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, 2016

☐ 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: 001-36379

ENERGOUS CORPORATION
(Exact Name of Registrant as Specified in Its Charter)

Delaware	46-1318953
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
3590 North First Street, Suite 210, San Jose, CA	95134
(Address of Principal Executive Offices)	(Zip Code)

(408) 963-0200
(Registrant's telephone number, including area code)

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

Securities registered pursuant to Section 12 (g) of the Act: Common Stock, par value $0.001 per share

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 Section 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 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 Act): Yes ☐ No ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter was $216,604,925. Solely for the purposes of this calculation, shares held by directors, executive officers and 10% owners of the registrant have been excluded. Such exclusion should not be deemed a determination or an admission by the registrant that such individuals are, in fact, affiliates of the registrant.

As of March 6, 2017, there were 20,525,942 shares of the registrant's common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

The registrant intends to file a definitive proxy statement pursuant to Regulation 14A within 120 days after the end of the fiscal year ended December 31, 2016. Portions of such proxy statement are incorporated by reference into Part III of this Form 10 - K.

ENERGOUS CORPORATION
TABLE OF CONTENTS

PART I

As used in this Form 10-K, unless the context otherwise requires the terms “we,” “us,” “our,” and “Energous” refer to Energous Corporation, a Delaware corporation.

FORWARD LOOKING STATEMENTS

This Annual Report on Form 10-K contains 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, that are intended to be covered by the "safe harbor" created by those sections. Forward-looking statements, which are based on certain assumptions and describe our future plans, strategies and expectations, can generally be identified by the use of forward-looking terms such as "believe," "expect," "may," "will," "should," "could," "seek," "intend," "plan," "estimate," "anticipate" or other comparable terms. All statements other than statements of historical facts included in this Annual Report on Form 10-K regarding our strategies, prospects, financial condition, operations, costs, plans and objectives are forward-looking statements. Examples of forward-looking statements include, among others, statements we make regarding proposed services, market opportunities and acceptance, expectations for revenues, cash flows and financial performance, intentions for the future and the anticipated results of our development efforts. These forward-looking statements are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following: our ability to develop a commercially feasible technology; receipt of necessary regulatory approval; our ability to find and maintain development partners, market acceptance of our technology, the amount and nature of competition in our industry; our ability to protect our intellectual property; and the other risks and uncertainties described in the Risk Factors and in Management's Discussion and Analysis of Financial Condition and Results of Operations sections of this Annual Report on Form 10-K and our subsequently filed Quarterly Reports on Form 10-Q. We undertake no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

Item 1. Business

Overview

We have developed a technology called WattUp® that consists of proprietary semiconductor chipsets, software, hardware designs and antennas that enables RF-based charging for electronic devices, providing wire-free charging solutions for contact-based charging as well as at a distance charging, ultimately enabling charging with mobility under full software control. Pursuant to our Strategic Alliance Agreement with Dialog Semiconductor plc (Dialog), Dialog will manufacture and distribute integrated circuit ("IC") products incorporating our RF-based wire-free charging technology. Dialog will be our exclusive supplier of these ICs for the general market. We believe our proprietary technology can be utilized in a variety of devices, including wearables, hearing aids, earbuds, Bluetooth headsets, Internet of Things ("IoT") devices, smartphones, tablets, e-book readers, keyboards, mice, remote controls, rechargeable lights, cylindrical batteries, medical devices and any other device with similar charging requirements that would otherwise need a battery or a connection to a power outlet.

We believe our technology is novel in its approach, in that we are developing a solution that charges electronic devices by surrounding them with a focused, three-dimensional ("3D") radio frequency ("RF") energy pocket ("RF energy pocket"). We are engineering solutions that we expect to enable the wire-free transmission of energy for contact-based applications as well as far field applications of up to 15 feet in radius or in a circular charging envelope of up to 30 feet. We are also developing our Far Field transmitter technology to seamlessly mesh (much like a network of WiFi routers) to form a wire-free charging network that will allow users to charge their devices as they walk from room-to-room or throughout a large space. To date, we have developed multiple transmitter prototypes in various form factors and power capabilities. We have also developed multiple receiver prototypes, including smartphone battery cases, toys, fitness trackers, Bluetooth headsets and tracking devices, as well as stand-alone receivers.

When the company was first founded, we recognized the need to build and design an enterprise-class network management and control system ("NMS") that was integral to the architecture and development of our wire-free charging technology. Our NMS system can be scaled up to control an enterprise consisting of thousands of devices or scaled down to work in a home or IoT environment.

The power, distance and mobility capabilities of the WattUp technology were validated by an internationally recognized independent testing lab in October 2015, and the results are published on our website.

Our technology solution consists principally of transmitter and receiver ICs and novel antenna designs driven through innovative algorithms and software applications. We submitted our first IC design for wafer fabrication in November 2013 and have since been developing multiple generations of transmitter and receiver ICs, multiple antenna designs, as well as algorithms and software designs that we believe, in the aggregate, will optimize our technology by reducing size and cost, while increasing performance to a level that will enable our technology to be integrated into a broad spectrum of devices. We have developed a "building block" approach which allows us to scale our product implementations by combining multiple transmitter building blocks and/or multiple receiver building blocks to provide the power, distance, size and cost performance necessary to meet application requirements. While the technology is very scalable, in order to provide the necessary strategic focus to grow the company effectively, we have defined our market as devices that require 10 watts or less of power to charge. We will continue to invest in IC development as well as in the other components of the WattUp system to improve product performance, efficiency, cost-performance and miniaturization as required to grow the business and expand the ecosystem, while also distancing us from any potential competition.

We believe that if our development, regulatory and commercialization efforts are successful, our transmitter and receiver technology will support a broad spectrum of charging solutions ranging from contact-based charging or charging at distances of a few millimeters ("near field") to charging at distances of up to 15 feet ("far field").

In February 2015, we signed a Development and License Agreement with one of the top consumer electronic companies in the world based on total worldwide revenues. The agreement is milestone-based and while there are no guarantees that the WattUp® technology will ever be integrated into our strategic partner's consumer devices, we continue to progress the relationship as evidenced by the achievement of our revenues in 2016 from engineering services resulting from the achievement of certain milestones under the agreement. We anticipate continued progress with the relationship which we expect will result in additional engineering services revenue and ultimately, if they choose to incorporate our technology into one or more products, significant revenues based on the WattUp® technology being integrated into products being shipped to consumers.

In February 2016, we began delivering evaluation kits to potential licensees to allow their respective engineering and product management departments to test and evaluate our technology. We expect that the testing and evaluations currently taking place will lead to products beginning to be shipped to consumers in the second half of 2017.

In November 2016, we entered into a Strategic Alliance Agreement with Dialog, pursuant to which Dialog will manufacture and distribute IC products incorporating our wire-free charging technology. Dialog will be our exclusive supplier of these products for the general market. Our WattUp technology will use Dialog's SmartBond® Bluetooth low energy solution as the out-of-band communications channel between the wireless transmitter and receiver. In most cases Dialog's power management technology will then be used to distribute power from the WattUp receiver IC to the rest of the device while Dialog's AC/DC Rapid Charge™ power conversion technology delivers power to the wireless transmitter.

We have implemented an aggressive intellectual property strategy and are continuing to pursue patent protection for new innovations. As of March 15, 2017, we had in excess of 250 pending patent and provisional patent applications. Additionally, the U.S. Patent and Trademark Office (or the PTO) has issued 22 patents and notified us of the allowance of 10 additional patents. In addition to the inventions covered by these patents and patent applications, we have identified a significant number of additional specific inventions we believe are novel and patentable. We intend to file for patent protection for the most valuable of these, as well as for other new inventions that we expect to develop. Our strategy is to continually monitor the costs and benefits of each patent application and pursue those that will best protect our business and expand the core value of the Company.

We have recruited and hired a seasoned management team with both private and public company experience and relevant industry experience to develop and execute our operating plan. In addition, we have identified and hired key engineering resources in the areas of IC development, antenna development, hardware, software and firmware engineering as well as integration and testing which will allow us to continue to expand our technology and intellectual property as well as meet the support requirements of our licensees.

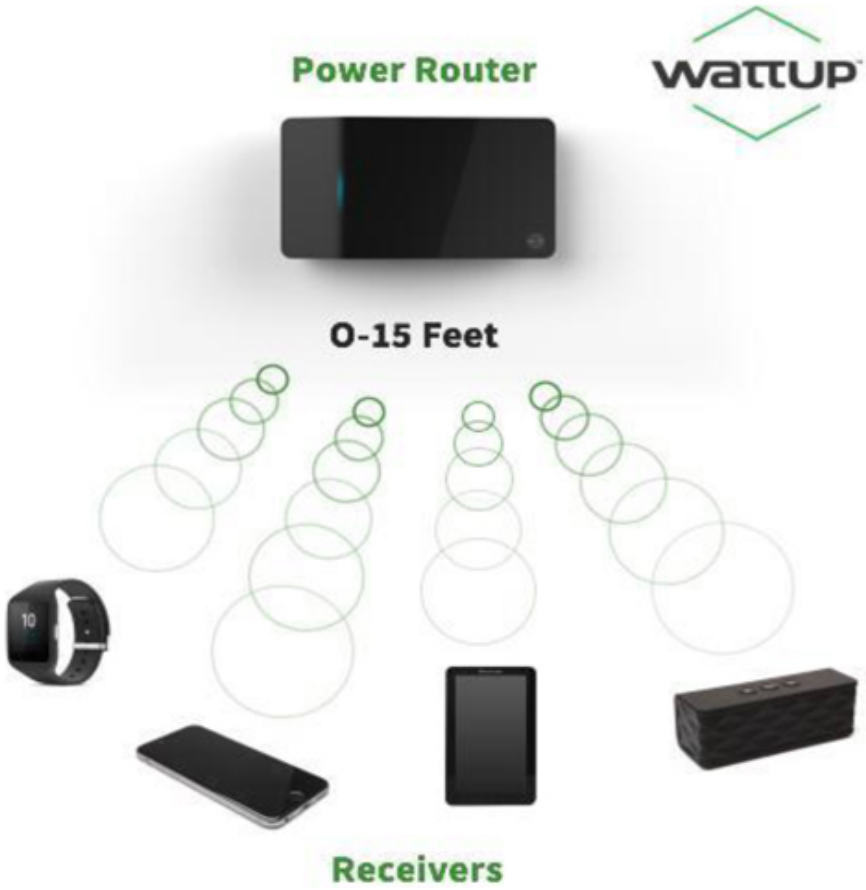
Our common stock is quoted on the NASDAQ Stock Market under the symbol "WATT". As of March 15, 2017, we had 73 full-time employees, 57 of which were engineers. We were incorporated in Delaware in October 2012. Our corporate headquarters is located at 3590 North First Street, Suite 210, San Jose, CA 95134. Our website can be accessed at www.energous.com. The information contained on, or that may be obtained from our website, is not, and shall not be deemed to be, part of this Annual Report on Form 10-K.

Our Technology

The wire-free charging solution we are developing employs transmitter technology that creates a targeted 3D RF energy pocket around a receiving device (which may be mobile or fixed).

Figure 1 below shows a basic diagram of our solution. Today this solution is able to send RF energy from the transmitter (also referred to as a Power Router) to single as well as multiple devices.

Figure 1: Our Wire-free Charging Solution Diagram



First, our proprietary power router, or transmitter, locates the receiver(s) in 3-dimensional space via technology we have developed using standard Bluetooth® communications. Next, the transmitter, through software control, generates a controlled and focused RF-waveform to create an RF energy pocket around the receiver(s). Receiver(s) equipped with our antennas and ICs, and controlled by our software, are able to harvest power from this focused RF energy pocket. We believe that these receivers will be incorporated into various devices such as smartphones, wearables, fitness trackers, keyboards and mice, cameras, tablets, toys, IoT devices, sensors, remote controls, medical devices and other small electronics which contain embedded batteries.

Our transmitter uses proprietary software algorithms to dynamically direct, focus and control our RF waveform in three dimensions as it transmits energy to a moving object (such as a user holding their mobile device as they walk around a room).

Our initial demonstration system was able to transmit energy to multiple devices within a range of 15 feet in radius or in a circular charging envelope of 30 feet. We believe our current generation ICs and those in development will also allow us to significantly reduce the size and cost of both our transmitters and our receivers as well as provide increased delivered power and efficiency and faster synchronization speeds.

In January 2016, we announced a new Miniature WattUp Near Field Transmitter as well as a small form factor receiver, both of which were developed as a direct result of our efforts to reduce cost and size. The Miniature WattUp Near Field Transmitter offers contact-based charging. Contact-based charging, for which we have received FCC approval, allows for low power charging up to 5mm distances. Due to its low cost and small size, the miniature transmitter is anticipated to be bundled in-box with WattUp receiver enabled devices, replacing alternative charging solutions like power adapters and charging cables. The ability to bundle and provide a low cost, portable charging solution for receiver devices, provides portability to the WattUp solution, and is anticipated to accelerate the ecosystem build out.

Our Competition

There are numerous existing and commercially available methods to provide charging for battery-powered devices, including wall plug-in charging, inductive charging, magnetic resonance charging, charging stations and more. To our knowledge, almost all consumer electronic devices equipped with a rechargeable battery come bundled with a method to charge the device (for example, a power cord). Studies indicate that the consumer has grown tired and frustrated with tethered charging solutions and that the market is poised and will be receptive to untethered wire-free power solutions like our WattUp technology. We believe that the positive market response and interest in the WattUp technology we have seen suggests that consumer electronic companies that develop products incorporating our technology will generate incremental sales and realize highly differentiated competitive advantages.

We believe our WattUp technology has a number of advantages compared to traditional charging technologies in terms of size, cost, mobility and portability. Further, our technology allows us to target a device and track that device if it moves or is moving, and transmit focused energy to the targeted device to charge the device without having to remove the battery or plug in the device.

There are a variety of other wireless charging technologies on the market or under development today. These competitive technologies fall into the following categories:

Magnetic Induction. Magnetic induction uses a magnetic coil to create resonance, which can transmit energy over very short distances. Power is delivered as a function of coil size (the larger the coil, the more power), and coils must be directly paired (one receiver coil to one transmitter coil = directly coupled pair) within a typical distance of less than one inch. Products utilizing magnetic induction have been available for 10+ years in products such as rechargeable electronic toothbrushes.

Magnetic Resonance. Magnetic resonance is similar to magnetic induction, as it uses magnetic coils to transmit energy. This technology uses coils that range in size depending on the power levels being transmitted. It has the ability to transmit power at distances up to ~11 inches (30cm) which can be increased with the use of resonance repeaters.

Conductive. Conductive charging uses conductive power transfer to eliminate wires between the charger (often a charging mat) and the charging device. It requires the use of a charging board as the power transmitter to deliver the power, and a charging device, with a built-in receiver, to receive the power. This technology requires direct metal contact between the charging board and the receiver. Once the charging board recognizes the receiver, the charging begins.

RF Harvesting. Harvesting RF energy is at the core of our WattUp technology. RF harvesting typically utilizes directional antennas to target and deliver energy. To our knowledge, there are two other companies attempting to utilize a directional pocket of energy similar to that being developed by us.

Laser. Laser charging technology uses very short wavelengths of light to create a collimated beam that maintains its size over distance, using what is described as distributed resonance to deliver power to an optical receiver.

Ultrasound. Ultrasound charging technology converts electric energy into acoustic energy in the form of ultrasound waves. It then reconverts those waves through an “energy-harvesting” receiver.

Our Business Strategy

Pursuant to our Strategic Alliance Agreement with Dialog, Dialog will manufacture and distribute IC products incorporating our wire-free charging technology. Dialog will be our exclusive supplier of these products for the general market. We believe there are several verticals with large volumes of potential annual sales that would benefit from our technology, and as a result, may purchase our proprietary components through the Strategic Alliance Agreement. Our intent is not to design and manufacture consumer electronic products, but rather to support the development and proliferation of our WattUp® technology to form a ubiquitous wire-free charging ecosystem.

We believe that our greatest market opportunity lies in creating a ubiquitous ecosystem for wire-free charging at a distance, in much the same way as the Wi-Fi ecosystem has developed. The goal is to ensure interoperability between transmitters and receivers that are based on our technology, regardless of who made them, installed them into finished goods, or marketed them. The implementation of previous ubiquitous solutions such as Wi-Fi and Bluetooth helps to illustrate our goal. For example, Wi-Fi routers, regardless of their designer or manufacturer, work with Wi-Fi receivers installed in various consumer electronic devices, regardless of the manufacturer. As a result, we are following the same rollout strategy as Wi-Fi in that we :

- Carefully select initial target markets;
- Build multiple silicon-based chips to advance the technology;
- Partner with leading product companies;
- Develop reference designs to reduce early adopter risks and foster adoption;
- Provide game-changing benefits to the consumer in terms of utility and convenience;
- Design initial iterations of the technology to be small but scalable implementations that are compatible on both a local and enterprise scale;
- Invest in ease of use;

- Develop a strategy to build out the ecosystem starting with the consumer and expanding to enterprise, industrial and military;
- Implement a plan to initially sell ICs migrating to a combination of selling ICs and integrating our device libraries into third-party silicon such as Bluetooth Low Energy and Power Management Chips; and
- Support a consortium like the AirFuel™ Alliance (AFA) that is expected to lead to a qualification process to ensure compatibility of our WattUp technology across vendors and develop a common user experience at the application level.

In order for our technology to become a ubiquitous solution for charging at a distance, we intend to pursue an ecosystem strategy for our technology, engaging not only potential licensees for our transmitter and receiver technologies, but also their upstream and downstream value chain partners. We also intend to prioritize protecting our intellectual property portfolio, as we believe this strategy will make it less likely that a competing platform will be able to gain a solid foothold in the RF-based wireless charging-at-a-distance market and compete with our technology in a meaningful way.

We believe our strategic relationship with Dialog will enable us to reap the benefits of our technology much faster and with greater penetration than by manufacturing and distributing products ourselves. We believe this strategic relationship allows us to concentrate our efforts and resources on engineering, development and commercialization projects to accelerate the introduction and adoption of the WattUp solution.

In order to engage with potential licensees of the WattUp technology we have developed evaluation kits consisting of a transmitter and a receiver along with the enabling software to allow potential strategic partners to test the technology in their labs. The kits form a base "building block" component that is scalable to meet the needs of specific applications. We are developing processes and the support capabilities to assist potential customers as they evaluate the technology and develop specific designs to incorporate it.

