, costs and prejudgment interest.

6.9.4. The Parties agree that irreparable damage would occur and that the Parties would not have any adequate remedy at Applicable Law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in the state courts of New York located in New York County, and the United States District Court for the Southern District of New York, this being in addition to any other remedy to which they are entitled at Applicable Law or in equity and as further set forth in this Section 6.9.

6.10. Severability . If any term or other provision of this Agreement or any related document is invalid, illegal or incapable of being enforced by any rule of Applicable Law or public policy, all other conditions and provisions of this Agreement or such related document shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement or such related document so as to effect the original intent of the Parties as closely as possible to the fullest extent permitted by Applicable Law in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

6.11. Amendment . This Agreement may be amended by the Parties at any time by an instrument in writing signed on behalf of each of the Parties.

6.12. Extension; Waiver . As it relates to any obligation under this Agreement or any related document to be performed at any time after the Effective Date, the Parties may (a) extend the time for the performance of any of the obligations or other acts of the other Party, (b) to the extent permitted by Applicable Law, waive any inaccuracies in the representations and warranties contained herein or in any related document or (c) to the extent permitted by Applicable

Law, waive compliance with any of the agreements or conditions contained herein. Any agreement on the part of a Party to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such Party. The failure of either Party to assert any of its rights under this Agreement or otherwise shall not constitute a waiver of such rights.

6.13. Equitable Relief. Each Party acknowledges and agrees that the restrictions set forth in Articles 3 and 4 are reasonable and necessary to protect the legitimate interests of the other Party and that such other Party would not have entered into this Agreement in the absence of such restrictions and that any breach or threatened breach of any provision of such Section or Articles may result in irreparable injury to such other Party for which there will be no adequate remedy at law. In the event of a breach or threatened breach of any provision of such Section or Articles, the non-breaching Party shall be authorized and entitled to seek from any court of competent jurisdiction injunctive relief, whether preliminary or permanent, specific performance and an equitable accounting of all earnings, profits and other benefits arising from such breach, which rights shall be cumulative and in addition to any other rights or remedies to which such non-breaching Party may be entitled in law or equity. Both Parties agree to waive any requirement that the other (i) post a bond or other security as a condition for obtaining any such relief and (ii) show irreparable harm, balancing of harms, consideration of the public interest or inadequacy of monetary damages as a remedy. Nothing in this Section 6.13 is intended or should be construed, to limit either Party's right to equitable relief or any other remedy for a breach of any other provision of this Agreement.

[SIGNATURE PAGE FOLLOWS**]**

THIS AGREEMENT IS EXECUTED by the authorized representatives of the Parties as of the date first written above.

NEUROMETRIX, INC.	**QUELL INTELLECTUAL PROPERTY CORP., LLC.**
By:/s/ Shai Gozani	By: /s/ Thomas T. Higgins
Name: Shai Gozani	Name: Thomas T. Higgins
Title: President & CEO	Title: SVP & CFO

GSK LICENSE AGREEMENT

This GSK License Agreement (the "**Agreement**") is made and entered into effective as of December 21, 2017 (the "**Effective Date**") by and between Quell Intellectual Property Corp., LLC, a Delaware limited liability company ("**SPV**") and NeuroMetrix, Inc., a Delaware corporation ("**NeuroMetrix**"). SPV and NeuroMetrix are sometimes referred to herein individually as a "**Party**" and collectively as the "**Parties**."

RECITALS

WHEREAS, NeuroMetrix formed SPV as a limited liability company;

WHEREAS, NeuroMetrix has contributed the Contributed Assets to SPV pursuant to that certain Contribution Agreement dated December 21, 2017;

WHEREAS, it is expected that Novartis Consumer Health S.A. ("**GSK**") shall acquire from NeuroMetrix fifty percent (50)% of the membership interests in SPV pursuant to that certain Asset Purchase Agreement relating to the purchase by GSK of such membership interests and other assets from NeuroMetrix, as anticipated to be executed on or around December 22, 2017 (the "**Asset Purchase Agreement**");

WHEREAS, the Parties desire for SPV to grant rights to the Contributed Assets to NeuroMetrix outside the United States;

WHEREAS, upon consummation of the transactions provided for in the Asset Purchase Agreement, the Parties desire for NeuroMetrix to assign to GSK this Agreement (such assignment, the "**GSK Assignment**");

NOW, THEREFORE, in consideration of the premises and the mutual promises and conditions set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, do hereby agree as follows:

ARTICLE 1
DEFINITION

Unless otherwise specifically provided herein, the following terms shall have the following meanings:

1.1. "**Affiliate**" means, with respect to a Party, any Person that, directly or indirectly, through one (1) or more intermediaries, controls, is controlled by or is under common control with such Party. For purposes of this definition, "control" and, with correlative meanings, the terms "controlled by" and "under common control with" means: (i) the possession, directly or indirectly, of the power to direct the management or policies of a business entity, whether through the ownership of voting securities, by contract relating to voting rights or corporate governance or otherwise; or (ii) the ownership, directly or indirectly, of more than fifty percent (50%) of the voting securities or other ownership interest of a business entity (or, with respect to a limited partnership or other similar entity, its general partner or controlling entity).

1.2. "**Agreement**" has the meaning set forth in the preamble hereto.

1.3. "**Applicable Law**" means applicable laws, rules and regulations, including any rules, regulations, guidelines or other requirements of the Regulatory Authorities, that may be in effect from time to time, which with respect to each Development activity shall be deemed to include the applicable regulations and guidances of the FDA and European Union (and national implementations thereof) that constitute good laboratory practices, good manufacturing practices and good clinical practices (and, if and as appropriate under the circumstances, International Conference on Harmonization (ICH) guidance or other comparable regulation and guidance of any applicable Regulatory Authority in the Territory).