In selecting our initial customers, our goal is to identify those customers who have an internal product cycle that will support rapid deployment with the end goal to release WattUp devices to the consumer as quickly as possible thereby securing a first to market advantage and accelerating the path to revenue and profitability.

Since we are developing a new paradigm as to how consumers will charge their electronic devices, the operational details of our strategy continue to evolve as our technology matures and our engagements with strategic partners solidify. As a result, we expect to make operational course corrections as we steer the company towards our goal of a ubiquitous wire-free charging solution.

Our Target Markets

We believe that our technology will be compelling to many vertical markets, each of which may have several potential customers. To focus our activities and see WattUp-enabled products in the hands of consumers as quickly as possible, we will likely select certain initial target markets and customers because of their time-to-market capabilities and their market potential. As we continue to develop our technology, we intend to add additional markets and partners to expand our market presence.

We identify our initial target markets within these two hardware categories:

Transmitter Target Markets

We believe our transmitter technology will be developed and released to the consumer in three basic categories:

- Stand-alone transmitters that are either sold independently or bundled as part of a pairing with a WattUp-enabled receiver device;
- Transmitters that are integrated into third party devices like televisions, computer monitor bezels, sound bars, refrigerator doors, etc.; and
- Transmitters that are integrated with Wi-Fi routers to form a single device that provides both connectivity and wire-free power.

Stand-Alone Transmitters:

Our current plans call for stand-alone transmitters to be released in three separate and distinct categories:

Near Field WattUp Transmitters:

Because of the distinct advantages compared to other existing forms of contact-based wireless charging including ease of manufacturing and relative ease of regulatory approval, we expect that products using our Near Field transmitter technology will be the first WattUp enabled products on the market. Our Near Field transmitters are ideally suited for wearables, IoT devices and other small electronics which require a small form factor receiver and a low-cost charging solution. These small, inexpensive transmitters will likely be USB-powered, and will have a range of up to five millimeters. These solutions will initially be one-to-one (one transmitter to one receiver) with follow-on versions being one transmitter to multiple receivers.

Mid Field WattUp Transmitters:

We expect that our Mid Field WattUp transmitters will be geared to the desktop and automotive markets and will likely have a range of a few centimeters to one meter from the transmitter. We also intend for the Mid Field transmitters to have tracking ability to support mobile applications and multiple receiving devices. Likely implementations of midsized WattUp transmitters will include small desktop and nightstand transmitters designed to send low power at distances for accessories and wearables. The same technology may also likely be integrated into third party devices like computer monitor bezels, nightstand consumer electronics, accessories such as low voltage portable battery chargers and integrated automotive applications.

Far Field WattUp Transmitters:

Far Field WattUp transmitters are full featured transmitters with the power to charge multiple devices at distances of up to 15 feet or anywhere within a 30-foot diameter circle. We also expect that Far Field WattUp transmitters will have the ability to "pair" with other Far Field WattUp transmitters allowing the user to create a large charging envelope encompassing many different rooms or large spaces while seamlessly providing charging to mobile devices that are moving through the coverage space. Far Field WattUp transmitters may also play a significant role in the powering of IoT devices that are fixed such as security cameras and sensors. These may also be charged from a WattUp-enabled wifi router, which adds RF-based charging-at-a-distance functionality.

Transmitters Integrated into Third Party Devices:

The "building block" core architecture developed for the WattUp technology is ideally suited to a broad spectrum of third party devices like televisions and refrigerator doors. The flexibility of the architecture in terms of size, power, distance, and cost affords Energous licensees the opportunity to match our technology with specific requirements and limitations typically found with complex integrations. For example, the WattUp technology could be integrated into the door of a small refrigerator typically found in college dorm rooms providing charging capabilities to mobile devices anywhere in the room. Further, the "pairing" capabilities of the transmitter technology could enable licensees to develop venue-specific consumer electronics products like integrated televisions that are paired with integrated picture frames to provide mobile charging across a large room such as an airport lounge.

Wi-Fi Routers

We see the combination of the wire-free power router and the Wi-Fi router as a natural integration point and a synergistic application of both technologies. The WattUp wire-free power router shares a number of technical characteristics with Wi-Fi routers in that both devices operate in the airwaves in the unlicensed industrial, scientific and medical ("ISM") bands, both devices owe their success to the utility and convenience they bring to the consumer, both devices rely on antenna structures to send power and data, and both devices "pair" or provide hand off capabilities which allow for large "enabled" sites similar to a mesh network. We also believe that our 3D pocket-forming technology may enhance the data signal of a Wi-Fi router, which we believe will provide an even stronger value proposition to wireless data router manufacturers. Finally, we plan to collaborate with our tier-one consumer electronics company partner to engage with third party Wi-Fi transmitter companies. Our belief is that through this joint approach we will be able to enhance the marketing and manufacturing of transmitters which in turn would help drive the demand for receiving devices and accelerate the build out of the WattUp ecosystem.

The Wi-Fi router market has two segments: commercial and residential. The key differentiator between these segments is that commercial routers tend to have much more robust security features, including virtual private networks and advanced content filtering. We believe that our technology is applicable to both the commercial and residential Wi-Fi router markets based on the building block capabilities mentioned earlier that will enable the WattUp technology to effectively serve and support both markets.

In addition, the Wi-Fi router market has other key players. These include consumer electronics supply chain firms, including original equipment manufacturers ("OEMs"), original design manufacturers ("ODMs"), component manufacturers and branded consumer electronics firms. We believe that each of these categories of players can help to integrate our technology into a commercially available Wi-Fi router.

An ODM designs products either collaboratively with their customers or on their own and manufactures them for sale to companies under the end customer's brand. Additionally, an ODM may engage multiple companies with similar designs that are then marketed under several different end customers' brands. An OEM manufactures products for sale under another firm's brand.

In January 2016, we entered into an agreement with Pegatron, an ODM company, to explore the production of Near Field WattUp transmitters. This Near Field transmitter design is intended to replace the typical USB cord and power adapter included with many small electronics products today. Incorporation of the WattUp® technology into a Near Field transmitter would allow the intended receiver product to become waterproof as there is no longer a need for a power input port on the device, while still allowing for an in-box charging solution.

As part of our go-to-market strategy under the Strategic Alliance Agreement with Dialog, we are currently working with customers offering consumer and commercial applications of our technology. We also intend to engage with concentrated consumer destinations, for example, coffee shop and restaurant chains, airport lounges and airports.

Receiver Target Markets

We believe there are a wide variety of potential uses for our receiver technology, including:

- Smartphones
- Hearing aids
- IOT devices
- Wearables
- Tablets
- Mice
- Gaming consoles and controllers
- Keyboards
- e-book readers
- Remote controls
- Sensors (such as thermostats)
- Toys
- Rechargeable batteries
- Rechargeable lights
- Automotive accessories
- Personal care products (such as toothbrushes or shavers)
- Retail inventory management (such as RFID tags)
- Hand-held industrial devices (such as scanners or keypads)
- Medical devices

This list is meant for illustrative purposes only; we cannot guarantee that we will address any of these markets, and we may decide to address a market that is not on the above list. We intend to continuously evaluate our target markets and choose new markets based on factors including (but not limited to) time-to-market, market size and growth, and the strength of our value proposition for a specific application.

Key Strategic Partnership

In January 2015, we signed a Development and License Agreement with a tier-one consumer electronics company to embed WattUp wire-free charging receiver technology in various products including mobile consumer electronics and related accessories.

This Development and License Agreement and subsequent amendments contains both invention and development milestones requirements that we will need to achieve through fiscal 2017 and potentially beyond. If we achieve such milestones, we are entitled to receive milestone-based development payments under the agreement.

During the development phase until one year after the first customer shipment, we will afford this customer a time to market advantage in the licensed product categories.

This agreement was last amended in February 2016 to allow us to develop technology for competing customers in certain vertical markets. In addition, the amendment more clearly defines that the technology and associated intellectual property we are developing under the Development and License Agreement remains the property of Energous.

WattUp uses small form factor antennas that are formed using the existing device's printed circuit board, removing the need for larger, more expensive coils. This enables broader adoption of wireless charging in a larger range of battery-powered devices, such as smartphones, tablets, Internet of Things (IoT) devices, small form factor wearables, gaming and Virtual Reality (VR)/Augmented Reality (AR) devices.

If successful, we believe this agreement presents an opportunity to accelerate critical mass adoption for WattUp® wire-free power. We also believe that with our partner, this critical mass could be driven first by the wide adoption of our receiver technology and second by the broad distribution of embedded or stand-alone transmitters into other consumer electronics devices. Finally, having this wide adoption on both the transmitter and the receiver side should create demand for broad adoption of our technology from circles outside of our key strategic partner.

In November 2016, we entered into a Strategic Alliance Agreement with Dialog for the manufacture and distribution of IC products incorporating our wire-free charging technology. We agreed to engage Dialog as our exclusive supplier of these products for specified fields of use. Our WattUp chipsets will be ordered through and manufactured by Dialog, will carry the Dialog brand and will be shipped and supported by Dialog. Dialog agreed to not distribute, sell or work with any third party to develop any competing products without our approval. Energous and Dialog agreed on a revenue sharing arrangement and will collaborate on the commercialization of licensed products based on a mutually-agreed upon plan.

Our WattUp technology will use Dialog's SmartBond® Bluetooth low energy solution as the out-of-band communications channel between the wireless transmitter and receiver. Dialog's power management technology will then be used to distribute power from the WattUp receiver IC to the rest of the device while Dialog's AC/DC Rapid Charge™ power conversion technology delivers power to the wireless transmitter.

Research and Development

Research and development costs account for a substantial portion of our operating expenses. Our research and development expenses were $32.8 million, $18.8 million, and $12.5 million for the years ended December 31, 2016, 2015, and 2014, respectively. Research and development expenses are expected to increase in the future as we concentrate our efforts and resources on the commercialization of our technology.

Our Intellectual Property

As a company with a primary focus on licensing, we expect that our most valuable asset will be our intellectual property. This includes U.S. and foreign patents, patent applications and know-how. We are pursuing an aggressive intellectual property strategy and are developing new patents. As of March 15, 2017, we have in excess of 250 pending patent and provisional patent applications. Additionally, the PTO has issued our first 22 patents and notified us of the allowance of ten additional patents. In addition to the inventions covered by these patents and patent applications, we have identified a significant number of additional specific inventions we believe may be novel and patentable. We intend to file for patent protection for the most valuable of these, as well as for other new inventions that we expect to develop.

Government Regulation

Our wire-free charging technology involves the transmission of power using RF energy waves, which is subject to regulation by the Federal Communications Commission ("FCC"), and may be subject to regulation by other federal, state, local and international agencies. We believe our technology is safe, and we are consulting with the FCC and other regulatory bodies to establish a process by which devices incorporating WattUp® technology can secure required approvals.

Concerning FCC approvals, as part of the regulatory approval process, we believe devices incorporating the WattUp® technology will need to obtain approvals under both FCC Part 15 and FCC Part 18. We are confident that our technology allows devices to be approved under Part 15. In addition, because our technology involves the transmission of power greater than the power threshold limits of Part 15, we also expect devices incorporating our technology will need to obtain FCC Part 18 approval. The design of the WattUp® technology is such that we believe we will be able to demonstrate that our power transmissions do not violate current FCC regulations pertaining to human exposure to RF emissions and that WattUp® technology complies with the Part 18 technical requirements. However, the transmission of power in this manner by a consumer product at the ranges we are proposing has not yet been approved by the FCC. There can be no assurance that the FCC will determine that devices incorporating WattUp® technology are eligible for Part 18 approval, that FCC approval will be able to be obtained for specific devices, or that other governmental approvals will not be required

Employees

As of March 15, 2017, we had 73 full-time employees. None of these employees are covered by a collective bargaining agreement, and we believe our relationship with our employees is good. We also employ consultants, including technical advisors, on an as-needed basis to supplement existing staff. Consultants and technical advisors provide us with expertise in electrical engineering, software development and other specialized areas of engineering and science.

Item 1A. Risk Factors

We are subject to many risks that may harm our business, prospects, results of operations and financial condition. This discussion highlights some of the risks that might adversely affect our future operating results in material ways. We believe these are the risks and uncertainties that are the most important ones we face. We cannot be certain that we will successfully address these risks, and if we are unable to address them, our business may not grow, our stock price may suffer and you could lose the value of your investment in our company. Other risks and uncertainties that we do not currently recognize as material risks, or that are similar to risks faced by other companies in our industry, may also impair our business, prospects, results of operations and financial condition. The risks discussed below include forward-looking statements, and our actual results may differ substantially from what is in these forward-looking statements.

Risks Related to Our Business

Other than engineering services revenues, we have no history of generating revenue, have a history of operating losses, and we may never achieve or maintain profitability.

We have a limited operating history upon which investors may rely in evaluating our business and its prospects. We have generated only very limited revenues to date and we have a history of losses from operations. As of December 31, 2016, we had an accumulated deficit of approximately $125 million. Our ability to generate revenues on a more reliable and larger scale, and to achieve profitability, will depend on our ability to execute our business plan, complete the development of our technology, and incorporate it into products that customers wish to buy, and to do so rapidly with appropriate financing if necessary. If we are unable to generate revenues of significant scale to cover our costs of doing business, our losses will continue and we may not achieve profitability, which could negatively impact the value of your investment in our securities.

Terms of our Development and License Agreement with a tier-one consumer electronics company could inhibit potential licensees from working with us in specific markets.

We have entered into a Development and License Agreement with a tier-one consumer electronics company to embed our WattUp wire-free charging receiver and transmitter technology in various products, including mobile consumer electronics and related accessories. This agreement provides our strategic partner a time-to-market advantage during the development and until one year after the first customer shipment for specified consumer WattUp-enabled products. This may inhibit other potential licensees of our technology from engaging with us and may cause them to seek solutions offered by other companies, which could have a negative impact on our revenue opportunities and financial results.

We may be unable to demonstrate the feasibility of our technology.

We have developed working prototypes of products using our technology, but additional research and development is required to commercialize our technology for mid field and far field applications so that it can be successfully integrated into commercial products. Our research and development efforts remain subject to the risks associated with the development of new products that are based on emerging technologies, such as unanticipated technical problems, the inability to identify products utilizing our technology that will be in demand with customers, getting our technology designed in to those products, designing new products for manufacturability, and achieving acceptable price points for final products. Any delays in developing our technology that arise from factors of this sort would aggravate our exposure to the risk of having inadequate capital to fund the research and development needed to complete development of these products. Technical problems causing delays would cause us to incur additional expenses that would increase our operating losses. If we experience significant delays in developing our technology and products based on it for use in potential commercial applications, particularly after incurring significant expenditures, our business may fail and you could lose the value of your investment in our company. To our knowledge, the technological concepts we are applying have never previously been successfully applied. If we fail to develop practical and economical commercial products based on our technology, our business may fail and you could lose the value of your investment in our stock.

The FCC may deny approval for our technology, and future legislative or regulatory changes may impair our business.

Our wire-free charging technology involves transmission of power using radio frequency energy, which is subject to regulation by the Federal Communications Commission, or FCC, and may be subject to regulation by other federal, state and local agencies. We intend to design our technology to operate in a frequency band that is also used for Wi-Fi routers and other wireless consumer electronics. Different customer applications may require us to develop our technology to work at different frequencies. For those products, the FCC grants product approval if, among other things, the human exposure to radio frequency emissions is below specified thresholds. For some of our products that transmit more power, additional FCC approvals would be required. We received an initial approval for near field charging technology in 2016. There is no guarantee that additional FCC approvals that may be necessary to commercialize our technology will be obtained. To our knowledge, the transmission of power using RF energy by a consumer product at the ranges and power levels we are proposing has not previously been approved by the FCC. There can be no assurance that devices incorporating our technology will be able to obtain FCC approval or that other governmental approvals will not be required. Our efforts to have devices using our technology to be authorized by the FCC could be costly and time consuming, making it more difficult to achieve our business plan. If manufacturers of these products are unable to receive required approvals in a timely and cost-efficient manner, our technology may be used less often and our business and operating results could be materially harmed. The cost of compliance with new laws or regulations governing our technology could adversely affect our revenues and financial results. Any such new laws or regulations could impose restrictions or obligations on us that could require us to redesign our technology or future products, and may impose restrictions that are difficult or impracticable to comply with, which could harm our business and operating results.

We are currently dependent upon our strategic relationship with Dialog Semiconductor, a provider of electronics products, and there can be no assurance that we will achieve the expected benefits of this relationship.

We have entered into a strategic cooperation agreement with Dialog Semiconductor, a provider of electronics products, pursuant to which we licensed our WattUp technology to Dialog and it became the exclusive provider of our technology. We intend to leverage Dialog's sales and distribution channels and its operational capabilities to accelerate market adoption of our technology, while we focus our resources on research and development of our technology. There can be no assurance that Dialog will promote our technology successfully, or that it will be successful in producing and distributing products containing our technology to our customers' specifications. Dialog may have other priorities or may encounter difficulties in its own business that interfere with the success of our relationship. If this strategic relationship does not work as we intend, then we may be required to seek an arrangement with another strategic partner, or to develop internal capabilities, which will require a commitment of management time and our financial resources to identify a replacement strategic partner, or to develop our own production and distribution capabilities. As a result, we may be unable without undue expense to replace this agreement with one or more new strategic relationships to promote and provide our technology to end users.

We may require additional financing in order to achieve our business plans, and there is no guarantee that additional financing will be available on acceptable terms, or at all.

We believe our technology is novel and promising in offering, but the electronics industry in general – and the power, recharging and alternative recharging segments of that industry in particular – are subject to intense competition and new technologies often emerge to dominate other technologies. Accordingly, for our business plans to succeed we believe it will be important for us to move quickly to develop our technology, obtain required regulatory approvals and engage with strategic partners. As a small company, we may be unable to successfully implement our ambitions of targeting large markets in a competitive industry segment without significantly increasing our resources. We may not have sufficient funds to fully implement our business plan. While we believe our current cash on hand, together with anticipated payments received under product development projects entered into with customers, will be sufficient to fund our operations through 2017. Depending on how soon we are able to begin to generate meaningful commercial revenue we may need to raise capital through new financings. Such financings could include equity financing, which may be dilutive to stockholders, or debt financing, which could restrict our ability to borrow from other sources. In addition, such securities may contain rights, preferences or privileges senior to those of current stockholders. There can be no assurance that additional funds will be available on terms attractive to us, or at all, which may require us to curtail development of our technology or reduce our operations. We could be forced to sell or dispose of our rights or assets we may have. Accordingly, if we are not able to raise adequate funds on commercially reasonable terms could have a material adverse effect on our business, results of operation and financial condition, including the possibility that a lack of funds could cause our business to fail and liquidate with little or no return to investors.

We may have difficulty managing growth in our business.

Expanding our activities as we intend will increase the demands on our financial, technical, operational and management resources. If we do not upgrade our technical, administrative, operating and financial control systems, or the unexpected expansion difficulties arise, including issues relating to our research and development activities and retention of experienced scientists, managers and engineers, could have a material adverse effect on our business, our results of operations and financial condition, and our ability to timely execute our business plan. If we are unable to implement these actions in a timely manner, our results may be adversely affected.

If products incorporating our technology are launched commercially but do not achieve widespread market acceptance, we will not be able to generate the revenue necessary to support our business.

Acceptance of a wire-free charging system as a preferred method to recharge low-power fixed and mobile electronic devices will be crucial to our continued success. Consumers and commercial customers will not begin to use or increase the use of products incorporating our technology unless they agree that the convenience of our wire-free charging solution would be worth the additional expense of purchasing such products. These and other factors, including the following factors, may affect the rate and level of market acceptance of products in our industry:

- the price of products incorporating our technology relative to other products or competing methods of recharging;
- the effectiveness of sales and marketing efforts of our commercialization partners;
- the support and rate of acceptance of our technology and solutions with our joint development partners;
- Perception, by individual and enterprise users, of our wire-free charging solution's convenience, safety, efficiency and benefits compared to competing methods of recharging;
- press and blog coverage, social media coverage, and other publicity and public relations factors which are not within our control; and
- regulatory developments related to our solution or their inclusion in others' products.

If we are unable to achieve or maintain market acceptance of our technology and related products, our business would be significantly harmed.

If products incorporating our technology are commercially launched, we may experience seasonality or other unevenness in our financial results in consumer markets or a long and variable sales cycle in enterprise markets.

While we do not now have license revenue, , our strategy depends on the development of successful commercial products and effectively licensing our technology into the consumer, enterprise and commercial markets. We will need to understand procurement and buying cycles to be successful in licensing our technology into those markets. We anticipate it is possible that demand for our technology could vary similarly with the market for products with which our technology may be used, for example, the market for new purchases of laptops, tablet, mobile phones, gaming systems, toys, wearables and the like. Such consumer markets are often seasonal, with peaks in and around the December holiday season and the August-September back-to-school season. Enterprises and commercial markets may have annual or other budgeting and buying cycles that could affect us, and, particularly if we are designated as a capital improvement project, we may have a long or unpredictable sales cycle.

We may not be able to achieve all the features we seek to include in our technology.

We have developed working prototypes of commercial products that utilize our technology. Additional features and performance specifications we seek to include in our technology have not yet been developed. For example, certain customer applications may require specific combinations of cost, footprint, efficiencies and capabilities at various charging power levels and distances as part of an overall system. We believe our research and development efforts will yield additional functionality and capabilities over time. However, there can be no assurance that we will be successful in achieving all the features we are targeting and our inability to do so may limit the appeal of our technology to consumers.

Use of our technology or other future products based on our technology may require the user to purchase additional products to use with existing devices. To the extent these additional purchases are inconvenient, the adoption of our technology under development or other future products could be slowed, which would harm our business.

For rechargeable devices that utilize our receiver technology, the technology may be embedded in a sleeve, case or other enclosure. For example, products such as remote controls or toys equipped with replaceable AA size or other batteries would need to be outfitted with enhanced batteries and other hardware enabling the devices to be rechargeable by our system. In each case, an end user would be required to retrofit the device with a receiver and may be required to upgrade the battery technology used with the device (unless, for example, compatible battery technology and a receiver are built into the device). These additional steps and expenses may offset the convenience for some users and discourage some users from purchasing our technology under development or other future products. Such factors may inhibit adoption of our technology, which could harm our business. We have not developed an enhanced battery for use in devices with our technology, and our ability to enable use of our technology with devices that require an enhanced battery will depend on our ability to develop a commercial version of such a battery that could be manufactured at a reasonable cost. If we fail to develop or enable a commercially practicable enhanced battery, our business could be harmed, and we may need to change our strategy and target markets.

Laboratory conditions differ from field conditions, which could affect the effectiveness of our technology under development or other future products. Failures to move from laboratory to the field effectively would harm our business.

When used in the field, our technology may not perform as expected based on test results and performance of our technology under controlled laboratory circumstances. For example, in the laboratory a configuration of obstructions of transmission will be arranged in some fashion, but in the field receivers may be obstructed in many different and unpredictable ways over which we have no control. These conditions may significantly diminish the power received at the receiver or the effective range of the transmitter, because the RF energy from the transmitter may be absorbed by obscuring or blocking material or may need to be reflected off a surface to reach the receiver, making the transmission distance longer than straight-line distances. The failure of products using our technology or other future products to be able to meet the demands of users in the field could harm our business.

Safety concerns and legal action by private parties may affect our business.

We believe that our technology is safe. However, it is possible that we could discover safety issues with our technology or that some people may be concerned with wire-free transmission of power in a manner that has occurred with some other wireless technologies as they were put into residential and commercial use, such as the safety concerns that were raised by some regarding the use of cellular telephones and other devices to transmit data wirelessly in close proximity to the human body. While we plan to at least partially address this potential concern by developing our management software and sensor technology to be configurable by users to selectively recharge devices in ways that would be intended to avoid recharging in close proximity to a human body, such as recharging only during predetermined time periods or recharging only when the device is not moving, we do not plan to conduct any tests to determine whether RF waves produce harmful effects on humans or other animals. We may be unable to effectively prevent recharging in close proximity to a user's body, which could affect the marketability of our technology or could result in requests for law or regulation governing our technology under development or a class of products in which our technology under development would be included. In addition, while we believe our technology is safe, users of our technology under development or other future products who suffer medical ailments may blame the use of products incorporating our technology, as occurred with a small number of users of cellular telephones. A discovery of safety issues relating to our technology could have a material adverse effect on our business and any legal action against us claiming our technology caused harm could be expensive, divert management and adversely affect us or cause our business to fail, whether or not such legal actions were ultimately successful.

Our industry is subject to intense competition and rapid technological change, which may result in products or new solutions that are superior to our technology under development or other future products we may bring to market from time to time. If we are unable to anticipate or keep pace with changes in the marketplace and the direction of technological innovation and customer demands, our technology and products may become less useful or obsolete and our operating results will suffer.

The consumer and commercial electronics industry in general and the power, recharging and alternative recharging segments of that industry in particular are subject to intense and increasing competition and rapidly evolving technologies. Because products incorporating our technology are expected to have long development cycles, we must anticipate changes in the marketplace and the direction of technological innovation and customer demands. To compete successfully, we will need to demonstrate the advantages of our products and technologies over well-established alternative solutions, products and technologies, as well as newer methods of power delivery and convince consumers and enterprises of the advantages of our products and technologies. Traditional wall plug-in recharging remains an inexpensive alternative to our technology under development. Also, directly competing technologies such as inductive charging, magnetic resonance charging, conductive charging, ultrasound and other yet unidentified solutions may have greater consumer acceptance than the technologies we have developed. Furthermore, certain competitors may have greater resources than us and may be better established in the market than we are. We cannot be certain which other companies may have already decided to or may in the future choose to enter our markets. For example, consumer electronics products companies may invest substantial resources in wireless power or other recharging technologies and may decide to enter our target markets. Successful developments of competitors that result in new approaches for recharging could reduce the attractiveness of our products and technologies or render them obsolete.

Our future success will depend in large part on our ability to establish and maintain a competitive position in current and future technologies. Rapid technological development may render our technology under development or future products based on our technology obsolete. Many of our competitors have greater corporate, financial, operational, sales and marketing resources than we have, as well as more experience in research and development. We cannot assure you that our competitors will not succeed in developing or marketing technologies or products that are more effective or commercially attractive than our products or that would render our technologies and products obsolete. We may not have or be able to raise or develop the financial resources, technical expertise, marketing, distribution or support capabilities to compete successfully in the future. Our success will depend in large part on our ability to maintain a competitive position with our technologies.

Our competitive position also depends on our ability to:

- generate widespread awareness, acceptance and adoption by the consumer and enterprise markets of our technology under development and future products;
- design a product that may be sold at an acceptable price point;
- develop new or enhanced technologies or features that improve the convenience, efficiency, safety or perceived safety, and productivity of our technology under development and future products;
- properly identify customer needs and deliver new products or product enhancements to address those needs;
- limit the time required from proof of feasibility to routine production;
- limit the timing and cost of regulatory approvals;
- attract and retain qualified personnel;
- protect our inventions with patents or otherwise develop proprietary products and processes; and
- secure sufficient capital resources to expand both our continued research and development, and sales and marketing efforts.

If our technology is not competitive based on these or other factors, our business could be harmed.

It is difficult and costly to protect our intellectual property and our proprietary technologies, and we may not be able to ensure their protection.

Our success depends significantly on our ability to obtain, maintain and protect our proprietary rights to the technologies used in products incorporating our technologies. Patents and other proprietary rights provide uncertain protections, and we may be unable to protect our intellectual property. For example, we may be unsuccessful in defending our patents and other proprietary rights against third party challenges. If we do not have the resources to defend our intellectual property, the value of our intellectual property and our licensed technology will decline, threatening our potential revenue and results of operations.

We have in excess of 250 pending U.S. patents and provisional patent applications on file. The PTO issued our first twenty-two patents and notified us of the allowance of ten additional patents to protect our technology.

In addition to patents, we expect to rely on a combination of trade secrets, copyright and trademark laws, nondisclosure agreements and other contractual provisions and technical security measures to protect our intellectual property rights. These measures may not be adequate to safeguard our technology. If they do not protect our rights adequately, third parties could use our technology, and our ability to compete in the market would be reduced. Although we are attempting to obtain patent coverage for our technology where available and where we believe appropriate, there are aspects of the technology for which patent coverage may never be sought or received. We may not possess the resources to or may not choose to pursue patent protection outside the United States or any or every country other than the United States where we may eventually decide to sell our future products. Our ability to prevent others from making or selling duplicate or similar technologies will be impaired in those countries in which we have no patent protection. Although we have in excess of 250 pending and provisional patent applications on file in the United States protecting aspects of our technology under development, our patents may not issue as a result of those applications drawing priority or otherwise based on those patent applications, may issue only with limited coverage or may issue and be subsequently successfully challenged by others and held invalid or unenforceable.

Similarly, even if patents do issue based on our applications or future applications, any issued patents may not provide us with any competitive advantages. Competitors may be able to design around our patents or develop products that provide outcomes comparable or superior to ours. Our patents may be held invalid or unenforceable as a result of legal challenges by third parties, and others may challenge the inventorship or ownership of our patents and pending patent applications. In addition, if we choose to and are able to secure protection in countries outside the United States, the laws of some foreign countries may not protect our intellectual property rights to the same extent as do the laws of the United States. In the event a competitor infringes upon our patent or other intellectual property rights, enforcing those rights may be difficult and time consuming. Even if successful, litigation to enforce our intellectual property rights or to defend our patents against challenge could be expensive and time consuming and could divert our management's attention. We may not have sufficient resources to enforce our intellectual property rights or to defend our patents against a challenge.

Our strategy is to deploy our technology into the market, license patent and other proprietary rights to aspects of our technology to third parties and customers. Disputes with our licensors may arise regarding the scope and content of these licenses. Further, our ability to expand into additional fields with our technologies may be restricted by existing licenses or licenses we may grant to third parties in the future.

The policies we use to protect our trade secrets may not be effective in preventing misappropriation of our trade secrets by others. In addition, confidentiality agreements executed by our employees, consultants and advisors may not be enforceable or may not provide meaningful protection for our trade secrets or other proprietary information in the event of unauthorized use or disclosure. Litigating a trade secret claim is expensive and time consuming, and the outcome is unpredictable. In addition, courts outside the United States are sometimes less willing to protect trade secrets. Moreover, our competitors may independently develop equivalent knowledge methods and know-how. If we are unable to protect our intellectual property rights, we may be unable to prevent competitors from using our own inventions and intellectual property to compete against us, and our business may be harmed.

We may be subject to patent infringement or other intellectual property lawsuits that could be costly to defend.

Because our industry is characterized by competing intellectual property, we may become involved in litigation based on claims that we have violated the intellectual property rights of others. Determining whether a product infringes a patent involves complex legal and factual issues, and the outcome of patent litigation actions is often uncertain. No assurance can be given that third party patents containing claims covering our products, parts of our products, technology or methods do not exist, have not been filed, or could not be filed or issued. Because of the number of patents issued and patent applications filed in our technical areas or fields (including some pertaining specifically to wireless charging technologies), our competitors or other third parties may assert that our products and technology and the methods we employ in the use of our products and technology are covered by United States or foreign patents held by them. In addition, because patent applications can take many years to issue and because publication schedules for pending applications vary by jurisdiction, there may be applications now pending which may result in issued patents that our technology under development or other future products would infringe. Also, because the claims of published patent applications can change between publication and patent grant, there may be published patent applications that may ultimately issue with claims that we infringe. There could also be existing patents that one or more of our technologies, products or parts may infringe and of which we are unaware. As the number of competitors in the market for wire-free power and alternative recharging solutions increases, and as the number of patents issued in this area grows, the possibility of patent infringement claims against us increases. Some of our competitors may be able to sustain the costs of complex patent litigation more effectively than we can because they have substantially greater resources. In addition, any uncertainties resulting from the initiation and continuation of any litigation could have a material adverse effect on our ability to raise the funds necessary to continue our operations.

In the event that we become subject to a patent infringement or other intellectual property lawsuit and if the relevant patents or other intellectual property were upheld as valid and enforceable and we were found to infringe or violate the terms of a license to which we are a party, we could be prevented from selling any infringing products of ours unless we could obtain a license or were able to redesign the product to avoid infringement. If we were unable to obtain a license or successfully redesign, we might be prevented from selling our technology under development or other future products. If there is a determination that we have infringed the intellectual property rights of a competitor or other person, we may be required to pay damages, pay a settlement, or pay ongoing royalties, or be enjoined. In these circumstances, we may be unable to sell our products or license our technology at competitive prices or at all, and our business and operating results could be harmed.

We could become subject to product liability claims, product recalls, and warranty claims that could be expensive, divert management's attention and harm our business.

Our business exposes us to potential liability risks that are inherent in the marketing and sale of products used by consumers. We may be held liable if our technology under development now or in the future causes injury or death or are found otherwise unsuitable during usage. Our technology under development incorporates sophisticated components and computer software. Complex software can contain errors, particularly when first introduced. In addition, new products or enhancements may contain undetected errors or performance problems that, despite testing, are discovered only after installation. While we believe our technology is safe, users could allege or possibly prove defects (some of which could be alleged or proved to cause harm to users or others) because we design our technology to perform complex functions involving RF energy, possibly in close proximity to users. A product liability claim, regardless of its merit or eventual outcome, could result in significant legal defense costs. The coverage limits of our insurance policies we may choose to purchase to cover related risks may not be adequate to cover future claims. If sales of products incorporating our technology increase or we suffer future product liability claims, we may be unable to maintain product liability insurance in the future at satisfactory rates or with adequate amounts. A product liability claim, any product recalls or excessive warranty claims, whether arising from defects in design or manufacture or otherwise, could negatively affect our sales or require a change in the design or manufacturing process, any of which could harm our reputation and business, harm our relationship with licensors of our products, result in a decline in revenue and harm our business.

In addition, if a product that we or a strategic partner design is defective, whether due to design or manufacturing defects, improper use of the product or other reasons, we or our strategic partners may be required to notify regulatory authorities and/or to recall the product. A required notification to a regulatory authority or recall could result in an investigation by regulatory authorities of products incorporating our technology, which could in turn result in required recalls, restrictions on the sale of such products or other penalties. The adverse publicity resulting from any of these actions could adversely affect the perception of our customers and potential customers. These investigations or recalls, especially if accompanied by unfavorable publicity, could result in our incurring substantial costs, losing revenues and damaging our reputation, each of which would harm our business.

We are subject to risks associated with our utilization of consultants.

To improve productivity and accelerate our development efforts while we build out our own engineering team, we use experienced consultants to assist in selected business functions, including the development of our ICs. We take steps to monitor and regulate the performance of these independent third parties. However, arrangements with third party service providers may make our operations vulnerable if these consultants fail to satisfy their obligations to us as a result of their performance, changes in their own operations, financial condition, or other matters outside of our control. Effective management of our consultants is important to our business and strategy. The failure of our consultants to perform as anticipated could result in substantial costs, divert management's attention from other strategic activities, or create other operational or financial problems for us. Terminating or transitioning arrangements with key consultants could result in additional costs and a risk of operational delays, potential errors and possible control issues as a result of the termination or during the transition.

We expect to depend on consumer electronics supply chain firms to manufacture and market products using our technology. If these firms fail to successfully manufacture, market and distribute our technology under development, our business and results of operations will be materially harmed.

We intend to license our system architecture, proprietary waveform, antenna designs to consumer electronics supply chain firms, rather than manufacture our technology ourselves. We will not be able to control the efforts and resources these consumer electronics supply chain firms devote to marketing our technology under development or other future products. Those firms may not be able to successfully market and sell the products they develop based on our technology, may not devote sufficient time and resources to support the marketing and selling efforts, and may not market those products at prices that will permit the products to develop, achieve or sustain market acceptance. Finding new licensors could be an expensive and time-consuming process and we may not be able to find suitable consumer electronics supply chain firms and other distribution strategic partners on acceptable terms or at all. If we cannot find suitable third party partners or our third-party partners experience difficulties, do not actively market our technology under development or future products or do not otherwise perform under our license agreements, our potential for revenue may be dramatically reduced, and our business could be harmed.

We intend to pursue licensing of our technology as a primary means of commercialization but we may not be able to secure advantageous license agreements. If we are not able to secure advantageous license agreements, our business and results of operations will be adversely affected.