1.4. "**Asset Purchase Agreement**" has the meaning set forth in the recitals hereto.

1.5. "**Business Day**" means a day other than a Saturday or Sunday or a day on which banking institutions in New York, New York are permitted or required to be closed.

1.6. "**Commercialization**" means any and all activities directed to the preparation for sale of, offering for sale of or sale of the Device, including activities related to marketing, promoting, distributing and importing such Device, and interacting with Regulatory Authorities regarding any of the foregoing. When used as a verb, "**to Commercialize**" and "**Commercializing**" mean to engage in Commercialization and "**Commercialized**" has a corresponding meaning.

1.7. "**Confidential Information**" has the meaning set forth in Section 4.1.

1.8. "**Confidentiality Agreements**" means (a) that certain Confidential Disclosure Agreement dated as of May 8, 2017, by and between GSK and GlaxoSmithKline, LLC, an Affiliate of GSK and (ii) that certain Standstill Agreement, dated as of July 19, 2017, by and between GSK and GlaxoSmithKline, LLC, an Affiliate of GSK.

1.9. "**Contributed Assets**" has the meaning set forth in the Asset Purchase Agreement.

1.10. "**Copyright**" means all copyrights, mask works, and other rights in any works of authorship of any type, in all forms, media or medium, now known or hereinafter developed, and whether or not completed, published, or used, including all drafts, plans, sketches, artwork, layouts, copy, designs, photographs, illustrations, collections, serials, printed or graphic matter, slides, compilations, serials, promotions, audio or visual recordings, transcriptions, databases, Software, and all derivative works, translations, adaptations, or combinations of any of the foregoing, all registrations and applications therefor and all extensions, restorations, and renewals of any of the foregoing, all worldwide rights and priorities afforded under any Applicable Law with respect to any of the foregoing, and all termination rights, moral rights, rights of publicity, author rights and all other rights associated therewith.

1.11. "**Development**" means all activities related to research, pre-clinical and other non-clinical testing, test method development, design, engineering, process development,

manufacturing scale-up, qualification and validation, quality assurance/quality control, clinical studies, including Manufacturing in support thereof, statistical analysis and report writing, the preparation and submission of applications for Regulatory Approval, regulatory affairs with respect to the foregoing and all other activities necessary or reasonably useful or otherwise requested or required by a Regulatory Authority as a condition or in support of obtaining or maintaining a Regulatory Approval. When used as a verb, "**Develop**" means to engage in Development.

1.12. "**Development and Services Agreement**" has the meaning set forth in the Asset Purchase Agreement.

1.13. "**Device**" means a device (including all associated Software, mobile applications and associated cloud database services) that is based upon the Quell device, marketed by NeuroMetrix as of the date hereof, as contemplated to be modified pursuant to the Development Plan (as defined under the Development and Services Agreement).

1.14. "**Effective Date**" has the meaning set forth in the preamble hereto.

1.15. "**European Union**" means the economic, scientific and political organization of member states as it may be constituted from time to time.

1.16. "**Exploit**" means to make, have made, import, use, sell or offer for sale, including to research, Develop, Commercialize, register, Manufacture, have Manufactured, hold or keep (whether for disposal or otherwise), have used, export, transport, distribute, promote, market or have sold or otherwise dispose of. "**Exploitation**" means the act of Exploiting a compound, product or process.

1.17. "**FDA**" means the United States Food and Drug Administration and any successor agency thereto.

1.18. "**Field**" means transcutaneous electrical nerve stimulation for treatment of pain.

1.19. "**GSK**" has the meaning set forth in the recitals hereto.

1.20. "**GSK Assignment**" has the meaning set forth in the recitals hereto.

1.21. "**GSK Territory**" means the entire world, other than the United States, as may be further modified by Section 11.4.4 of the Development Agreement.

1.22. "**Information**" means all technical, scientific and other know-how and information, trade secrets and other discoveries, concepts, inventions (whether or not patentable and whether or not reduced to practice), invention disclosures, improvements, proprietary information, confidential information, knowledge, technology, means, methods, processes, processing methods, practices, formulae, instructions, skills, techniques, procedures, manufacturing techniques, logics, algorithms, schematics, work-flow diagrams, work product, experiences, ideas, technical assistance, designs, design rights, drawings, assembly procedures, computer programs,

apparatuses, specifications, databases, compilations of data, data (excluding personally identifiable information) and aggregated data, results and other material.

1.23. "**Infringement**" has the meaning set forth in Section 3.2.1.

1.24. "**Manufacture**" and "**Manufacturing**" means all activities related to the production, manufacture, processing, packaging, labeling, shipping and holding of the Device or any component or part therein, including process development, process qualification and validation, scale-up, manufacture and analytic development, quality assurance and quality control.

1.25. "**NeuroMetrix**" has the meaning set forth in the preamble hereto.

1.26. "**NeuroMetrix Territory**" means the United States, as may be further modified by Section 11.4.4 of the Development Agreement.

1.27. "**Notified Body**" means an entity licensed, authorized or approved by the applicable Regulatory Authority to assess and certify the conformity of a medical device with the requirements of the EU Medical Devices Directive and applicable harmonized standards.

1.28. "**Party**" and "**Parties**" have the meaning set forth in the preamble hereto.

1.29. "**Person**" means an individual, sole proprietorship, partnership, limited partnership, limited liability partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture or other similar entity or organization, including a government or political subdivision, department or agency of a government.