We are pursuing the licensing of our technology as a primary means of commercialization. We believe there are many companies that would be interested in implementing our technology into their devices. Many of these companies are well-known, world-wide companies. We have entered into one product development and license agreement with a tier-one consumer electronics company that has the potential to yield license revenue. In addition, we have also entered into a number of evaluation and joint development agreements with potential strategic partners. However, these agreements do not commit either party to a long-term relationship and any of these parties may disengage with us at any time. Creating a license or other business relationship with these classes of companies will take a substantial effort, as we expect to have to convince them of the efficacy of our technology, meet their design and manufacturing requirements, satisfy their marketing and product needs, and comply with their selection, review and contracting requirements. There can be no assurance that we will be able to gain entry to these companies, or that they will ultimately decide to integrate our technology with their products. We may not be able to secure license agreements with customers on terms that are advantageous to us. Furthermore, the timing and volume of revenue earned from license agreements will be outside of our control. If the license agreements we enter into do not prove to be advantageous to us, our business and results of operations will be adversely affected.

We may not be able to develop a technology that meets the specifications required by our Development and License Agreement with our tier-one consumer products company customer. Even if we succeed in developing a technology that meets all the specifications, this customer could decline to use our technology in its products. Any of these events would have a material adverse effect on our business.

The terms of our Development and License Agreement with a tier-one consumer products company require us to meet stringent performance specifications and aggressive technical milestones. While we are devoting substantial corporate time and resources to the development of our technology for this company's products, there can be no assurance that we can meet the performance specifications and technical milestones in the timeframe required by the Development and License Agreement or at all. Further, the decision to embed our technology within its products is completely in our development partner's discretion and it could decline to use our technology in its products even if we meet all the performance specifications and technical milestones set forth in the agreement. Additionally, the Development and License Agreement prohibits us from the development of our technology for certain product categories until one year following our development partner's introduction of products with our technology embedded in those categories to consumers. If we are unable to meet the stringent performance specifications and aggressive technical milestones required by the Development and License Agreement or our development partner declines to embed our technology in its products, our business could be significantly harmed in the absence of additional license agreements that equal or exceed the potential of this agreement. The harm to our business resulting from either of these scenarios will exacerbated by the fact that we have agreed to limited exclusivity in certain product categories with our development partner.

We are highly dependent on key members of our executive management team. Our inability to retain these individuals could impede our business plan and growth strategies, which could have a negative impact on our business and the value of your investment.

Our ability to implement our business plan depends, to a critical extent, on the continued efforts and services of a very small number of key executives. If we lose the services of any of these persons, we would be required to expend significant time and money in the pursuit of replacements, which may result in a delay in the implementation of our business plan and plan of operations. We can give no assurance that we could find satisfactory replacements for these individuals on terms that would not be unduly expensive or burdensome to us. We do not currently carry a key-man life insurance policy that would assist us in recouping our costs in the event of the death or disability of any of these executives.

Our success and growth depend on our ability to attract, integrate and retain high-level engineering talent.

Because of the highly specialized and complex nature of our business, our success depends on our ability to attract, hire, train, integrate and retain high-level engineering talent. Competition for such personnel is intense because we compete for talent against many large profitable companies and our inability to adequately staff our operations with highly qualified and well-trained engineers could render us less efficient and impede our ability to develop and deliver a commercial product. Such a competitive market could put upward pressure on labor costs for engineering talent. We may incur significant costs to attract and retain highly qualified talent, and we may lose new employees to our competitors or other technology companies before we realize the benefit of our investment in recruiting and training them. Volatility or lack of performance in our stock price may also affect our ability to attract and retain qualified personnel.

Risks Related to Ownership of Our Common Stock

You may lose all of your investment.

Investing in our common stock involves a high degree of risk. As an investor, you may never recoup all, or even part of, your investment and you may never realize any return on your investment. You must be prepared to lose all of your investment.

Our stock price could be volatile and investors may have difficulty selling their shares.

Our common stock is currently listed on The NASDAQ Stock Market under the symbol "WATT." For the period from March 28, 2014 when trading began on The NASDAQ Stock Market through March 6, 2017, the daily trading volume for shares of our common stock ranged from 6,200 to 6,288,000 shares traded per day, and the average daily trading volume during such period was approximately 394,000 shares.

The market price of the common stock has fluctuated significantly since it was first listed on The NASDAQ Stock Market on March 28, 2014. Since this date, through March 6, 2017, the intra-day trading price has fluctuated from a low of $3.65 to a high of $20.55. The price of our common stock may continue to fluctuate significantly in response to factors, many of which are beyond our control, including the following:

- actual or anticipated variations in operating results;
- the limited number of holders of the common stock;
- changes in the economic performance and/or market valuations of other technology companies;
- our announcements of significant strategic partnerships or other events;
- announcements by other companies in the wire-free charging space;
- articles published or rumors circulated by third parties regarding our business, technology or development partners;
- additions or departures of key personnel; and
- sales or other transactions involving our capital stock, including sales that may occur following the termination of applicable lock-up periods.

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

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012, or JOBS Act, and, for as long as we continue to be an "emerging growth company," we intend to take advantage of certain exemptions from various reporting requirements applicable to other public companies but not to "emerging growth companies," including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We could be an "emerging growth company" for up to five years, or until the earliest of (i) the last day of the first fiscal year in which our annual gross revenues exceed $1 billion, (ii) the date that we become a "large accelerated filer" as defined in Rule 12b-2 under the Exchange Act, which would occur if the market value of our common stock that is held by non-affiliates exceeds $700.0 million as of the last business day of our most recently completed second fiscal quarter, or (iii) the date on which we have issued more than $1 billion in non-convertible debt during the preceding three year period. We cannot predict if investors will find our common stock less attractive if we choose to rely on these exemptions. If some investors find our common stock less attractive as a result of any choices to reduce future disclosure, there may be a less active trading market for our common stock and our stock price may be more volatile.

We have not paid dividends in the past and have no immediate plans to pay dividends.

We plan to reinvest all of our earnings, to the extent we have earnings, in order to market our products and technology and to cover operating costs and to otherwise become and remain competitive. We do not plan to pay any cash dividends with respect to our securities in the foreseeable future. We cannot assure you that we would, at any time, generate sufficient surplus cash that would be available for distribution to the holders of our common stock as a dividend.

Concentration of ownership among our existing executive officers, directors and significant stockholders may prevent new investors from influencing significant corporate decisions.

All decisions with respect to the management of our company are made by our board of directors and our officers, who beneficially own approximately 8% of our common stock collectively. In addition, other greater than 5% stockholders such as DvineWave which beneficially owned approximately 7.7% of our common stock as of December 31, 2016 and Ascend Capital LLC and its affiliates, which beneficially owned approximately 17.8% of our common stock. As a result, these stockholders will be able to exercise a significant level of control over all matters requiring stockholder approval, including the election of directors, amendment of our certificate of incorporation and approval of significant corporate transactions. This control could have the effect of delaying or preventing a change of control of our company or changes in management and will make the approval of certain transactions difficult or impossible without the support of these stockholders.

We expect to continue to incur significant costs as a result of being a public reporting company and our management will be required to devote substantial time to meet our compliance obligations.

As a public reporting company, we incur significant legal, accounting and other expenses. We are subject to reporting requirements of the Securities Exchange Act of 1934 and rules subsequently implemented by the Securities and Exchange Commission ("SEC") that require us to establish and maintain effective disclosure controls and financial controls, as well as some specific corporate governance practices. Our management and other personnel are expected to devote a substantial amount of time to compliance initiatives associated with our public reporting company status.

We may be subject to securities litigation, which is expensive and could divert management attention.

Our stock price has fluctuated in the past and may be volatile in the future. In the past, companies that have experienced volatility in the market price of their securities have been subject to securities class action litigation, and we may be the target of litigation of this sort in the future. Securities litigation is costly and can divert management attention from other business concerns, which could seriously harm our business and the value of your investment in our company.

An active trading market for our common stock may not be maintained.

Our stock is currently traded on The NASDAQ Stock Market, but we can provide no assurance that we will be able to maintain an active trading market on The NASDAQ Stock Market or any other exchange in the future. If an active market for our common stock is not maintained, it may be difficult for our stockholders to sell shares without depressing the market price for the shares or at all. An inactive market may also impair our ability to raise capital to continue to fund operations by selling shares and may impair our ability to acquire other companies or technologies by using our shares as consideration.

If securities or industry analysts do not publish research or reports about our business, or publish negative reports about our business, our stock price and trading volume could decline.

The trading market for our common stock will depend in part on the research and reports that securities or industry analysts publish about us or our business. We do not have any control over these analysts. There can be no assurance that analysts will continue to cover us or provide favorable coverage. If one or more of the analysts who cover us downgrade our stock or change their opinion of our stock, our stock price would likely decline. If one or more of these analysts cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our stock price or trading volume to decline.

Our charter documents and Delaware law may inhibit a takeover that stockholders consider favorable.

Provisions of our certificate of incorporation and bylaws, and applicable Delaware law, may delay or discourage transactions involving an actual or potential change in control or change in our management, including transactions in which stockholders might otherwise receive a premium for their shares, or transactions that our stockholders might otherwise deem to be in their best interests. The provisions in our certificate of incorporation and bylaws:

- authorize our board of directors to issue preferred stock without stockholder approval and to designate the rights, preferences and privileges of each class; if issued, such preferred stock would increase the number of outstanding shares of our capital stock and could include terms that may deter an acquisition of us;
- limit who may call stockholder meetings;
- do not permit stockholders to act by written consent;
- do not provide for cumulative voting rights; and
- provide that all vacancies may be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum.

In addition, Section 203 of the Delaware General Corporation Law may limit our ability to engage in any business combination with a person who beneficially owns 15% or more of our outstanding voting stock unless certain conditions are satisfied. This restriction lasts for a period of three years following the share acquisition. These provisions may have the effect of entrenching our management team and may deprive you of the opportunity to sell your shares to potential acquirers at a premium over prevailing prices. This potential inability to obtain a control premium could reduce the price of our common stock.

Item 1B. Unresolved Staff Comment

Not applicable.

Item 2. Properties

On September 10, 2014, we entered into a Lease Agreement with Balzer Family Investments, L.P. (the "Landlord") related to space located at Northpointe Business Center, 3590 North First Street, San Jose, California. The initial term of the lease is 60 months, with initial monthly base rent of $36,720 and the lease is subject to certain annual escalations as defined in the agreement. On October 1, 2014, we relocated our headquarters to this new location. We issued to the Landlord 41,563 shares of the Company's common stock valued at $500,000, of which $400,000 will be applied to reduce our monthly base rent obligation by $6,732 per month and of which $100,000 was for certain tenant improvements. We recorded $400,000 as prepaid rent on our balance sheet, which is being amortized over the term of the lease and recorded $100,000 as leasehold improvements.

On February 26, 2015, we entered into a sub-lease agreement for additional space in the San Jose area. The agreement has a term which expires on June 30, 2019 and an initial monthly rent of $6,109 per month. On August 25, 2015, we entered into an additional amended sub-lease agreement for additional space in San Jose, CA. The agreement has a term which expires on June 30, 2019 and an initial monthly rent of $4,314 per month. These leases are subject to certain annual escalations as defined in the agreements.

On July 9, 2015, we entered into a sub-lease agreement for additional space in Costa Mesa, CA. The agreement has a term which expires on September 30, 2017 and a monthly rent of $6,376.

Item 3. Legal Proceedings

We are not currently a party to any pending legal proceedings that we believe will have a material adverse effect on our business or financial conditions. We may, however, be subject to various claims and legal actions arising in the ordinary course of business from time to time.

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

Our shares of common stock are listed on the NASDAQ Stock Market under the symbol "WATT." The table below provides, for the fiscal quarters indicated, the reported high and low closing sales prices for our common stock on the NASDAQ Stock Market since January 1, 2015.

	Price Range	
	High	Low
Fiscal Year Ended December 31, 2015		
First Quarter	$ 12.16	$ 8.63
Second Quarter	$ 9.58	$ 6.98
Third Quarter	$ 8.40	$ 5.90
Fourth Quarter	$ 8.84	$ 6.57
Fiscal Year Ended December 31, 2016		
First Quarter	$ 11.02	$ 3.86
Second Quarter	$ 13.65	$ 9.58
Third Quarter	$ 19.61	$ 11.74
Fourth Quarter	$ 19.26	$ 12.92

As of December 31, 2016, there were 14 holders of record of our common stock. We believe we have significantly more beneficial holders of our common stock.

We have never paid cash dividends on our securities and we do not anticipate paying any cash dividends on our shares of common stock in the foreseeable future. We intend to retain any future earnings for reinvestment in our business. Any future determination to pay cash dividends will be at the discretion of our board of directors, and will be dependent upon our financial condition, results of operations, capital requirements and such other factors as our board of directors deems relevant.

Item 6. Selected Financial Data

The data set forth below should be read in conjunction with Item 7 – "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Company's Financial Statements and notes thereto.

	2016	2015	2014
Selected data from the Statements of Operations:			
Revenue	$ 1,451,941	$ 2,500,000	$ -
Loss from operations	$ (45,830,720)	$ (27,577,339)	$ (20,374,709)
Change in fair value of derivative liabilities	$ -	$ -	$ (26,265,177)
Net loss	$ (45,817,394)	$ (27,561,702)	$ (45,603,110)
Basic and diluted net loss per common share	$ (2.60)	$ (2.07)	$ (5.75)
Selected data from Balance Sheets:			
Total Assets	$ 35,258,940	$ 32,675,528	$ 33,828,923

The Company has had no long-term liabilities, preferred stock or dividends declared.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

We have developed a technology called WattUp® that consists of proprietary semiconductor chipsets, software, hardware designs and antennas that enables RF-based charging for electronic devices, providing wire-free charging solutions for contact-based charging as well as at a distance charging, ultimately enabling charging with mobility under full software control. Pursuant to our Strategic Alliance Agreement with Dialog Semiconductor plc, Dialog will manufacture and distribute integrated circuit ("IC") products incorporating our RF-based wire-free charging technology. Dialog will be our exclusive supplier of these ICs for the general market. We believe our proprietary technology can be utilized in a variety of devices, including wearables, hearing aids, earbuds, Bluetooth headsets, Internet of Things ("IoT") devices, smartphones, tablets, e-book readers, keyboards, mice, remote controls, rechargeable lights, cylindrical batteries, medical devices and any other device with similar charging requirements that would otherwise need a battery or a connection to a power outlet.

We believe our technology is novel in its approach, in that we are developing a solution that charges electronic devices by surrounding them with a focused, three-dimensional ("3D") radio frequency ("RF") energy pocket ("RF energy pocket"). We are engineering solutions that we expect to enable the wire-free transmission of energy for contact-based applications as well as far field applications of up to 15 feet in radius or in a circular charging envelope of up to 30 feet. We are also developing our Far Field transmitter technology to seamlessly mesh (much like a network of WiFi routers) to form a wire-free charging network that will allow users to charge their devices as they walk from room-to-room or throughout a large space. To date, we have developed multiple transmitter prototypes in various form factors and power capabilities. We have also developed multiple receiver prototypes, including smartphone battery cases, toys, fitness trackers, Bluetooth headsets and tracking devices, as well as stand-alone receivers.

When the company was first founded, we recognized the need to build and design an enterprise-class network management and control system ("NMS") that was integral to the architecture and development of our wire-free charging technology. Our NMS system can be scaled up to control an enterprise consisting of thousands of devices or scaled down to work in a home or IoT environment.

The power, distance and mobility capabilities of the WattUp technology were validated by an internationally recognized independent testing lab in October 2015, and the results are published on our website.

Our technology solution consists principally of transmitter and receiver ICs and novel antenna designs driven through innovative algorithms and software applications. We submitted our first IC design for wafer fabrication in November 2013 and have since been developing multiple generations of transmitter and receiver ICs, multiple antenna designs, as well as algorithms and software designs that we believe, in the aggregate, will optimize our technology by reducing size and cost, while increasing performance to a level that will enable our technology to be integrated into a broad spectrum of devices. We have developed a "building block" approach which allows us to scale our product implementations by combining multiple transmitter building blocks and/or multiple receiver building blocks to provide the power, distance, size and cost performance necessary to meet application requirements. While the technology is very scalable, in order to provide the necessary strategic focus to grow the company effectively, we have defined our market as devices that require 10 watts or less of power to charge. We will continue to invest in IC development as well as in the other components of the WattUp system to improve product performance, efficiency, cost-performance and miniaturization as required to grow the business and expand the ecosystem, while also distancing us from any potential competition.

We believe that if our development, regulatory and commercialization efforts are successful, our transmitter and receiver technology will support a broad spectrum of charging solutions ranging from contact-based charging or charging at distances of a few millimeters ("near field") to charging at distances of up to 15 feet ("far field").

In February 2015, we signed a Development and License Agreement with one of the top consumer electronic companies in the world based on total worldwide revenues. The agreement is milestone-based and while there are no guarantees that the WattUp® technology will ever be integrated into our strategic partner's consumer devices, we continue to progress the relationship as evidenced by the achievement of our revenues in 2016 from engineering services resulting from the achievement of certain milestones under the agreement. We anticipate continued progress with the relationship which we expect will result in additional engineering services revenue and ultimately, if they choose to incorporate our technology into one or more products, significant revenues based on the WattUp® technology being integrated into products being shipped to consumers.

In February 2016, we began delivering evaluation kits to potential licensees to allow their respective engineering and product management departments to test and evaluate our technology. We expect that the testing and evaluations currently taking place will lead to products beginning to be shipped to consumers in the second half of 2017.

In November 2016, we entered into a Strategic Alliance Agreement with Dialog, pursuant to which Dialog will manufacture and distribute IC products incorporating our wire-free charging technology. Dialog will be our exclusive supplier of these products for the general market. Our WattUp technology will use Dialog's SmartBond® Bluetooth low energy solution as the out-of-band communications channel between the wireless transmitter and receiver. In most cases Dialog's power management technology will then be used to distribute power from the WattUp receiver IC to the rest of the device while Dialog's AC/DC Rapid Charge™ power conversion technology delivers power to the wireless transmitter.

We have implemented an aggressive intellectual property strategy and are continuing to pursue patent protection for new innovations. As of March 15, 2017, we had in excess of 250 pending patent and provisional patent applications. Additionally, the U.S. Patent and Trademark Office (or the PTO) has issued 22 patents and notified us of the allowance of 10 additional patents. In addition to the inventions covered by these patents and patent applications, we have identified a significant number of additional specific inventions we believe are novel and patentable. We intend to file for patent protection for the most valuable of these, as well as for other new inventions that we expect to develop. Our strategy is to continually monitor the costs and benefits of each patent application and pursue those that will best protect our business and expand the core value of the Company.

Critical Accounting Estimates and Policies

The following discussion and analysis of financial condition and results of operations is based upon our financial statements, which have been prepared in conformity with accounting principles generally accepted in the United States of America. Certain accounting policies and estimates are particularly important to the understanding of our financial position and results of operations and require the application of significant judgment by our management or can be materially affected by changes from period to period in economic factors or conditions that are outside of our control. As a result, they are subject to an inherent degree of uncertainty. In applying these policies, our management uses their judgment to determine the appropriate assumptions to be used in the determination of certain estimates. Those estimates are based on our historical operations, our future business plans and projected financial results, the terms of existing contracts, our observance of trends in the industry, information provided by our customers and information available from other outside sources, as appropriate. Please see Note 3 to our financial statements for a more complete description of our significant accounting policies.

Basis of Presentation. The accompanying audited financial statements and footnotes for the years ended December 31, 2016 and 2015 have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP") and applicable rules and regulations of the SEC regarding financial information.

Revenue Recognition. We recognize revenue when the following criteria have been met: persuasive evidence of an arrangement exists, services have been rendered, collection of the revenue is reasonably assured, and the fees are fixed or determinable.

We record revenue associated with product development projects that we enter into with certain customers. In general, these projects are associated with complex technology development, and as such we do not have certainty about our ability to achieve the program milestones. Achievement of the milestone is dependent on our performance and the milestone typically needs to be accepted by the customer. The payment associated with achieving the milestone is generally commensurate with our effort or the value of the deliverable and is nonrefundable. We record the expenses related to these projects, generally included in research and development expense, in the periods incurred.

We also receive nonrefundable payments, typically at the beginning of a customer relationship, for which there are no milestones. We recognize this revenue ratably over the initial engineering product development period. We record the expenses related to these projects, generally included in research and development expense, in the periods incurred.

During the years ended December 31, 2016 and 2015, we recorded revenue of $1,451,941 and $2,500,000, respectively. We recorded no revenue prior to 2015.

Research and Development. Research and development expenses are charged to operations as incurred. For internally developed patents, all patent application costs are expensed as incurred as research and development expense. Patent application costs, generally legal costs, are expensed as research and development costs until such time as the future economic benefits of such patents become more certain. The Company incurred research and development costs of $32,832,677, $18,825,041 and $12,511,647 for the years ended December 31, 2016, 2015 and 2014, respectively.

Income Taxes. The Company recognizes deferred tax assets and liabilities for the expected future tax consequences of items that have been included or excluded in the financial statements or tax returns. Deferred tax assets and liabilities are determined on the basis of the difference between the tax basis of assets and liabilities and their respective financial reporting amounts ("temporary differences") at enacted tax rates in effect for the years in which the temporary differences are expected to reverse.

For the years ended December 31, 2016, 2015 and 2014, the Company had $32,832,677, $15,464,406 and $11,519,310, respectively, of research and development expenses capitalized for federal income tax purposes, with amortization commencing upon the Company receiving an economic benefit from the related research. As of December 31, 2016, the Company had approximately $44,563,000 gross federal net operating loss carryovers ("NOLs") and a federal tax credit carryover of approximately $1,931,000. As of December 31, 2016 and 2015, deferred tax assets consisted principally of net operating loss and tax credit carryovers, the research and development costs and stock-based compensation, and such deferred tax assets were fully reserved. Accordingly, the Company's effective tax rate for the years ended December 31, 2016, 2015 and 2014 was 0%.

Internal Revenue Code Section 382 imposes limitations on the use of net operating loss carryovers when the stock ownership of one or more 5% shareholders (shareholders owning 5% or more of the Company's outstanding capital stock) has increased on a cumulative basis by more than 50 percentage points. Management cannot control the ownership changes occurring as a result of public trading of the Company's Common Stock. Accordingly, there is a risk of an ownership change beyond the control of the Company that could trigger a limitation of the use of the loss carryover. The Company completed a Section 382 analysis as of December 31, 2016, and determined that none of its NOLs or R&D credits would be limited.

In assessing the realization of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the future generation of taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and taxing strategies in making this assessment. Based on this assessment, management has established a full valuation allowance against all of the net deferred tax assets for each period, since it is more likely than not that all of the deferred tax assets will not be realized.

Tax benefits are recognized only for tax positions that are more likely than not to be sustained upon examination by tax authorities. The amount recognized is measured as the largest amount of benefit that is greater than 50 percent likely to be realized upon settlement. A liability for "unrecognized tax benefits" is recorded for any tax benefits claimed in the Company's tax returns that do not meet these recognition and measurement standards. As of December 31, 2016, and 2015, no liability for unrecognized tax benefits was required to be reported. The guidance also discusses the classification of related interest and penalties on income taxes. The Company's policy is to record interest and penalties on uncertain tax positions as a component of income tax expense. No interest or penalties were recorded for the years ended December 31, 2016, 2015 and 2014.

Common Stock Purchase Warrants and Other Derivative Financial Instruments. The Company classifies as equity any contracts that (i) require physical settlement or net-share settlement or (ii) provides a choice of net-cash settlement or settlement in the Company's own shares (physical settlement or net-share settlement) providing that such contracts are indexed to the Company's own stock as defined in ASC 815-40 "Contracts in Entity's Own Equity" ("ASC 815-40"). The Company classifies as assets or liabilities any contracts that (i) require net-cash settlement (including a requirement to net cash settle the contract if an event occurs and if that event is outside the Company's control) or (ii) gives the counterparty a choice of net-cash settlement or settlement in shares (physical settlement or net-share settlement). The Company assesses classification of common stock purchase warrants and other free standing derivatives at each reporting date to determine whether a change in classification between assets and liabilities or equity is required.

Results of Operations

For the Years Ended December 31, 2016 and 2015

Revenues. During the years ended December 31, 2016 and 2015, we recorded revenue of $1,451,941 and $2,500,000, respectively, upon the achievement of milestones under a development and licensing agreement. The decrease in revenue of $1,048,059 is due to the timing of the achievement of these milestones.

Operating Expenses. During 2016, operating expenses are made up of research and development, sales and marketing, and general and administrative expenses. Operating expenses for the years ended December 31, 2016 and 2015 were $47,282,661 and $30,077,339, respectively.

Research and Development Costs. Research and development costs include costs for developing our technology, such as IC design costs, salaries, software and facility costs. Research and development costs for the years ended December 31, 2016 and 2015 were $32,832,677 and $18,825,041, respectively. The increase in research and development costs of $14,007,636 is primarily due to a $4,640,880 increase in compensation (including an increase in stock-based compensation of $1,409,597) from a larger headcount within the department, a $4,483,417 increase in chip design, development and manufacturing costs for our receiver and transmitter chips, a $1,564,187 increase in patent legal costs related to the management of our patent portfolio, an $883,272 increase in software expense due to incurring a full year of the hosted design solution package and an increase in various engineering software licenses needed to support a larger staff and an $819,503 increase in consulting fees to assist in our quality assurance, design and regulatory efforts.

Sales and Marketing Costs. Sales and marketing costs for the years ended December 31, 2016 and 2015 were $3,201,549 and $3,221,303, respectively. The decrease in sales and marketing costs of $19,754 is primarily due to minor decreases in consulting and travel, partially offset by minor increases in compensation, recruiting and tradeshow expenses.

General and Administrative Expenses. General and administrative expenses include costs for general and corporate functions, including facility fees, travel, telecommunications, insurance, professional fees, consulting fees and other overhead. General and administrative costs for the years ended December 31, 2016 and 2015 were $11,248,435 and $8,030,995, respectively. The increase in general and administrative expense of $3,217,440 is primarily due to a $2,966,474 increase in compensation, including stock-based compensation increase of $2,547,733, from increased headcount within the department and newly executed executive stock award agreements, a $305,390 increase in telecommunications and miscellaneous office expenses to support a larger company headcount, a $232,667 increase in legal, accounting and insurance fees, partially offset by a $163,341 decrease in consulting and outside service fees.

Loss from Operations. Loss from operations for the years ended December 31, 2016 and 2015 was $45,830,720 and $27,577,339, respectively.

Interest Income. Interest income for the year ended December 31, 2016 was $13,326 as compared to $15,637 for the year ended December 31, 2015.

Net Loss. As a result of the above, net loss for the year ended December 31, 2016 was $45,817,394 as compared to $27,561,702 for the year ended December 31, 2015.

For the Years Ended December 31, 2015 and 2014

Revenues. During the year ended December 31, 2015, we recorded revenue of $2,500,000 upon the achievement of milestones under a development and licensing agreement. We recorded no revenue in 2014.

Operating Expenses. During 2015, operating expenses are made up of research and development, sales and marketing, and general and administrative expenses. Operating expenses for the years ended December 31, 2015 and 2014 were $30,077,339 and $20,374,709, respectively.

Research and Development Costs. Research and development costs include costs for developing our technology such as IC design costs, salaries, software and facility costs. Research and development costs for the years ended December 31, 2015 and 2014 were $18,825,041 and $12,511,647, respectively. The increase in research and development costs of $6,313,394 is primarily due to a $6,324,357 increase in compensation (including an increase in stock-based compensation of $1,892,005) from a larger headcount within the department, a $698,690 increase in spending on components, third party design and engineering supplies principally in support of IC development, a $543,928 increase in depreciation allocation, a $477,271 increase in office rent allocation and a $306,694 increase in software expenses primarily from increased expenditures on engineering software, partially offset by a $1,460,768 decrease in consulting expenses as a result of employees now handling duties formerly performed by consultants and a $719,224 decrease in patent filing expenses.

Sales and Marketing Costs. Sales and marketing costs for the years ended December 31, 2015 and 2014 were $3,221,303 and $2,803,359, respectively. The increase in sales and marketing costs of $417,944 is primarily due to increased compensation of $339,355, including increased stock-based compensation of $146,091, from an increased headcount within the department and an increase of $167,074 in trade show expenses primarily as a result of participating in the 2015 Consumer Electronics Show, a $106,520 increase in public relations fees, a $73,061 increase in depreciation allocation, a $41,516 increase in office rent allocation, partially offset by a $359,979 decrease in consulting expenses primarily as a result of employees handling duties formerly performed by consultants.

General and Administrative Expenses. General and administrative expenses include costs for general and corporate functions, including facility fees, travel, telecommunications, insurance, professional fees, consulting fees and other overhead. General and administrative costs for the years ended December 31, 2015 and 2014 were $8,030,995 and $5,059,703, respectively. The increase in general and administrative expense of $2,971,292 is primarily due to a $2,294,644 increase in compensation, including stock-based compensation increase of $1,365,340, from increased headcount within the department and newly executed executive agreements in place during 2015, a $445,967 increase in legal, accounting and insurance costs primarily as a result of operating as a public company during the year ended December 31, 2015 and a $131,560 increase in consulting and outside information technology (IT) services, primarily as a result of increased outside IT services to support a larger staff and fees paid to members of the board of directors.

Loss from Operations. Loss from operations for the years ended December 31, 2015 and 2014 was $27,577,339 and $20,374,709, respectively.

Change in Fair Value of Derivative Liabilities. Change in fair value of derivative liabilities for the year ended December 31, 2015 was $0 as compared to $26,265,177 for the year ended December 31, 2014, as the derivative liabilities were extinguished during the year ended December 31, 2014.

Interest Income (Expense), Net. Interest income for the year ended December 31, 2015 was $15,637 as compared to interest expense, net of $1,024,774 for the year ended December 31, 2014 which included amortization of debt discount of $0 and $964,851, respectively. The change in interest income (expense), net, resulted primarily from the reduction in interest on the convertible notes, including the amortization of debt discount. The related convertible notes were extinguished in April 2014 and accordingly there was no similar amortization during the year ended December 31, 2015.

Gain on Debt Extinguishment. Gain on debt extinguishment for the year ended December 31, 2015 was $0 as compared to $2,084,368 for the year ended December 31, 2014. The gain on debt extinguishment resulted from the April 2014 conversion of the convertible notes and the related extinguishment of the notes, accrued interest payable and the derivative liability.

Net Loss. As a result of the above, net loss for the year ended December 31, 2015 was $27,561,702 as compared to $45,603,110 for the year ended December 31, 2014.

Liquidity and Capital Resources

During years ended December 31, 2016 and 2015, we recorded revenue of $1,451,941 and $2,500,000, respectively. We incurred a net loss of $45,817,394 and $27,561,702 for the years ended December 31, 2016 and 2015, respectively. Net cash used in operating activities was $33,062,247 and $20,005,734 for the years ended December 31, 2016 and 2015, respectively. Since inception, we have met our liquidity requirements principally through the private placement of convertible notes, the sale of our common stock in a registered initial public offering, the sale of our common stock to a strategic investor, the issuance of our common stock to the Company's landlord to reduce its monthly base rent obligation and pay for certain tenant improvements, the sale of common stock in two secondary offerings, sale of stock to investors in private placements and payments received under product development projects entered into with customers.

As of December 31, 2016, we had cash and cash equivalents of $31,258,637.

We believe our current cash on hand, together with anticipated payments under product development projects entered into with customers, will be sufficient to fund our operations into the second quarter of 2018. However, depending on how soon we are able to achieve meaningful commercial revenues, we may require additional financing to fully implement our business plan, the ultimate goal of which is to license our technology to device manufacturers, wireless service providers and other commercial partners to make wire-free charging an affordable, ubiquitous and convenient service for end users. Potential financing sources could include follow-on equity offerings, debt financing, co-development agreements or other alternatives. Depending upon market conditions, we may choose to pursue additional financing to, among other reasons, accelerate our product development efforts, regulatory activities and business development and support functions with a view to capitalizing on the market opportunity we see for our wire-free charging technology. On April 24, 2015, we filed a "shelf" registration statement on Form S-3, which became effective on April 30, 2015. The "shelf" registration statement allows the Company from time to time to sell any combination of debt or equity securities described in the registration statement up to aggregate proceeds of $75,000,000. In November 2015, the Company consummated an offering under the shelf registration of 3,000,005 shares of common stock through which the Company raised net proceeds of $19,048,456.

During the year ended December 31, 2016, cash flows used in operating activities were $33,062,247, consisting of a net loss of $45,817,394, less non-cash expenses aggregating $10,546,795 (representing principally stock-based compensation of $9,508,175 and depreciation expense of $957,836), a $2,382,790 increase in accounts payable, a $492,616 increase in accrued expenses, partially offset by a $652,336 increase in prepaid expenses and current assets. During the year ended December 31, 2015, cash flows used in operating activities were $20,005,734, consisting of a net loss of $27,561,702, less non-cash expenses aggregating $6,849,927 (representing principally stock-based compensation of $5,951,414 and depreciation expense of $817,729), a $157,769 increase in prepaid expenses and other current assets, partially offset by an increase of $608,962 in accounts payable and an increase of $283,530 in accrued expenses.

During the years ended December 31, 2016 and 2015, cash flows used in investing activities were $1,137,446 and $1,032,795, respectively. The cash used for year ended December 31, 2016 consisted of the purchase of laboratory equipment and software to help test our chips and to accommodate the software needs of a larger engineering staff. The cash used for the year ended December 31, 2015 consisted of the purchase of laboratory and computer equipment and software to accommodate newly hired employees and to support engineering services and testing performed by our customers.

During the year ended December 31, 2016, cash flows provided by financing activities were $35,585,766, which primarily consisted of net proceeds of $34,788,311 from the issuance of shares to private investors, proceeds from contributions to the employee stock purchase program ("ESPP") of $727,784, proceeds from the exercise of stock options of $382,351, offset by a total of $312,680 in shares repurchased for tax withholdings on vesting of RSUs and PSUs. During the year ended December 31, 2015, cash flows provided by financing activities were $19,416,501, which consisted of proceeds from the offering under the shelf registration of $19,048,456, proceeds from contributions to the ESPP of $289,787, proceeds from the exercise of stock options of $65,647 and proceeds from the disgorgement of profit from the sale of stock of $12,611.

Research and development of new technologies is, by its nature, unpredictable. Although we will undertake development efforts with commercially reasonable diligence, there can be no assurance that our available resources including the net proceeds from our public offerings will be sufficient to enable us to develop our technology to the extent needed to create future revenues to sustain our operations.

We cannot assure that our technology will be adopted, that we will ever earn revenues sufficient to support our operations, or that we will ever be profitable. Furthermore, since we have no committed source of financing, there can be no assurance that we will be able to raise capital as and when we need it to continue our operations.

Contractual Obligations

In the ordinary course of business, we routinely enter into purchase commitments for various aspects of our operations, such as purchases of engineering supplies, lab equipment, chip design engineering, engineering consulting services and software licenses. We do not believe these commitments will have a material effect on our financial condition, results of operations or cash flows.

The following table summarizes our contractual obligations at December 31, 2016 and the effect such obligations are expected to have on our liquidity and cash flows in future periods:

	Total	Less than 1 Year	1 to 3 Years	More than 3 Years
Operating leases	$ 1,475,905	$ 572,722	$ 903,183	$ -
Engineering software commitment	990,525	792,420	198,105	-
Total	$ 2,466,430	$ 1,365,142	$ 1,101,288	$ -

Off-Balance Sheet Transactions

We do not have any off-balance sheet transactions.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

In the ordinary course of business, we may be exposed to certain market risks, such as interest rates. The annual impact of our results of operations of a 100 basis point interest rate change on December 31, 2016 would be minimal. After an assessment of these risks to our operations, we believe that the primary market risk exposures (within the meaning of Regulation S-K Item 305) are not material and are not expected to have any material adverse impact on our financial position, results of operations or cash flows for the next fiscal year.

Item 8. Financial Statements and Supplementary Data.

Energous Corporation

INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders
of Energous Corporation

We have audited the accompanying balance sheets of Energous Corporation (the "Company") as of December 31, 2016 and 2015 and the related statements of operations, changes in stockholders' equity (deficit), and cash flows for the years ended December 31, 2016, 2015 and 2014. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Energous Corporation as of December 31, 2016, and 2015, and the results of its operations and its cash flows for the years ended December 31, 2016, 2015 and 2014 in conformity with accounting principles generally accepted in the United States of America.