1.30. "**Regulatory Authority**" means any applicable supra-national, federal, national, regional, state, provincial or local regulatory agencies, departments, bureaus, commissions, councils or other government entities or any Notified Body regulating or otherwise exercising authority with respect to the Exploitation of the Device, including the FDA in the United States and the competent authorities of the European Union.

1.31. "**Software**" means all computer software, programs, code and databases in any form, including Internet web sites, web content and links, source code (including all programmer comments), object code, pseudocode, algorithms, development tools, operating systems and specifications, data, database management code, utilities, graphical user interfaces, menus, images, icons, forms, methods of processing, software engines, platforms and data forms, and all versions, updates, corrections, derivations enhancements and modifications thereof, and all related documentation, developer notes, flowcharts, comments, annotations files, records and data on all media on which any of the foregoing is recorded.

1.32. "**SPV**" has the meaning set forth in the preamble hereto.

1.33. "**SPV Copyrights**" means any and all Copyrights contained in, subsisting in or pursuable with respect to the Contributed Assets.

1.34. "**SPV Know-How**" means any and all Information contained in, subsisting in or pursuable with respect to the Contributed Assets.

1.35. "**Third Party**" means any Person other than SPV, NeuroMetrix and their respective Affiliates.

1.36. "**United States**" or "**U.S.**" means the United States of America and its territories and possessions (including the District of Columbia and Puerto Rico).

ARTICLE 2
GRANT OF RIGHTS

2.1. Grants to NeuroMetrix. Subject to Section 2.2, SPV hereby grants to NeuroMetrix:

2.1.1. an exclusive, royalty-free, fully paid-up, sublicensable right and license under the SPV Copyrights (a) in the GSK solely Territory to Develop, Manufacture, have Manufactured and Commercialize products in the Field (provided that such Manufacture rights and licenses shall be non-exclusive), and (b) in the NeuroMetrix Territory to Develop, Manufacture and have Manufactured products in the Field solely for Commercialization in the GSK Territory; and

2.1.2. an exclusive, royalty-free, fully paid-up, sublicensable right and license to use the SPV Know-How (a) in the GSK Territory solely to Develop, Manufacture, have Manufactured and Commercialize products in the Field (provided that such Manufacture rights and licenses shall be non-exclusive), and (b) in the NeuroMetrix Territory to Develop, Manufacture and have Manufactured products in the Field solely for Commercialization in the GSK Territory.

2.2. Sublicenses. NeuroMetrix shall have the right to grant sublicenses (or further rights of reference), through multiple tiers of sublicensees, under the licenses and rights of reference granted in Section 2.1, as applicable, to its Affiliates and other Persons; *provided* that any such sublicenses shall be consistent with the terms and conditions of this Agreement. A copy of any sublicense agreement with a Third Party executed by a Party shall be provided to the other Party within thirty (30) days after its execution; *provided* that the financial and any other terms of any such sublicense agreement not pertinent to an understanding of a Party's obligations or benefits under this Agreement may be redacted.

ARTICLE 3
INTELLECTUAL PROPERTY

3.1. Intellectual Property. Subject to this Article 3, as between the Parties, SPV shall own and retain all right, title and interest in and to the Contributed Assets (other than pursuant to the license grants set forth in Section 2.1). NeuroMetrix shall have the sole right to register and renew any SPV Copyrights in the GSK Territory, provided that any such registration or renewal will be made in the name of SPV.

3.2. Enforcement of Copyrights.

3.2.1. Notice. Each Party shall promptly notify the other Party in writing of any alleged or threatened infringement of the SPV Copyrights in any jurisdiction in the world of which such Party becomes aware (an "**Infringement**").

3.2.2. Enforcement of SPV Copyrights. As between the Parties, NeuroMetrix shall have the sole right, but not the obligation, to prosecute any Infringement with respect to the SPV Copyrights in the GSK Territory, including as a defense or counterclaim in connection with any Third Party Infringement Claim, at NeuroMetrix's sole cost and expense, using counsel of its own choice.

3.2.3. Cooperation. The Parties agree to cooperate fully in any Infringement action pursuant to this Section 3.2, including in the case of SPV, by making the applicable records and documents (including laboratory notebooks) available to NeuroMetrix upon NeuroMetrix's request. SPV shall assist and cooperate with NeuroMetrix, as NeuroMetrix may reasonably request from time to time, in connection with its activities set forth in this Section, including where necessary, furnishing a power of attorney solely for such purpose or joining in, or being named as a necessary party to, such action, providing access to relevant documents and other evidence and making its employees available at reasonable business hours. NeuroMetrix, in its sole discretion, shall have the right to settle such claim.

3.2.4. Recovery. Except as otherwise agreed by the Parties in connection with a cost sharing arrangement, any recovery realized as a result of such litigation described above in this Section 3.2 (whether by way of settlement or otherwise) shall be first, allocated to reimburse NeuroMetrix for its costs and expenses in making such recovery. Any remainder after such reimbursement is made shall be retained by NeuroMetrix.

3.3. Invalidity or Unenforceability Defenses or Actions. Each Party shall promptly notify the other Party in writing of any alleged or threatened assertion of invalidity or unenforceability of any of the SPV Copyrights by a Third Party of which such Party becomes aware. As between the Parties, NeuroMetrix shall have the sole right, but not the obligation, to defend and control the defense of the validity and enforceability of the SPV Copyrights at its sole cost and expense in the GSK Territory and using counsel of its own choice, including when such invalidity or unenforceability is raised as a defense or counterclaim in connection with an Infringement action initiated pursuant to Section 3.2. SPV shall assist and cooperate with NeuroMetrix, as NeuroMetrix may reasonably request from time to time, in connection with its activities set forth in this Section, including where necessary, furnishing a power of attorney solely for such purpose or joining in, or being named as a necessary party to, such action, providing access to relevant documents and other evidence and making its employees available at reasonable business hours.

ARTICLE 4
CONFIDENTIALITY AND NON-DISCLOSURE

4.1. Confidentiality Obligations. At all times during the Term and for a period of ten (10) years following termination or expiration hereof in its entirety, each Party shall and shall cause its officers, directors, employees and agents to, keep confidential and not publish or otherwise disclose to a Third Party, and not use, directly or indirectly, for any purpose outside the Field, any Confidential Information, except to the extent such disclosure or use is expressly permitted by the terms of this Agreement or in consequence of a Party making the Device available to the public through the regulatory process, marketing and sale. "**Confidential Information**" means (i) any technical, business or other information relating to the specifications and operability of the ASIC chip, (ii) any technical, business or other information relating to the integration and interoperability of the various components of the Device, (iii) the Software, to the extent related to the Device, and (iv) the terms and conditions of this Agreement. All Confidential Information shall be considered confidential as to both Parties. Notwithstanding the foregoing, the confidentiality

and non-use obligations under this Section 4.1 with respect to any Confidential Information shall not include any information that:

4.1.1. is or hereafter becomes part of the public domain by public use, publication, general knowledge or the like through no breach of this Agreement by a Party; provided, that, if Confidential Information becomes part of the public domain through breach of this Agreement by a Party, the confidentiality and non-use obligations under this Section 4.1 shall no longer apply to other Party with respect to such Confidential Information;

4.1.2. can be demonstrated by documentation or other competent proof to have been in a Party's (or its Affiliates') possession prior to such Party's receipt of such information without any obligation of confidentiality with respect to such information;

4.1.3. is subsequently received by a Party (or an Affiliate thereof) from a Third Party who is not bound by any obligation of confidentiality with respect to such information, except that such Party shall only be free to use the information to the extent permitted by the Third Party; provided, that, the other Party's obligations of confidentiality and non-use under this Section 4.1 shall not be affected by the first Party's (or its Affiliates') receipt of such Confidential Information;

4.1.4. has been published by a Third Party or otherwise enters the public domain through no fault of a Party in breach of this Agreement; provided, that, if Confidential Information has been published or otherwise enters public domain through breach of this Agreement by a Party, the confidentiality and non-use obligations under this Section 4.1 shall no longer apply to other Party with respect to such Confidential Information; or

4.1.5. can be demonstrated by documentation or other competent evidence to have been independently developed by or for a Party without reference (direct or indirect) to the Confidential Information provided by the other Party under this Agreement.

4.1.6. Specific aspects or details of Confidential Information shall not be deemed to be within the public domain or in the possession of the a Party merely because the Confidential Information is embraced by more general information in the public domain or in the possession of such Party. Further, any combination of Confidential Information shall not be considered in the public domain or in the possession of a Party merely because individual elements of such Confidential Information are in the public domain or in the possession of such Party unless the combination and its principles are in the public domain or in the possession of such Party.

4.2. Permitted Disclosures. Each Party may disclose Confidential Information to the extent that such disclosure is:

4.2.1. made in response to a valid order of a court of competent jurisdiction or other supra-national, federal, national, regional, state, provincial or local governmental or regulatory body of competent jurisdiction or, if in the reasonable opinion of such Party's legal counsel, such disclosure is otherwise required by Applicable Law, including by reason of filing with securities regulators; provided, however, that such Party shall first have given notice to the other

Party and given the other Party a reasonable opportunity to quash such order or to obtain a protective order or confidential treatment requiring that the Confidential Information and documents that are the subject of such order be held in confidence by such court or agency or, if disclosed, be used only for the purposes for which the order was issued; and provided, further, that the Confidential Information disclosed in response to such court or governmental order shall be limited to that information which is legally required to be disclosed in response to such court or governmental order;

4.2.2. made by or on behalf of such Party to the Regulatory Authorities as required in connection with any filing, application or request for Regulatory Approval; provided, however, that reasonable measures shall be taken to assure confidential treatment of such information to the extent practicable and consistent with Applicable Law;

4.2.3. made by or on behalf of such Party to a patent authority as may be reasonably necessary or useful for purposes of obtaining or enforcing a Patent; provided, however, that reasonable measures shall be taken to assure confidential treatment of such information, to the extent such protection is available;

4.2.4. made by or on behalf of such Party to potential or actual investors or acquirers of all or substantially all of the business to which this Agreement relates as may be necessary in connection with their evaluation of such potential or actual acquisition; provided, however, that such persons shall be subject to obligations of confidentiality and non-use with respect to such Confidential Information substantially similar to the obligations of confidentiality and non-use of such Party pursuant to this Article 4; and

4.2.5. made by or on behalf of such Party or an Affiliate thereof to potential or actual contract manufacturers, contract research organizations and collaborators, in each case, with respect to the Device; provided, however, that such persons shall be subject to obligations of confidentiality and non-use with respect to such Confidential Information substantially similar to the obligations of confidentiality and non-use of such Party pursuant to this Article 4 (with a duration of confidentiality and non-use obligations as appropriate that is no less than three (3) years from the date of disclosure).

ARTICLE 5
TERMINATION

5.1. Termination. NeuroMetrix may terminate this Agreement immediately for any reason upon written notice to SPV.

5.2. Consequences of Termination. In the event of a termination of this Agreement for any reason, all rights and licenses granted by SPV hereunder shall immediately terminate.