/s/ Marcum LLP
Marcum LLP
Melville, NY
March 16, 2017

Energous Corporation
BALANCE SHEETS

	As of	
	December 31, 2016	December 31, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	$ 31,258,637	$ 29,872,564
Accounts receivable	149,500	-
Prepaid expenses and other current assets	1,374,585	722,249
Prepaid rent, current	80,784	80,784
Total current assets	32,863,506	30,675,597
Property and equipment, net	2,209,475	1,730,365
Prepaid rent, non-current	137,452	218,236
Other assets	48,507	51,330
Total assets	$ 35,258,940	$ 32,675,528
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 4,707,763	$ 2,324,973
Accrued expenses	1,867,995	1,075,879
Deferred revenue	131,959	-
Total current liabilities	6,707,717	3,400,852
Commitments and contingencies		
Stockholders' equity:		
Preferred Stock, $0.00001 par value, 10,000,000 shares authorized at December 31, 2016 and December 31, 2015; no shares issued or outstanding	-	-
Common Stock, $0.00001 par value, 50,000,000 shares authorized at December 31, 2016 and December 31, 2015; 20,367,929 and 16,298,208 shares issued and outstanding at December 31, 2016 and December 31, 2015, respectively.	202	161
Additional paid-in capital	153,075,595	107,981,695
Accumulated deficit	(124,524,574)	(78,707,180)
Total stockholders' equity	28,551,223	29,274,676
Total liabilities and stockholders' equity	$ 35,258,940	$ 32,675,528

Energous Corporation
STATEMENTS OF OPERATIONS

	For the Year Ended December 31,		
	2016	2015	2014
Revenue	$ 1,451,941	$ 2,500,000	$ -
Operating expenses:			
Research and development	32,832,677	18,825,041	12,511,647
Sales and marketing	3,201,549	3,221,303	2,803,359
General and administrative	11,248,435	8,030,995	5,059,703
Total operating expenses	47,282,661	30,077,339	20,374,709
Loss from operations	(45,830,720)	(27,577,339)	(20,374,709)
Other income (expense):			
Change in fair value of derivative liabilities	-	-	(26,265,177)
Interest income (expense), net	13,326	15,637	(1,024,774)
Loss on retirement of fixed assets	-	-	(22,818)
Gain on debt extinguishment	-	-	2,084,368
Total	13,326	15,637	(25,228,401)
Net loss	$ (45,817,394)	$ (27,561,702)	$ (45,603,110)
Basic and diluted loss per common share	$ (2.60)	$ (2.07)	$ (5.75)
Weighted average shares outstanding, basic and diluted	17,649,013	13,303,715	7,933,791

Energous Corporation
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)

	Common Stock		Additional Paid-in	Accumulated	Total Stockholders'
	Shares	Amount	Capital	Deficit	Equity
Balance at January 1, 2014	2,708,217	$ 27	$ 197,249	$ (5,542,368)	$ (5,345,092)
Stock-based compensation - stock options	-	-	1,333,943	-	1,333,943
Stock-based compensation - IR consultant warrant	-	-	263,972	-	263,972
Stock-based compensation - consultant restricted stock units ("RSUs")	-	-	900,063	-	900,063
Stock-based compensation - shares issued to consultant for services rendered	5,353	-	50,000	-	50,000
Issuance of shares to strategic investor, net of commission expense	210,527	2	899,998	-	900,000
Initial public offering on April 2, 2014, net of underwriter's discount and offering costs of $2,816,149	4,600,000	46	24,783,805	-	24,783,851
Conversion of convertible notes on April 2, 2014	1,930,128	19	26,790,158	-	26,790,177
Sale of IPO underwriter warrant on April 2, 2014	-	-	1,000	-	1,000
Extinguishment of derivative for consulting warrant and financing warrant on June 25, 2014	-	-	5,752,000	-	5,752,000
Shares issued to landlord for prepaid rent	41,563	-	500,000	-	500,000
Secondary offering on December 15, 2014, net of underwriter's discount and offering costs of $2,006,239	3,285,714	33	20,993,726	-	20,993,759
Net loss	-	-	-	(45,603,110)	(45,603,110)
Balance, December 31, 2014	12,781,502	$ 127	$ 82,465,914	$ (51,145,478)	$ 31,320,563
Issuance of shares for services	15,000	-	147,900	-	147,900
Stock-based compensation - stock options	-	-	1,037,399	-	1,037,399
Stock-based compensation - IR warrants	-	-	85,831	-	85,831
Stock-based compensation - restricted stock units ("RSUs")	-	-	4,225,728	-	4,225,728
Stock-based compensation - employee stock purchase plan ("ESPP")	-	-	113,217	-	113,217
Stock-based compensation - performance share units ("PSUs")	-	-	489,239	-	489,239
Issuance of shares for RSUs	304,340	3	(3)	-	-
Issuance of shares for PSUs	1,072	-	-	-	-
Exercise of stock options	21,786	-	65,647	-	65,647
Disgorgement on account of short swing profit	-	-	12,611	-	12,611
Cashless exercise of warrants	128,480	1	(1)	-	-
Shares purchased from contributions to the ESPP	46,023	-	289,787	-	289,787
Secondary offering on November 20, 2015, net of underwriter's discount and offering costs of $1,651,578	3,000,005	30	19,048,426	-	19,048,456
Net loss	-	-	-	(27,561,702)	(27,561,702)
Balance, December 31, 2015	16,298,208	$ 161	$ 107,981,695	$ (78,707,180)	$ 29,274,676
Stock-based compensation - stock options	-	-	1,045,081	-	1,045,081
Stock-based compensation - restricted stock units ("RSUs")	-	-	5,735,032	-	5,735,032
Stock based compensation - deferred stock units ("DSUs")	-	-	123,644	-	123,644
Stock-based compensation - employee stock purchase plan ("ESPP")	-	-	318,735	-	318,735
Stock-based compensation - performance share units ("PSUs")	-	-	2,285,683	-	2,285,683
Issuance of shares for RSUs	519,200	5	(5)	-	-
Shares repurchased for tax withholdings on vesting of RSUs	(20,669)	-	(266,217)	-	(266,217)
Issuance of shares for PSUs	209,673	2	(2)	-	-
Shares repurchased for tax withholdings on vesting of PSUs	(3,607)	-	(46,463)	-	(46,463)
Exercise of stock options	130,354	1	382,350	-	382,351
Cashless exercise of warrants	475,683	5	(5)	-	-
Shares purchased from contributions to the ESPP	85,356	1	727,783	-	727,784
Issuance of shares and warrants in private					

placements, net of issuance costs of $211,676	2,673,731	27	34,788,284		34,788,311
Net loss				(45,817,394)	(45,817,394)
Balance, December 31, 2016	20,367,929	$ 202	$ 153,075,595	$ (124,524,574)	$ 28,551,223

Energous Corporation
STATEMENTS OF CASH FLOWS

	For the Year Ended December 31,		
	2016	2015	2014
Cash flows from operating activities:			
Net loss	$ (45,817,394)	$ (27,561,702)	$ (45,603,110)
Adjustments to reconcile net loss to:			
Net cash used in operating activities:			
Depreciation and amortization	957,836	817,729	371,189
Stock based compensation	9,508,175	5,951,414	2,547,978
Amortization of debt discount	-	-	964,851
Gain on conversion of notes payable and accrued interest	-	-	(2,084,368)
Change in fair market value of derivative liabilities	-	-	26,265,177
Loss on retirement of fixed assets	-	-	22,818
Amortization of prepaid rent from stock issuance to landlord	80,784	80,784	20,196
Changes in operating assets and liabilities:			
Accounts receivable	(149,500)	-	-
Prepaid expenses and other current assets	(652,336)	(157,769)	(289,383)
Other assets	2,823	(28,682)	(15,689)
Accounts payable	2,382,790	608,962	1,354,973
Accrued expenses	492,616	283,530	838,945
Deferred revenue	131,959	-	-
Net cash used in operating activities	(33,062,247)	(20,005,734)	(15,606,423)
Cash flows used in investing activities:			
Purchases of property and equipment	(1,137,446)	(1,032,795)	(1,619,694)
Net cash used in investing activities	(1,137,446)	(1,032,795)	(1,619,694)
Cash flows from financing activities:			
Proceeds from IPO, net of underwriter's discount and offering expenses	-	-	24,872,170
Proceeds from the sale of stock to a strategic investor, net	-	-	900,000
Sale of Warrant to IPO underwriter	-	-	1,000
Proceeds from secondary offering, net of underwriter's discount and offering expenses	-	-	20,993,759
Proceeds from shares issued under shelf registration, net of underwriter's discount and offering expenses	-	19,048,456	-
Net proceeds from issuance of shares to private investors	34,788,311	-	-
Proceeds from the exercise of stock options	382,351	65,647	-
Proceeds from contributions to employee stock purchase plan	727,784	289,787	-
Shares repurchased for tax withholdings on vesting of RSUs	(266,217)	-	-
Shares repurchased for tax withholdings on vesting of PSUs	(46,463)	-	-
Proceeds from the disgorgement of short-swing profit	-	12,611	-
Net cash provided by financing activities	35,585,766	19,416,501	46,766,929
Net increase (decrease) in cash and cash equivalents	1,386,073	(1,622,028)	29,540,812
Cash and cash equivalents - beginning	29,872,564	31,494,592	1,953,780
Cash and cash equivalents - ending	$ 31,258,637	$ 29,872,564	$ 31,494,592
Supplemental disclosure of non-cash financing activities:			
Decrease in deferred offering costs charge to the IPO	$ -	$ -	$ 88,319
Common stock issued upon conversion of notes payable and accrued interest payable	$ -	$ -	$ 26,790,177
Increase in additional paid in capital upon extinguishment of derivative liability for warrants	$ -	$ -	$ 5,752,000
Common stock issued to landlord for tenant improvement of $100,000 and prepaid rent of $400,000	$ -	$ -	$ 500,000
Common stock issued for services	$ -	$ 147,900	$ -
Common stock issued for RSUs	$ 6	$ 3	$ -
Common stock issued for PSUs	$ 2	$ -	$ -
Cashless exercise of warrants	$ 5	$ 1	$ -
Increase in accrued expenses for the purchase of property and equipment	$ 299,500	$ 1	$ -

ENERGOUS CORPORATION
Notes to Financial Statements

Note 1 - Business Organization, Nature of Operations

Energous Corporation (the "Company") was incorporated in Delaware on October 30, 2012. The Company has developed a technology called WattUp® that consists of proprietary semiconductor chipsets, software, hardware designs and antennas that can enable RF-based wire-free charging for electronic devices, providing power at a distance and ultimately enabling charging with mobility under full software control. Pursuant to a Strategic Alliance Agreement with Dialog Semiconductor plc ("Dialog"), Dialog will manufacture and distribute integrated circuit ("IC") products incorporating the Company's RF-based wire-free charging technology. Dialog will be the exclusive supplier of these ICs for the general market. The Company believes its proprietary technology can potentially be utilized in a variety of devices, including wearables, Internet of Things (IoT) devices, smartphones, tablets, e-book readers, keyboards, mice, remote controls, rechargeable lights, cylindrical batteries and any other device with similar charging requirements that would otherwise need a battery or a connection to a power outlet.

The Company is developing solutions that charge electronic devices by surrounding them with a contained three-dimensional ("3D") radio frequency ("RF") energy pocket ("RF energy pocket"). The Company is engineering solutions that are expected to enable the wire-free transmission of energy from multiple WattUp transmitters to multiple WattUp receiving devices within a range of up to 15 feet in radius or in a circular charging envelope of up to 30 feet. The Company is also developing a transmitter technology to seamlessly mesh, (much like a network of WiFi routers) to form a wire-free charging network that will allow users to charge their devices as they walk from room-to-room or throughout a large space. To date, the Company has developed multiple transmitter prototypes in various form factors and power capabilities. The Company has also developed multiple receiver prototypes supporting smartphone battery cases, toys, fitness trackers, Bluetooth headsets and tracking devices, as well as stand-alone receivers.

Note 2 – Liquidity and Management Plans

During the year ended December 31, 2016, the Company has recorded revenue of $1,451,941. The Company incurred a net loss of $45,817,394, 27,561,702 and $45,603,110 for the years ended December 31, 2016, 2015 and 2014, respectively. Net cash used in operating activities was $33,062,247, 20,005,734 and $15,606,423 for the years ended December 31, 2016, 2015 and 2014, respectively. The Company is currently meeting its liquidity requirements principally through sales of shares to three different private investors during August 2016, November 2016 and December 2016, raising net proceeds of $34,788,311, and payments received under product development projects entered into with a tier one customer.

As of December 31, 2016, the Company had cash on hand of $31,258,637. The Company expects that cash on hand as of December 31, 2016, together with anticipated revenues, will be sufficient to fund the Company's operations into the second quarter of 2018.

Research and development of new technologies is, by its nature, unpredictable. Although the Company will undertake development efforts with commercially reasonable diligence, there can be no assurance that its available resources including the net proceeds from the Company's IPO, secondary offering, shelf registration, and strategic investor financing will be sufficient to enable it to develop and obtain regulatory approval of its technology to the extent needed to create future revenues sufficient to sustain its operations. The Company may choose to pursue additional financing, depending upon the market conditions, which could include follow-on equity offerings, debt financing, co-development agreements or other alternatives. Should the Company choose to pursue additional financing, there is no assurance that the Company would be able to do so on terms that it would find acceptable.

Note 3 – Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements are presented in U.S. dollars and have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), and pursuant to the accounting and disclosure rules and regulations of the U.S. Securities and Exchange Commission (the "SEC").

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements as well as the reported expenses during the reporting periods.

The Company's significant estimates and assumptions include the valuation of stock-based compensation instruments, recognition of revenue, the useful lives of long-lived assets, and income tax expense. Some of these judgments can be subjective and complex, and, consequently, actual results may differ from these estimates. Although the Company believes that its estimates and assumptions are reasonable, they are based upon information available at the time the estimates and assumptions were made. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all short-term, highly liquid investments with an original maturity at the date of purchase of three months or less to be cash equivalents. The Company maintains cash balances that may be uninsured or in deposit accounts that exceed Federal Deposit Insurance Corporation limits. The Company maintains its cash deposits with major financial institutions.

Revenue Recognition

The Company recognizes revenue when all of the following criteria have been met: persuasive evidence of an arrangement exists, services have been rendered, collection of the revenue is reasonably assured, and the fees are fixed or determinable.

The Company records revenue associated with product development projects that it enters into with certain customers. In general, these projects are associated with complex technology development, and as such the Company does not have certainty about its ability to achieve the program milestones. Achievement of the milestone is dependent on our performance and the milestone typically needs to be accepted by the customer. The payment associated with achieving the milestone is generally commensurate with the Company's effort or the value of the deliverable and is nonrefundable. The Company records the expenses related to these projects, generally included in research and development expense, in the periods incurred.

The Company also receives nonrefundable payments, typically at the beginning of a customer relationship, for which there are no milestones. The Company recognizes this revenue ratably over the initial engineering product development period. The Company records the expenses related to these projects, generally included in research and development expense, in the periods incurred.

Research and Development

Research and development expenses are charged to operations as incurred. For internally developed patents, all patent application costs are expensed as incurred as research and development expense. Patent application costs, generally legal costs, are expensed as research and development costs until such time as the future economic benefits of such patents become more certain. The Company incurred research and development costs of $32,832,677, $18,825,041 and $12,511,647 for the years ended December 31, 2016, 2015 and 2014, respectively.

Note 3 – Summary of Significant Accounting Policies, continued

Stock-Based Compensation

The Company accounts for equity instruments issued to employees in accordance with accounting guidance that requires awards to be recorded at their fair value on the date of grant and are amortized over the vesting period of the award. The Company recognizes compensation costs on a straight line basis over the requisite service period of the award, which is typically the vesting term of the equity instrument issued.

On April 10, 2015, the Company's board of directors approved the Energous Corporation Employee Stock Purchase Plan (the "ESPP"), under which 600,000 shares of common stock were reserved for purchase by the Company's employees, subject to approval by the stockholders. On May 21, 2015, the Company's stockholders approved the ESPP. Under the plan, employees may purchase a limited number of shares of the Company's common stock at a 15% discount from the lower of the closing market prices measured on the first and last days of each half-year period. The Company recognizes compensation expense for the fair value of the purchase options, as measured on the grant date.

Income Taxes

Tax benefits are recognized only for tax positions that are more likely than not to be sustained upon examination by tax authorities. The amount recognized is measured as the largest amount of benefit that is greater than 50 percent likely to be realized upon settlement. A liability for "unrecognized tax benefits" is recorded for any tax benefits claimed in the Company's tax returns that do not meet these recognition and measurement standards. As of December 31, 2016, no liability for unrecognized tax benefits was required to be reported. The guidance also discusses the classification of related interest and penalties on income taxes. The Company's policy is to record interest and penalties on uncertain tax positions as a component of income tax expense. No interest or penalties were recorded during the years ended December 31, 2016, 2015 and 2014. The Company files income tax returns with the United States and California governments.

Net Loss Per Common Share

Basic net loss per share is computed by dividing net loss available to common stockholders by the weighted average number of shares of common stock outstanding during the period. Diluted earnings per share is computed using the weighted average number of common shares and, if dilutive, potential common shares outstanding during the period. Potential common shares consist of the incremental common shares issuable upon the exercise of stock options and warrants (using the treasury stock method), the vesting of restricted stock units ("RSUs") and performance stock units ("PSUs") and the enrollment of employees in the ESPP. The computation of diluted loss per share excludes potentially dilutive securities of 6,975,651, 4,994,425 and 3,261,360 for the years ended December 31, 2016, 2015 and 2014, respectively, because their inclusion would be antidilutive.

Potentially dilutive securities outlined in the table below have been excluded from the computation of diluted net loss per share because the effect of their inclusion would have been anti-dilutive.

	For the Years Ended December 31,		
	2016	2015	2014
Consulting Warrant to purchase common stock	-	146,252	278,228
Financing Warrant to purchase common stock	13,889	152,778	152,778
IPO Warrants to purchase common stock	11,600	460,000	460,000
IR Consulting Warrant	23,250	36,000	36,000
IR Incentive Warrant	15,000	15,000	-
Warrants issued to private investors	2,381,675	-	-
Options to purchase common stock	1,309,444	1,487,785	1,607,075
RSUs	2,052,223	1,560,996	727,279
PSUs	1,153,617	1,135,614	-
DSUs	14,953	-	-
Total potentially dilutive securities	6,975,651	4,994,425	3,261,360

Note 3 – Summary of Significant Accounting Policies, continued

Fair Value Measurements

The carrying amounts of cash and cash equivalents, accounts payable and accrued expenses, approximate fair value due to the short-term nature of these instruments. Fair value is defined as an exit price, representing the amount that would be received upon the sale of an asset or payment to transfer a liability in an orderly transaction between market participants. Fair value is a market-based measurement that is determined based on assumptions that market participants would use in pricing an asset or liability. A three-tier fair value hierarchy is used to prioritize the inputs in measuring fair value as follows:

Level 1	Quoted prices in active markets for identical assets or liabilities.
Level 2	Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable, either directly or indirectly.
Level 3	Significant unobservable inputs that cannot be corroborated by market data.