5.3. Remedies. Except as otherwise expressly provided herein, termination of this Agreement in accordance with the provisions hereof shall not limit remedies that may otherwise be available in law or equity.

5.4. Accrued Rights; Surviving Obligations.

5.4.1. Termination or expiration of this Agreement for any reason shall be without prejudice to any rights that shall have accrued to the benefit of a Party prior to such termination or expiration.

5.4.2. Such termination or expiration shall not relieve a Party from obligations that are expressly indicated to survive the termination or expiration of this Agreement. Without limiting the foregoing, Articles 1, 5 and 6 of this Agreement shall survive the termination or expiration of this Agreement for any reason.

ARTICLE 6
MISCELLANEOUS

6.1. Rules of Construction . The Parties agree that they have been represented by counsel during the negotiation and execution of this Agreement and have together drafted this Agreement and, therefore, waive the application of any Applicable Law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the Party drafting such agreement or document.

6.2. Notices . All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given and received (a) upon receipt, if delivered personally, (b) three Business Days after deposit in the mail, if sent by registered or certified mail, (c) on the next Business Day after deposit with an overnight courier, if sent by overnight courier, (d) upon transmission, if sent by facsimile or email transmission prior to 6:00 p.m., local time, in the place of receipt and receipt is confirmed or (e) on the next Business Day following transmission, if sent by facsimile or email transmission after 6:00 p.m., local time, in the place of receipt and receipt is confirmed; provided that the notice or other communication is sent to the address, facsimile number or email address set forth beneath the name of such Party below (or to such other address, facsimile number or email address as such Party shall have specified in a written notice to the other Party):

if to NeuroMetrix, to:

NeuroMetrix, Inc.
1000 Winter Street
Waltham, MA 02451
Attention: Shai N. Gozani
Fax: 781-663-3820
Email: Shai_Gozani@neurometrix.com

with copies (which shall not constitute notice) to:

Mintz Levin Cohn Ferris Glovsky and Popeo PC

One Financial Center
Boston, MA 02111
United States of America
Attention: John A. Dellapa
Fax: (617) 542-2241
Email: JADellapa@mintz.com

if to SPV, to:

Quell Intellectual Property Corp., Inc.
1000 Winter Street
Waltham, MA 02451
Attention: Thomas T. Higgins
Fax: 781-663-3820
Email: Tom_Higgins@neurometrix.com

with a copy (which shall not constitute notice) to:

Novartis Consumer Healthcare, S.A.
Route de L'Etraz,
1260 Nyon
Switzerland
Attn: Mark P. Van Emst, Esq.,
Assistant General Counsel
Email: mark.p.van-emst@gsk.com

and:

GlaxoSmithKline
980 Great West Road
Brentford, Middlesex TW8 9GS, UK
Attn: Senior Vice President, Consumer Healthcare Business Development
Email: Chris.Harley-Martin@gsk.com

and:

GlaxoSmithKline
980 Great West Road
Brentford, Middlesex TW8 9GS, UK
Attn: Corporate Secretariat
Email: paul.y.williamson@gsk.com

and:

GlaxoSmithKline LLC
709 Swedeland Road
King of Prussia, PA 19406, USA
Attn: Vice President and Associate General Counsel, Legal Corporate Functions-Business Development Transactions
Email: lisa.a.demarco@gsk.com

and:

Covington & Burling LLP
The New York Times Building
620 Eighth Avenue
New York, NY 10018
Attention: Jack S. Bodner
Fax: (646) 441-9079
Email: jbodner@cov.com

6.3. Consents and Approvals . For any matter under this Agreement requiring the consent or approval of either Party to be valid and binding on the Party, such consent or approval must be in writing.

6.4. Counterparts . This Agreement may be executed in one or more counterparts (including by facsimile or electronic transmission in .pdf, .tiff or any similar format), all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party.

6.5. Entire Agreement . Before signing this Agreement, the Parties had numerous conversations, including preliminary discussions, formal negotiations and informal conversations at meals and social occasions, and have generated correspondence and other writings, in which the Parties discussed the transactions contemplated by this Agreement and the Asset Purchase Agreement and their goals and objectives related thereto. In such conversations and writings, individuals representing the Parties may have expressed their judgments and beliefs concerning the intentions, capabilities, and practices of the Parties, and may have forecasted future events. The Parties recognize that such conversations and writings often involve an effort by both Parties to present a positive and optimistic outlook about the prospects for a transaction such as the contemplated transactions. However, the Parties also recognize that business transactions contain an element of risk, as do the contemplated transactions, and that it is normal business practice to limit the legal obligations of contracting parties to only those promises and representations which are essential to their transaction so as to provide certainty as to their respective future rights and remedies. Accordingly, other than the Transaction Agreements (as defined the Asset Purchase Agreement), the Confidentiality Agreements, and the other related documents, this Agreement is intended to define the full extent of the legally enforceable undertakings of the Parties, and no promise or representation, written or oral, which is not set forth explicitly in this Agreement is intended by either Party to be legally binding. Each of the Parties acknowledges that, in deciding to enter into this Agreement and to consummate the contemplated transactions, none of them has

relied upon any statements or representations, written or oral, other than those explicitly set forth herein or therein.

6.6. No Third-Party Beneficiaries . This Agreement and other related documents are not intended to and do not confer upon any Person other than the Parties any legal or equitable rights.

6.7. Assignment . Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned, in whole or in part, by operation of law or otherwise by either of the Parties without the prior written consent of the other Party, and any assignment without such consent shall be null and void, except that NeuroMetrix may assign, in its sole discretion, any of or all its rights, interests and obligations under this Agreement to any of its Affiliates, to any Third Party, or to GSK pursuant to the GSK Assignment, but no such assignment shall relieve NeuroMetrix of any of its obligations hereunder (except with respect to an assignment to GSK); provided that any such assignee of NeuroMetrix shall be primarily liable with respect to the obligations hereunder and the liability of NeuroMetrix (except with respect to an assignment to GSK) shall be secondary. Following the GSK Assignment, GSK shall be substituted for NeuroMetrix for all purposes of this Agreement (other than with respect to the NeuroMetrix Territory). Subject to the preceding sentences, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the Parties and their respective successors and assigns.

6.8. GOVERNING APPLICABLE LAW . THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE APPLICABLE LAWS OF THE STATE OF NEW YORK, REGARDLESS OF THE APPLICABLE LAWS THAT MIGHT OTHERWISE GOVERN UNDER APPLICABLE PRINCIPLES OF CONFLICTS OF APPLICABLE LAWS THEREOF.

6.9. Enforcement .

6.9.1. Each Party irrevocably submits to the exclusive jurisdiction of (i) the state courts of New York located in New York County, and (ii) the United States District Court for the Southern District of New York, for the purposes of any suit, action or other proceeding arising out of this Agreement or the transactions contemplated herein. Each Party agrees to commence any such action, suit or proceeding either in the United States District Court for the Southern District of New York or if such suit, action or other proceeding may not be brought in such court for jurisdictional reasons, in the state courts of New York located in New York County. Each Party further agrees that service of any process, summons, notice or document by the U.S. registered mail to such Party's respective address set forth above shall be effective service of process for any action, suit or proceeding in New York with respect to any matters to which it has submitted to jurisdiction in this Section 6.9. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the transactions contemplated hereby in (x) the state courts of New York located in New York County, and (y) the United States District Court for the Southern District of New York, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

6.9.2. EACH PARTY WAIVES ITS RIGHT TO TRIAL OF ANY ISSUE BY JURY. Each Party certifies that no representative, agent or attorney of the other Party has represented, expressly or otherwise, that such Party would not, in the event of any action, suit or proceeding, seek to enforce the foregoing waiver and (ii) acknowledges that it and the other Party has been induced to enter into this Agreement, by, among other things, the mutual waiver and certifications in this Section 6.9.2.

6.9.3. Each Party waives (i) with the exception of relief mandated by statute, any claim to punitive, exemplary, or multiplied damages and (ii) any claim for attorney fees, costs and prejudgment interest.

6.9.4. The Parties agree that irreparable damage would occur and that the Parties would not have any adequate remedy at Applicable Law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in the state courts of New York located in New York County, and the United States District Court for the Southern District of New York, this being in addition to any other remedy to which they are entitled at Applicable Law or in equity and as further set forth in this Section 6.9.

6.10. Severability . If any term or other provision of this Agreement or any related document is invalid, illegal or incapable of being enforced by any rule of Applicable Law or public policy, all other conditions and provisions of this Agreement or such related document shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement or such related document so as to effect the original intent of the Parties as closely as possible to the fullest extent permitted by Applicable Law in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

6.11. Amendment . This Agreement may be amended by the Parties at any time by an instrument in writing signed on behalf of each of the Parties.

6.12. Extension; Waiver . As it relates to any obligation under this Agreement or any related document to be performed at any time after the Effective Date, the Parties may (a) extend the time for the performance of any of the obligations or other acts of the other Party, (b) to the extent permitted by Applicable Law, waive any inaccuracies in the representations and warranties contained herein or in any related document or (c) to the extent permitted by Applicable Law, waive compliance with any of the agreements or conditions contained herein. Any agreement on the part of a Party to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such Party. The failure of either Party to assert any of its rights under this Agreement or otherwise shall not constitute a waiver of such rights.

6.13. Equitable Relief. Each Party acknowledges and agrees that the restrictions set forth in Articles 3 and 4 are reasonable and necessary to protect the legitimate interests of the other Party and that such other Party would not have entered into this Agreement in the absence of such restrictions and that any breach or threatened breach of any provision of such

Section or Articles may result in irreparable injury to such other Party for which there will be no adequate remedy at law. In the event of a breach or threatened breach of any provision of such Section or Articles, the non-breaching Party shall be authorized and entitled to seek from any court of competent jurisdiction injunctive relief, whether preliminary or permanent, specific performance and an equitable accounting of all earnings, profits and other benefits arising from such breach, which rights shall be cumulative and in addition to any other rights or remedies to which such non-breaching Party may be entitled in law or equity. Both Parties agree to waive any requirement that the other (i) post a bond or other security as a condition for obtaining any such relief and (ii) show irreparable harm, balancing of harms, consideration of the public interest or inadequacy of monetary damages as a remedy. Nothing in this Section 6.13 is intended or should be construed, to limit either Party's right to equitable relief or any other remedy for a breach of any other provision of this Agreement.

[SIGNATURE PAGE FOLLOWS**]**

THIS AGREEMENT IS EXECUTED by the authorized representatives of the Parties as of the date first written above.

NEUROMETRIX, INC.

By:/s/ Shai Gozani

Name: Shai Gozani

Title: President & CEO

QUELL INTELLECTUAL PROPERTY CORP., LLC.

By: /s/ Thomas T. Higgins

Name: Thomas T. Higgins

Title: SVP & CFO

EXHIBIT 10.25

ASSIGNMENT OF LICENSE AGREEMENT

This ASSIGNMENT OF LICENSE AGREEMENT (this "Assignment Agreement") is made as of January 12, 2018, by and between Novartis Consumer Health S.A., a *société anonyme* organized under the laws of Switzerland ("Assignee"), and NeuroMetrix, Inc., a Delaware corporation ("Assignor").