The assets or liability's fair value measurement within the fair value hierarchy is based upon the lowest level of any input that is significant to the fair value measurement.

As of December 31, 2014, the Company no longer had financial instruments which were derivative liabilities.

The following table sets forth a summary of the changes in the fair value of the Company's Level 3 financial liabilities that are measured at fair value on a recurring basis:

	For the Year Ended December 31, 2014
Beginning balance	$ 6,277,000
Change in fair value of conversion feature and warrants	26,265,177
Extinguishment of derivative liability upon conversion of Convertible Notes	(26,790,177)
Extinguishment of derivative liability upon modification of Financing Warrant	(1,733,000)
Extinguishment of derivative liability upon modification of Consulting Warrant	(4,019,000)
Ending balance	$ -

The conversion feature of the Convertible Notes immediately prior to conversion was measured at fair value using a Monte Carlo simulation (which also represented the intrinsic value of the conversion feature) and was classified within Level 3 of the valuation hierarchy. The warrant liabilities for the Financing Warrant and the Consulting Warrant, immediately prior to modification were measured at fair value using a Monte Carlo simulation and were classified within Level 3 of the valuation hierarchy. The significant assumptions and valuation methods that the Company used to determine fair value and the change in fair value of the Company's derivative financial instruments are discussed in Note 6 – Private Placement.

Level 3 liabilities are valued using unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the derivative liabilities. For fair value measurements categorized within Level 3 of the fair value hierarchy, the Company's Chief Financial Officer determined its valuation policies and procedures. The development and determination of the unobservable inputs for Level 3 fair value measurements and fair value calculations are the responsibility of the Company's Chief Financial Officer with support from the Company's financial staff and consultants and which are approved by the Chief Financial Officer.

Level 3 financial liabilities consist of the derivative liabilities for which there is no current market for these securities such that the determination of fair value requires significant judgment or estimation. Changes in fair value measurements categorized within Level 3 of the fair value hierarchy are analyzed each period based on changes in estimates or assumptions and recorded as appropriate.

Note 3 – Summary of Significant Accounting Policies, continued

Fair Value Measurements, continued

The Company used a Monte Carlo model to value Level 3 financial liabilities at inception and on subsequent valuation dates, except that the conversion feature of the convertible notes immediately prior to conversion was valued at intrinsic value. This simulation incorporates transaction details such as the Company's stock price, contractual terms, maturity, risk free rates, as well as, volatility. The Company also used a binomial simulation and Black-Scholes economic model as supplemental valuation tools in order to validate the reasonableness of the results of the Monte Carlo simulation when measuring the Financing Warrant and the Consulting Warrant.

A significant increase in the volatility or a significant increase in the Company's stock price, in isolation, would result in a significantly higher fair value measurement. Changes in the values of the derivative liabilities were recorded in Change in Fair Value of Derivative Liabilities within Other Expense (Income) on the Company's Statements of Operations.

Management determined that the results of its valuations are reasonable.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers" (Topic 606), which supersedes the revenue recognition requirements in ASC Topic 605, "Revenue Recognition," and most industry-specific guidance. This ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments, and assets recognized from costs incurred to obtain or fulfill a contract. The amendments in the ASU must be applied using one of two retrospective methods and are effective for annual and interim periods beginning after December 15, 2016. On July 9, 2015, the FASB modified ASU 2014-09 to be effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. As modified, the FASB permits the adoption of the new revenue standard early, but not before the annual periods beginning after December 15, 2016. A public organization would apply the new revenue standard to all interim reporting periods within the year of adoption. The Company will evaluate the effects, if any, that adoption of this guidance will have on its financial statements.

In August 2014, FASB issued ASU No. 2014-15, Presentation of Financial Statements—Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern. This standard is intended to define management's responsibility to evaluate whether there is substantial doubt about an organization's ability to continue as a going concern and to provide related footnote disclosures. Under U.S. GAAP, financial statements are prepared under the presumption that the reporting organization will continue to operate as a going concern, except in limited circumstances. Financial reporting under this presumption is commonly referred to as the going concern basis of accounting.

The going concern basis of accounting is critical to financial reporting because it establishes the fundamental basis for measuring and classifying assets and liabilities. Currently, U.S. GAAP lacks guidance about management's responsibility to evaluate whether there is substantial doubt about the organization's ability to continue as a going concern or to provide related footnote disclosures. This ASU provides guidance to an organization's management, with principles and definitions that are intended to reduce diversity in the timing and content of disclosures that are commonly provided by organizations today in the financial statement footnotes. The amendments are effective for annual periods ending after December 15, 2016, and interim periods within annual periods beginning after December 15, 2016. The Company adopted ASU 2014-15 and management has made the appropriate evaluations and disclosures in Note 2 – Liquidity and Management Plans.

In April 2015, the FASB issued ASU No. 2015-03, "Simplifying the Presentation of Debt Issuance Costs." This standard amends existing guidance to require the presentation of debt issuance costs in the balance sheet as a deduction from the carrying amount of the related debt liability instead of a deferred charge. It is effective for annual reporting periods beginning after December 15, 2015. The Company has adopted ASU 2015-03 and the adoption of this standard did not have a material impact on the Company's financial position and results of operations.

Note 3 – Summary of Significant Accounting Policies, continued

Recent Accounting Pronouncements, continued

In August 2015, the FASB issued ASU No. 2015-15, "Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements" – Amendments to SEC Paragraphs Pursuant to Staff Announcement at June 18, 2015, which clarified the SEC staff's position on presenting and measuring debt issuance costs incurred in connection with line-of-credit arrangements. ASU 2015-15 should be adopted concurrent with the adoption of ASU 2015-03. The Company has adopted ASU 2015-15 and the adoption of this standard did not have a material impact on the Company's financial position and results of operations.

In November 2015, the FASB issued ASU No. 2015-17, "Balance Sheet Classification of Deferred Taxes" ("ASU 2015-17"). The standard requires that deferred tax assets and liabilities be classified as noncurrent in a classified statement of financial position. ASU 2015-17 is effective for fiscal years and interim periods within those years, beginning after December 15, 2016. Early adoption is permitted. ASU 2015-17 may be applied either prospectively, for all deferred tax assets and liabilities, or retrospectively. The Company has early adopted ASU 2015-17 effective December 31, 2015, retrospectively. Adoption had no impact on the results of operations.

In January 2016, the FASB issued ASU No. 2016-01, "Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities" ("ASU 2016-01"). The standard addresses certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. ASU 2016-01 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2017. The Company is currently evaluating the impact the adoption of this new standard will have on its financial statements.

In January 2016, the FASB issued ASU No. 2016-02, "Leases (Topic 842)." ("ASU 2016-02") This standard requires that a lessee recognize the assets and liabilities that arise from operating leases. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. ASU 2016-02 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2018. The Company is currently evaluating the impact the adoption of this new standard will have on its financial statements.

In March 2016, the FASB issued ASU No. 2016-08, "Revenue from Contracts with Customers (Topic 606) – Principal versus Agent Considerations (Reporting Revenue Gross versus Net)" ("ASU 2016-08"). ASU No. 2016-08 maintains the core principles of Topic 606 on revenue recognition, but clarifies whether an entity is a principal or an agent in a contract and the appropriate revenue recognition principles under each of these circumstances. The amendments in ASU 2016-08 affect the guidance of ASU 2014-09 which is not yet effective. The Company will evaluate the effects, if any, that adoption of this guidance will have on its financial statements.

In March 2016, the FASB issued ASU No. 2016-09, "Compensation — Stock Compensation (Topic 718) — Improvements to Employee Share-Based Payment Accounting." ASU No. 2016-09 includes provisions to simplify certain aspects related to the accounting for share-based awards and the related financial statement presentation. This ASU includes a requirement that the tax effect related to the settlement of share-based awards be recorded in income tax benefit or expense in the statements of earnings. This change is required to be adopted prospectively in the period of adoption. In addition, the ASU modifies the classification of certain share-based payment activities within the statements of cash flows and these changes are required to be applied retrospectively to all periods presented, or in certain cases prospectively, beginning in the period of adoption. ASU No. 2016-09 is effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. Early adoption is permitted. The Company is currently evaluating the impact the adoption of this new standard will have on its financial statements.

In April 2016, the FASB issued ASU No. 2016-10, "Revenue from Contracts with Customers (Topic 606) - Identifying Performance Obligations and Licensing." ASU No. 2016-10 maintains the core principles of Topic 606 on revenue recognition, but clarifies identification of performance obligations and licensing implementation guidance. The amendments in ASU 2016-10 affect the guidance of ASU 2014-09 which is not yet effective. The Company will evaluate the effects, if any, that adoption of this guidance will have on its financial statements.

In May 2016, the FASB issued ASU No. 2016-12, "Revenue from Contracts with Customers (Topic 606) - Narrow- Scope Improvements and Practical Expedients." ASU No. 2016-12 maintains the core principles of Topic 606 on revenue recognition, but addresses collectability, sales tax presentation, noncash consideration, contract modifications at transition and completed contracts at transition. The amendments in ASU 2016-12 affect the guidance of ASU 2014-09 which is not yet effective. The Company will evaluate the effects, if any, that adoption of this guidance will have on its financial statements.

Note 3 – Summary of Significant Accounting Policies, continued

Recent Accounting Pronouncements, continued

In June 2016, the FASB issued ASU No. 2016-13, "Financial Instruments – Credit Losses (Topic 326) – Measurement of Credit Losses on Financial Instruments." ASU No. 2016-13 provides financial statement reader more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. The Company will evaluate the effects, if any, that adoption of this guidance will have on its financial statements.

In August 2016, the FASB issued ASU No. 2016-15, "Statement of Cash Flows (Topic 230) – Classification of Certain Cash Receipts and Cash Payments." ASU No. 2016-15 addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice. It is effective for annual reporting periods beginning after December 15, 2017. The Company is currently evaluating the impact this standard will have on its financial statements.

In November 2016, the FASB issued ASU No. 2016-18, "Statement of Cash Flows (230) – Restricted Cash." ASU No. 2016-18 requires an entity to include amounts described as restricted cash and restricted cash equivalents with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. It is effective for annual reporting periods beginning after December 15, 2018. The adoption of this standard is not expected to have a material impact on the Company's financial position and results of operations.

In December 2016, the FASB issued ASU No. 2016-20, "Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers." ASU No. 2016-20 amends certain aspects of ASU No. 2014-09 and clarifies, rather than changes, the core revenue recognition principles in ASU No. 2014-09. It is effective for annual reporting periods beginning after December 15, 2018. The adoption of this standard is not expected to have a material impact on the Company's financial position and results of operations.

Management's Evaluation of Subsequent Events

The Company evaluates events that have occurred after the balance sheet date of December 31, 2016, through the date which the financial statements are issued. Based upon the review, the Company did not identify any subsequent events that would have required adjustment or disclosure in the financial statements.

Note 4 – Property and Equipment

Property and equipment are as follows:

	As of December 31,	
	2016	2015
Computer software	$ 1,085,258	$ 650,386
Computer hardware	2,109,983	1,203,021
Furniture and fixtures	533,175	457,887
Leasehold improvements	613,111	593,287
	4,341,527	2,904,581
Less – accumulated depreciation	(2,132,052)	(1,174,216)
Total property and equipment, net	$ 2,209,475	$ 1,730,365

The Company currently uses the following expected life terms for depreciating property and equipment: computer software – 1 year, computer hardware – 3 years, furniture and fixtures – 7 years, leasehold improvements – remaining life of the lease.

Total depreciation and amortization expense of the Company's property and equipment was $957,836, $817,729 and $371,189 for the years ended December 31, 2016, 2015 and 2014, respectively.

Note 5 – Accrued Expenses

Accrued expenses consist of the following:

	As of December 31,	
	2016	2015
Accrued compensation	$ 997,908	$ 739,782
Accrued legal expenses	283,160	-
Accrued equipment cost	299,500	-
Other accrued expenses	287,427	336,097
Total	$ 1,867,995	$ 1,075,879

Note 6 – Commitments and Contingencies

Investor Relations Agreements

Effective January 13, 2014, the Company entered into an agreement with a vendor ("IR Firm") to provide investor relations services to the Company. Pursuant to the agreement, in addition to monthly cash compensation of $8,000 per month, on March 27, 2014 the Company issued to the IR firm a consulting warrant ("IR Consulting Warrant") for the purchase of 36,000 shares of common stock. The IR Consulting Warrant has a strike price of $7.80, representing 130% of the IPO price. The IR Consulting Warrant had an initial catch up vesting equivalent to 3,000 shares per month of service, partial months to be prorated on a thirty (30) day basis, from the effective date of this agreement until March 27, 2014. Thereafter, the IR Consulting Warrant vested at a rate of 3,000 shares per month of service. On February 26, 2015, the Company issued to the IR Firm incentive warrants ("IR Incentive Warrants") to purchase 15,000 shares of common stock with a strike price of $7.80 based upon certain qualified investors and/or institutional or brokerage firms having purchased at least $250,000 in value of the Company's common shares at the IPO price or greater in the open market on or after the 46th day following March 27, 2014. All IR Incentive Warrants granted during a six-month period will collectively vest at each six-month anniversary. Both the IR Consulting Warrant and IR Incentive Warrants will have an expiration date four (4) years from the grant date. The shares underlying both the IR Consulting Warrant and the IR Incentive Warrants may be exercised on a cashless basis if at the time of exercise, such warrant shares have not been registered.

As of December 31, 2015, and 2014, 36,000 and 34,800 shares under the IR Consulting Warrant were vested. The Company incurred stock-based compensation expense of $0, $7,522 and $263,972 for the years ended December 31, 2016, 2015 and 2014, respectively in connection with the IR Consulting Warrant, which was included in general and administrative expense.

As of December 31, 2014, a total of 15,000 IR Incentive Warrants were deemed to have vested. Accordingly, as of December 31, 2014, the Company recorded the accrued value of the IR Incentive Warrant of approximately $92,000 in general and administrative expenses, since the Company does not record stock-based compensation until the associated warrant is approved by the Board of Directors and issued. On February 26, 2015, the Board of Directors approved the issuance of a warrant to purchase 15,000 shares of the Company's common stock and the Company recorded stock-based compensation of $78,309.

On February 4, 2015, the Company entered into a six-month consulting agreement with a consultant to provide the Company with investor relations services. Compensation under the agreement included the Company's issuance on February 26, 2015, of 15,000 shares of common stock valued at $147,900 and monthly cash payments of $5,000. The total value of the common stock compensation was recorded as a prepaid expense and was amortized over the six-month contract period. The Company incurred amortization expense of $147,900 during the year ended December 31, 2015, which was included in general and administrative expense. There was no amortization expense during the year ended December 31, 2016.

Operating Leases

On September 10, 2014, the Company entered into a Lease Agreement with Balzer Family Investments, L.P. (the "Landlord") related to space located at Northpointe Business Center, 3590 North First Street, San Jose, California. The initial term of the lease is 60 months, with initial monthly base rent of $36,720 and the lease is subject to certain annual escalations as defined in the agreement. On October 1, 2014, the Company relocated its headquarters to this new location. The Company issued to the Landlord 41,563 shares of the Company's common stock valued at $500,000, of which $400,000 will be applied to reduce the Company's monthly base rent obligation by $6,732 per month and of which $100,000 was for certain tenant improvements. The Company recorded $400,000 as prepaid rent on its balance sheet, which is being amortized over the term of the lease and recorded $100,000 as leasehold improvements.

Note 6 – Commitments and Contingencies, continued

Operating Leases, continued

On February 26, 2015, the Company entered into a sub-lease agreement for additional space in the San Jose area. The agreement has a term which expires on June 30, 2019 and an initial monthly rent of $6,109 per month. On August 25, 2015 the Company entered into an additional amended sub-lease agreement for additional space in San Jose, CA. The agreement has a term which expires on June 30, 2019 and an initial monthly rent of $4,314 per month. These leases are subject to certain annual escalations as defined in the agreements.

On July 9, 2015, the Company entered into a sub-lease agreement for additional space in Costa Mesa, CA. The agreement has a term which expires on September 30, 2017 and a monthly rent of $6,376 per month.

The future minimum lease payments for leased locations are as follows:

For the Years Ended December 31,	Amount
2017	572,722
2018	530,531
2019	372,652
Total	$ 1,475,905

Development and Licensing Agreement

Effective January 28, 2015, the Company signed a development and licensing agreement with a consumer electronics company to embed WattUp wire-free charging receiver technology in various products including, but not limited to certain mobile consumer electronics and related accessories. During the development phase and through customer shipment of its first product, Energous will afford this customer an exclusive “time to market advantage” in the licensed product categories.

This development and licensing agreement contains both invention and development milestones that the Company will need to achieve during the next two years. Pursuant to the Agreement, on March 23, 2015, the Company received an initial non-refundable payment of $500,000 which was recognized as revenue during the year ended December 31, 2015. The agreement provides for additional amounts to be received by the Company based upon its achievement of certain milestones. During the year ended December 31, 2015, the Company recognized revenue of $2,000,000 upon the achievement of additional milestones under the agreement.

Effective April 3, 2015, the Company entered into an amendment of the development and license agreement with this consumer electronics company to include joint development of wire-free transmitter technology and technology license back to the Company. On June 5, 2015, the Company entered into a second amendment of the development and license agreement with this consumer electronics company to conform the agreement for technical changes in the product delivery milestones. Effective October 1, 2015, the Company entered into a third amendment of the development and license agreement with this consumer electronics company to make certain changes to, among other things, intellectual property ownership, payment terms and the products covered by the agreement. On March 31, 2016, the Company received payment of $500,000 pursuant to the February 15, 2016 commencement of the second phase described in the third amendment, of which the Company recorded $391,041 in revenue during the year ended December 31, 2016. During the year ended December 31, 2016, the Company recognized revenue of $1,000,000 upon the achievement of additional milestones under the second phase of the agreement.