W I T N E S S E T H

WHEREAS, Assignor is a party to that certain License Agreement (the "Ex-US License Agreement"), made and entered into effective as of December 21, 2017, by Assignor and Quell Intellectual Property Corp., LLC, a Delaware limited liability company; and

WHEREAS, Assignor and Assignee have entered into that certain Asset Purchase Agreement, dated as of January 12, 2018 (the "Asset Purchase Agreement"), pursuant to which Assignor has agreed, among other things, to (i) sell, convey, deliver, transfer and assign to Assignee, free and clear of all Liens, at the Closing, all right, title and interest in, to and under all of the Purchased Assets and (ii) assign to Assignee all right, title and interest in, to and under the Ex-US License Agreement, all in consideration of the payment by Assignee of the Purchase Price, all upon the terms and subject to the conditions set forth in the Asset Purchase Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee, intending to be legally bound hereby, do hereby agree as follows:

1. Defined Terms; Interpretation. Capitalized terms used but not defined herein shall have the meanings given to them in the Asset Purchase Agreement. This Assignment Agreement shall be interpreted in accordance with the rules of construction set forth in Section 1.2 of the Asset Purchase Agreement.

2. Assignment of Contract. Pursuant to the terms and subject to the terms and conditions of the Asset Purchase Agreement, effective as of the date hereof, Assignor hereby assigns to Assignee, and Assignee hereby accepts the assignment of, all of Assignor's rights and obligations under the Ex-US License Agreement.

3. Interpretation; Successors. Nothing contained in this Assignment Agreement shall in any way supersede, modify, replace, amend, change, rescind, waive, exceed, expand, enlarge or in any way affect the provisions set forth in the Asset Purchase Agreement nor shall this Assignment Agreement reduce, expand or enlarge any remedies under the Asset Purchase Agreement. This Assignment Agreement is intended only to effect the assignment by Assignor of the Ex-US License Agreement pursuant to the Asset Purchase Agreement and shall be governed entirely in accordance with the terms and conditions of the Asset Purchase Agreement. This Assignment Agreement shall

be binding upon and inure solely to the benefit of Assignor, Assignee and their respective successors and assigns in accordance with the terms of the Asset Purchase Agreement.

4. Governing Law; Amendment. Construction and interpretation of this Assignment Agreement shall be governed by the Laws of the State of New York, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Assignment Agreement to the substantive Law of another jurisdiction. This Assignment Agreement may not be waived or amended except by an instrument in writing signed on behalf of each of the parties hereto.

5. Counterparts. This Assignment Agreement may be executed in one or more counterparts (including by facsimile or electronic transmission in .pdf, .tiff or any similar format), all of which shall be considered one and the same Assignment Agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the undersigned have caused this Assignment Agreement to be executed as of the date first written above.

ASSIGNEE:

NOVARTIS CONSUMER HEALTH S.A.

By:/s/ M. P. van Ernst
Name: M. P. van Ernst
Title: Legal Director

By:/s/ Marianne Lysses
Name: Marianne Lysses
Title: Senior Legal Counsel

ASSIGNOR:

NEUROMETRIX, INC.

By: /s/ Shai Gozani
Name: Shai Gozani
Title: President and CEO

[*Signature page to Assignment of License Agreement*]

EXHIBIT 10.2.7

NINTH MODIFICATION TO LOAN AND SECURITY AGREEMENT

This Ninth Modification to Loan and Security Agreement (this "Modification") dated January 17, 2018, is entered into by and between **Neurometrix, Inc.**, a Delaware corporation ("Borrower"), and **Comerica Bank** ("Bank").

RECITALS

Bank and Borrower previously entered into a Loan and Security Agreement dated March 5, 2010, as amended by the following:
the First Modification to Loan and Security Agreement dated March 1, 2011,
the Second Modification to Loan and Security Agreement dated February 15, 2012,
the Third Modification to Loan and Security Agreement dated April 19, 2012,
the Fourth Modification to Loan and Security Agreement dated January 28, 2013,
the Fifth Modification to Loan and Security Agreement dated January 31, 2014,
the Sixth Modification to Loan and Security Agreement dated January 23, 2015,
the Seventh Modification to Loan and Security Agreement dated January 14, 2016, and
the Eighth Modification to Loan and Security Agreement dated December 29, 2016 (collectively "Agreement").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as set forth below.

AGREEMENT

1. Incorporation by Reference. The Recitals and the documents referred to therein are incorporated herein by this reference. Except as otherwise noted, the terms not defined herein shall have the meanings set forth in the Agreement.
2. Modification to the Agreement. Subject to the satisfaction of the conditions precedent as set forth in Section 3 hereof, the Agreement is hereby modified as set forth below.

(a) The following terms and definitions are added to Exhibit A of the agreement in appropriate alphabetical order:

- 'Quell Transactions' means the transactions and agreements that Borrower entered into pursuant to the Asset Purchase Agreement and the Development and Services Agreement, each dated January 12, 2018, made between Borrower and Novartis Consumer Health S.A.("GSK")."
- 'Quell Transaction Default' means a failure to perform, a violation, default, or breach under, or the cancellation, termination, or rescission of, or any withdrawal from, any of the agreements, instruments and documents evidencing the Quell Transactions or any notice form GSK alleging or threatening any of the foregoing."

(b) The following defined terms, which are set forth in Exhibit A of the Agreement, are given the following amended definitions:

" 'Permitted Transfer' means the conveyance, sale, lease, transfer or disposition by Borrower or any Subsidiary of:
(a) Inventory in the ordinary course of business;
(b) licenses and similar arrangements for the use of the property of Borrower or its Subsidiaries in the ordinary course of business;
(c) sale and assignment of patents and related Intellectual Property to GSK and Quell Intellectual Property Corp. pursuant to the Quell Transactions;
(d) worn-out or obsolete Equipment not financed with the proceeds of Equipment Advances; or

(e) other assets of Borrower or its Subsidiaries that do not in the aggregate exceed $250,000 during any fiscal year.

'Revolving Maturity Date' means **January 15, 2019**."

(c) In Section 6.2, subsection (e) is hereby re-numbered as (f), and the following is added as new subsection (e):

" '(e) As soon as possible and in any event within 3 Business Days after becoming aware of the occurrence or existence of a Quell Transaction Default, a written statement of a Responsible Officer setting forth details of the Quell Transaction Default, and the action, if any, which Borrower has taken or proposes to take with respect thereto."

3. Legal Effect.

(a) Except as expressly set forth herein, the execution, delivery, and performance of this Modification shall not operate as a waiver of, or as an amendment of, any right, power, or remedy of Bank under the Agreement, as in effect prior to the date hereof. Borrower ratifies and reaffirms the continuing effectiveness of all promissory notes, guaranties, security agreements, environmental agreements, and all other instruments, documents and agreements entered into in connection with the Agreement.

(b) Borrower represents and warrants that the representations and warranties contained in the Agreement are true and correct as of the date of this Modification, and that no Event of Default has occurred and is continuing.

(c) The effectiveness of this Modification and each of the documents, instruments and agreements entered into in connection with this Modification is conditioned upon receipt by Bank of:

(i) this Modification and any other documents which Bank may require to carry out the terms hereof;

(ii) payment of an amendment fee in the amount of $5,000.00, which shall be deemed fully earned and non-refundable upon payment; and

(iii) payment of any Bank expenses incurred through the date of this Modification.

4. No Other Changes. Except as specifically provided in this Modification, it does not vary the terms and provisions of any of the Loan Documents. This Modification shall not impair the rights, remedies, and security given in and by the Loan Documents. The terms of this Modification shall control any conflict between its terms and those of the Agreement.

5. Integration. This is an integrated Modification and supersedes all prior negotiations and agreements regarding the subject matter hereof. All amendments hereto must be in writing and signed by the parties.

6. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which taken together shall constitute one and the same Agreement, and shall become effective when one or more counterparts have been signed by each of the parties hereto and delivered to the other party.

[end of Modification; signature page follows]

IN WITNESS WHEREOF, the parties have agreed to this Ninth Modification to Loan and Security Agreement as of the date first set forth above.

BANK:

Comerica Bank

By: _____
Jason G. Pan
Its: Vice President

BORROWER:

NeuroMetrix, Inc., a Delaware corporation

By: _____
Printed Name: _____
Its: _____

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-118059, 333-135242, 333-151195, 333-159712, 333-159713, 333-167180, 333-173769, 333-183071, 333-186827, 333-189383, 333-190177, 333-197407, 333-205827, 333-211379 and 333-218431) and on Form S-3 (Nos. 333-150087, 333-162303, 333-189392, 333-197405, 333-199359, 333-208923, 333-209528, 333-211919, 333-215792 and 333-219783) of NeuroMetrix, Inc. of our report dated February 8, 2018 relating to the financial statements and financial statement schedule for the year ended December 31, 2017, which appears in this Annual Report on Form 10-K for the year ended December 31, 2017.

/s/ Moody, Famiglietti, and Andronico LLP

Moody, Famiglietti, and Andronico LLP
Tewksbury, Massachusetts
February 8, 2018

EXHIBIT 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-118059, 333-135242, 333-151195, 333-159712, 333-159713, 333-167180, 333-173769, 333-183071, 333-186827, 333-189383, 333-190177, 333-197407, 333-205827, 333-211379 and 333-218431) and on Form S-3 (Nos. 333-150087, 333-162303, 333-189392, 333-197405, 333-199359, 333-208923, 333-209528, 333-211919, 333-215792 and 333-219783) of NeuroMetrix, Inc. of our report dated February 9, 2017, except for the effects of the reverse stock split discussed in Note 13 to the financial statements, as to which the date is February 8, 2018, relating to the financial statements and financial statement schedule, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Boston, Massachusetts
February 8, 2018

Exhibit 31.1

CERTIFICATION

I, Shai N. Gozani, certify that:

1. I have reviewed this Annual Report on Form 10-K of NeuroMetrix, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 8, 2018

/s/ SHAI N. GOZANI, M.D., PH.D.

Shai N. Gozani, M.D., Ph.D.
Chairman, President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Thomas T. Higgins, certify that:

1. I have reviewed this Annual Report on Form 10-K of NeuroMetrix, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 8, 2018

/s/ THOMAS T. HIGGINS

Thomas T. Higgins
Senior Vice President, Chief Financial Officer and Treasurer

Exhibit 32

CERTIFICATION

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of NeuroMetrix, Inc., a Delaware corporation (the "Company"), does hereby certify, to such officer's knowledge, that:

The Annual Report for the year ended December 31, 2017 (the "Form 10-K") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 8, 2018

/s/ SHAI N. GOZANI, M.D., PH.D.

Shai N. Gozani, M.D., Ph.D.
Chairman, President and Chief Executive Officer

Date: February 8, 2018

/s/ THOMAS T. HIGGINS

Thomas T. Higgins
Senior Vice President, Chief Financial Officer and Treasurer