Effective May 27, 2016, the Company entered into an agreement with a commercial and industrial supply company, under which the Company will develop wire-free charging solutions. Under the first phase of the associated Statement of Work, the Company made certain deliverables for fees totaling $60,000. The first invoice for $30,000 was sent to the customer in June 2016 and revenue was initially deferred until completion of the first phase. The second invoice for $30,000 was issued upon successful completion of the first phase during September 2016 and revenue for the total fees of $60,000 was then recognized. In December 2016, the Company issued an invoice for $22,500 to this customer for the first installment of the second phase of this agreement. Revenue for this invoice has been deferred until completion of the second phase which is anticipated to occur during the first quarter of 2017.

Hosted Design Solution Agreement

On June 25, 2015, the Company entered into a three-year agreement to license electronic design automation software in a hosted environment. Pursuant to the agreement, under which services began July 13, 2015, the Company is required to remit quarterly payments in the amount of $100,568 with the last payment due March 30, 2018. On December 18, 2015, the agreement was amended to redefine the hardware and software configuration and the quarterly payments increased to $198,105.

Note 6 – Commitments and Contingencies, continued

Amended Employee Agreement – Stephen Rizzone

On April 3, 2015, the Company entered into an Amended and Restated Executive Employment Agreement with Stephen R. Rizzone, the Company's President and Chief Executive Officer (the "Employment Agreement").

The Employment Agreement has an effective date of January 1, 2015 and an initial term of four years (the "Initial Employment Period"). The Employment Agreement provides for an annual base salary of $365,000, and Mr. Rizzone is eligible to receive quarterly cash bonuses with a total target amount equal to 100% of his base salary based upon achievement of performance-based objectives established by the Company's board of directors.

Pursuant to Mr. Rizzone's prior employment agreement, on December 12, 2013 Mr. Rizzone was granted a ten year option to purchase 275,689 shares of common stock at an exercise price of $1.68 vesting over four years in 48 monthly installments beginning October 1, 2013 (the "First Option"). Mr. Rizzone was also granted a second option award to purchase 496,546 shares of common stock at an exercise price of $6.00 (the "Second Option"). The Second Option vests over the same vesting schedule as the First Option.

Effective with the approval on May 21, 2015 by the Company's stockholders of its new performance-based equity plan, the Employment Agreement provided and Mr. Rizzone received, a grant of 639,075 Performance Share Units (the "PSUs"). The PSUs, which represent the right to receive shares of common stock, shall be earned based on the Company's achievement of market capitalization growth between the effective date of the Employment Agreement and the end of the Initial Employment Period. If the Company's market capitalization is $100 million or less, no PSUs will be earned. If the Company reaches a market capitalization of $1.1 billion or more, 100% of the PSUs will be earned. For market capitalization between $100 million and $1.1 billion, the percentage of PSUs earned will be determined on a quarterly basis based on straight line interpolation. PSUs earned as of the end of a calendar quarter will be paid 50% immediately and 50% will be deferred until the end of the Initial Employment Period subject to Mr. Rizzone's continued employment with the Company (See Note 9).

Mr. Rizzone is also eligible to receive all customary and usual benefits generally available to senior executives of the Company.

The Employment Agreement provides that if Mr. Rizzone's employment is terminated due to his death or disability, if Mr. Rizzone's employment is terminated by the Company without cause or if he resigns for good reason, twenty-five percent (25%) of the shares subject to the First Option and the Second Option shall immediately vest and become exercisable, he will have a period of one year post-termination to exercise the First Option and the Second Option, and if a Liquidation Event (as defined in the Employment Agreement) shall occur prior to the termination of the First Option and the Second Option, one hundred percent (100%) of the shares subject to the First Option and Second Option shall immediately vest and become exercisable effective immediately prior to the consummation of the Liquidation Event. In addition, any outstanding deferred PSUs shall be immediately vested and paid, but any remaining unearned portion of the PSUs shall immediately be canceled and forfeited.

Offer Letter – Brian Sereda

Effective July 13, 2015, the Company appointed Brian Sereda to serve as Vice President and Chief Financial Officer, replacing Interim Chief Financial Officer Howard Yeaton.

In connection with Mr. Sereda's appointment as Vice President and Chief Financial Officer, the Company and Mr. Sereda executed an offer letter effective July 13, 2015 (the "Sereda Offer Letter"). Under the Sereda Offer Letter, Mr. Sereda will receive an annual base salary of $250,000 per year, and is eligible to earn an annual performance bonus of up to 75% of his then current base salary in accordance with performance objectives established by the Company's independent compensation committee or the Board of Directors. In addition, under the Sereda Offer Letter and as an inducement to join the Company, Mr. Sereda received an inducement restricted stock unit award covering a total of 120,000 shares of common stock. This restricted stock unit award vests over a period of four years in four equal annual installments on July 13 of each of 2016, 2017, 2018 and 2019, subject to Mr. Sereda's continued employment with the Company through each vesting date.

In the event Mr. Sereda is terminated without cause, he is entitled to (1) six months of his then-current base salary and (2) payment of COBRA premiums for up to six months. In the event of a liquidation event and termination of employment, except for cause, 100% of the inducement award shall immediately vest.

Note 6 – Commitments and Contingencies, continued

Patent Validity Challenge

In June 2016, Ossia Inc. filed two post grant review petitions with the U.S. Patent and Trademark Office ("PTO") requesting proceedings to challenge the validity of one of our issued patents. One of the post grant reviews was denied completely, and the other was terminated when the Company voluntarily cancelled two claims of the patent. There was no other material impact on the Company's intellectual property or patent portfolio as a result of these petitions.

Strategic Alliance Agreement

On November 7, 2016, the Company and Dialog Semiconductor plc entered into a Strategic Alliance Agreement ("Alliance Agreement") for the manufacture, distribution and commercialization of products incorporating the Company's wire-free charging technology ("Licensed Products"). Pursuant to the terms of the Alliance Agreement, the Company agreed to engage Dialog as the exclusive supplier of the Licensed Products for specified fields of use, subject to certain exceptions (the "Company Exclusivity Requirement"). Dialog agreed to not distribute, sell or work with any third party to develop any competing products without the Company's approval (the "Dialog Exclusivity Requirement"). In addition, both parties agreed on a revenue sharing arrangement and will collaborate on the commercialization of Licensed Products based on a mutually-agreed upon plan. Each party will retain all of its intellectual property.

The Alliance Agreement has an initial term of seven years and will automatically renew annually thereafter unless terminated by either party upon 180 days' prior written notice. The Company may terminate the Alliance Agreement at any time after the third anniversary of the Agreement upon 180 days' prior written notice to Dialog, or if Dialog breaches certain exclusivity obligations. Dialog may terminate the Agreement if sales of Licensed Products do not meet specified targets. The Company Exclusivity Requirement will terminate upon the earlier of January 1, 2021 or the occurrence of certain events relating to the Company's pre-existing exclusivity obligations. The Dialog Exclusivity Requirement will terminate if no Licensed Products have received the necessary Federal Communications Commission approvals within specified timeframes.

Note 7 – Stockholders' Equity

Authorized Capital

The holders of the Company's common stock are entitled to one vote per share. Holders of common stock are entitled to receive ratably such dividends, if any, as may be declared by the board of directors out of legally available funds. Upon the liquidation, dissolution or winding up of the Company, holders of common stock are entitled to share ratably in all assets of the Company that are legally available for distribution.

Disgorgement of Short Swing Profits

On April 11, 2015, $12,611 of proceeds was received from an officer of the Company who had purchased shares in the December 2014 secondary offering, representing the disgorgement of a short swing profit on the officer's April 2015 sale of the Company's stock.

Filing of registration statement

On April 24, 2015, the Company filed a "shelf" registration statement on Form S-3, which became effective on April 30, 2015. The "shelf" registration statement allows the Company from time to time to sell any combination of debt or equity securities described in the registration statement up to aggregate proceeds of $75,000,000.

Note 7 – Stockholders' Equity, continued

Consummation of Offering under Shelf Registration

Pursuant to the shelf registration, on November 17, 2015, the Company consummated an offering of 3,000,005 shares of common stock at $6.90 per share and received from the underwriters' net proceeds of $19,333,032 (net of underwriters' discount of $1,242,002 and underwriters' offering expenses of $125,000). The Company incurred additional offering expenses of $284,576, yielding net proceeds from the offering under shelf registration of $19,048,456.

Private Placements

On August 9, 2016, the Company entered into a securities purchase agreement with Ascend Legend Master Fund, Ltd. pursuant to which the Company agreed to sell to Ascend Legend Master Fund, Ltd. 1,618,123 shares of common stock at a price of $12.36 per share and a warrant to purchase up to 1,618,123 shares of common stock at an exercise price of $23.00 per share. The aggregate proceeds from the sale of shares of common stock was $20,000,000.

On November 7, 2016, the Company and Dialog Semiconductor entered into a securities purchase agreement pursuant to which the Company agreed to sell to Dialog Semiconductor 763,552 shares of common stock at a price of $13.0967 per share and a warrant to purchase up to 763,552 shares of common stock that may be exercised only on a cashless basis at a price of $17.0257 per share, and may be exercised at any time between the date that is six months and a day after the closing date of the transaction and the three-year anniversary of the Closing Date. The aggregate proceeds from the sale of shares of common stock was 10,000,011.

On December 30, 2016, the Company and JT Group entered into a securities purchase agreement pursuant to which the Company agreed to sell to JT Group 292,056 shares of common stock at a price of $17.12 per share. The aggregate proceeds from the sale of shares of common stock was $4,999,975.

Note 8 – Stock Based Compensation

Equity Incentive Plans

2013 Equity Incentive Plan

In December 2013 the Company's board and stockholders approved the "2013 Equity Incentive Plan", providing for the issuance of equity based instruments covering up to an initial total of 1,042,167 shares of common stock.

Effective on March 10, 2014, the Company's board of directors and stockholders approved the First Amendment to the 2013 Equity Incentive Plan which provided for an increase in the aggregate number of shares of common stock that may be issued pursuant to the Plan to equal 18% of the total number of shares of common stock outstanding immediately following the completion of the IPO (assuming for this purpose the issuance of all shares issuable under the Company's equity plans, the conversion into common stock of all outstanding securities that are convertible by their terms into common stock and the exercise of all options and warrants exercisable for shares of common stock and including shares and warrants issued to the underwriters for such IPO upon exercise of its over-allotment options).

Effective March 27, 2014, the aggregate total shares which may be issued under the 2013 Equity Incentive Plan were increased to 2,335,967.

Effective on May 19, 2016, the Company's stockholders approved the amendment and restatement of the 2013 Equity Incentive Plan to increase the number of shares reserved for issuance thereunder by 2,150,000 shares, bringing the total number of approved shares to 4,485,967 under the 2013 Equity Incentive Plan.

As of December 31, 2016, 1,562,832 shares of common stock remain eligible to be issued through equity-based instruments under the 2013 Equity Incentive Plan.

2014 Non-Employee Equity Compensation Plan

On March 6, 2014, the Company's board of directors and stockholders approved the 2014 Non-Employee Equity Compensation Plan for the issuance of equity-based instruments covering up to 250,000 shares of common stock to directors and other non-employees.

Effective on May 19, 2016, the Company's stockholders approved the amendment and restatement of the 2014 Equity Incentive Plan to increase the number of shares reserved for issuance thereunder by 350,000 shares, bringing the total number of approved shares to 600,000 under the 2014 Non-Employee Equity Compensation Plan.

As of December 31, 2016, 349,899 shares of common stock remain eligible to be issued through equity-based instruments under the 2014 Non-Employee Equity Compensation Plan.

2015 Performance Share Unit Plan

On April 10, 2015, the Company's board of directors approved the Energous Corporation 2015 Performance Share Unit Plan (the "Performance Share Plan"), under which 1,310,104 shares of common stock became available for issuance as PSUs to a select group of employees and directors, subject to approval by the stockholders. On May 21, 2015 the Company's stockholders approved the Performance Share Plan.

As of December 31, 2016, 31,951 shares of common stock remain eligible to be issued through equity based instruments under the Performance Share Unit Plan.

Employee Stock Purchase Plan

On April 10, 2015, the Company's board of directors approved the ESPP, under which 600,000 shares of common stock have been reserved for purchase by the Company's employees, subject to approval by the stockholders. On May 21, 2015, the Company's stockholders approved the ESPP. Employees may designate an amount not less than 1% but not more than 10% of their annual compensation, but for not more than 7,500 shares during an offering period. An offering period shall be six months in duration commencing on or about January 1 and July 1 of each year. The exercise price of the option will be the lesser of 85% of the fair market of the common stock on the first business day of the offering period and 85% of the fair market value of the common stock on the applicable exercise date.

As of December 31, 2016, 468,621 shares of common stock remain eligible to be issued through equity based instruments under the ESPP. For the year ended December 31, 2016, eligible employees contributed $727,784 through payroll deductions to the ESPP and 85,356 shares were deemed delivered for the year ended December 31, 2016.

Note 8 – Stock Based Compensation, continued

Stock Option Award Activity

The following is a summary of the Company's stock option activity during the year ended December 31, 2016:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Life In Years	Intrinsic Value
Outstanding at January 1, 2016	1,487,785	$ 4.34	8.0	$ 5,310,340
Granted	-	-	-	-
Exercised	(130,354)	2.93	-	-
Forfeited	(47,987)	2.49	-	-
Outstanding at December 31, 2016	1,309,444	$ 4.55	7.1	$ 16,107,929
Exercisable at December 31, 2016	1,057,187	$ 4.55	7.1	$ 12,998,601

As of December 31, 2016, the unamortized value of options was $638,910. As of December 31, 2016, the unamortized portion will be expensed over a weighted average period of 0.8 years.

The aggregate intrinsic value of options exercised was $984,144, $92,728 and $0 for the years ended December 31, 2016, 2015 and 2014, respectively.

No options were granted during the years ended December 31, 2016 and 2015. The weighted average grant date fair value per share of options granted during the year ended December 31, 2014 was $2.60.

Note 8 – Stock Based Compensation, continued

Restricted Stock Units ("RSUs")

On January 4, 2016, the compensation committee of the board of directors granted to various directors, RSUs under which the holders have the right to receive an aggregate of 26,916 shares of the Company's common stock. These awards were granted under the 2014 Non-Employee Equity Compensation Plan. The awards granted vest fully on the first anniversary of the grant date.

On January 4, 2016, the compensation committee of the board of directors granted to John Gaulding, director and chairman of the board, RSUs under the 2014 Non-Employee Equity Compensation Plan for which Mr. Gaulding has the right to receive 25,000 shares of the Company's common stock. These shares were issued to Mr. Gaulding in connection with his role as an independent director and chairman of the Board of Directors. The award granted vests fully on the first anniversary of the grant date.

On February 25, 2016, the compensation committee of the board of directors granted certain employees inducement RSU awards under which the holders have the right to receive an aggregate 38,000 shares of the Company's common stock. The awards granted vest over four years beginning on the first anniversary of the date of hire.

On March 4, 2016, the compensation committee of the board of directors granted an employee inducement RSU awards under which the holder has the right to receive an aggregate of 12,500 shares of the Company's common stock. The award granted vests over four years beginning on the first anniversary of the date of hire and is contingent upon meeting certain job performance milestones.

On May 19, 2016, the compensation committee of the board of directors granted certain employees inducement RSU awards under which the holders have the right to receive an aggregate of 126,000 shares of the Company's common stock. The awards granted vest over four years beginning on the first anniversary of the dates of hire.

On May 19, 2016, the compensation committee of the board of directors granted a consultant an RSU award under the 2013 Equity Incentive Plan for which the holder has the right to receive an aggregate of 3,250 shares of the Company's common stock. The award granted vests immediately.

On June 10, 2016, the board of directors granted non-employee directors RSU awards under the 2014 Non-Employee Equity Compensation Plan under which the holders have the right to receive an aggregate of 70,040 shares of the Company's common stock. These awards vest annual over three years beginning on June 13, 2017.

On October 24, 2016, the board of directors granted Stephen Rizzone, the Company's President, Chief Executive Officer and Director an RSU award under the 2013 Equity Incentive Plan under which Mr. Rizzone has the right to receive 150,000 shares of the Company's common stock. The shares of this award vest over four years beginning on August 18, 2017.

On October 24, 2016, the compensation committee of the board of directors approved an RSU award for Brian Sereda, Chief Financial Officer, covering a total of 45,000 shares of common stock. This restricted stock unit award vests over a period of four years in four equal installments on August 18 of each of 2017, 2018, 2019 and 2020.

On October 24, 2016, the compensation committee of the board of directors granted certain employees inducement RSU awards under which the holders have the right to receive an aggregate of 95,000 shares of the Company's common stock. The awards granted vest over four years beginning on the first anniversary of the dates of hire.

On October 24, 2016, the compensation committee of the board of directors granted various employees RSU awards under which the holders have the right to receive an aggregate of 331,950 shares of the Company's common stock. These awards vest over a period of four years in four equal installments on August 18 of each of 2017, 2018, 2019 and 2020.

On October 24, 2016, the compensation committee of the board of directors granted Cesar Johnston, Senior Vice President of Engineering, an RSU award under which Mr. Johnston has the right to receive 85,000 shares of the Company's common stock. A total of 25% of the shares vest immediately upon grant, while the remaining shares vest annually over three years beginning August 18, 2017.

Note 8 – Stock Based Compensation, continued

Restricted Stock Units ("RSUs"), continued

On October 24, 2016, the compensation committee of the board of directors granted Michael Leabman, Founder, Chief Technology Officer and Director, an RSU award under which Mr. Leabman has the right to receive 100,000 shares of the Company's common stock. This restricted stock unit award vests over a period of four years in four equal installments on August 18 of each of 2017, 2018, 2019 and 2020.

The Company accounts for RSUs granted to consultants using the accounting guidance included in ASC 505-50 "Equity-Based Payments to Non-Employees" ("ASC 505-50"). In accordance with ASC 505-50, the Company estimates the fair value of the unvested portion of the RSU award each reporting period using the closing price of the Company's common stock.

At December 31, 2016, the unamortized value of the RSUs was $20,635,176. The unamortized amount will be expensed over a weighted average period of 3.1 years. A summary of the activity related to RSUs for the year ended December 31, 2016 is presented below:

	Total	Weighted Average Grant Date Fair Value
Outstanding at January 1, 2016	1,560,996	$ 8.83
RSUs granted	1,110,156	$ 14.18
RSUs forfeited	(107,529)	$ 9.62
RSUs vested	(511,400)	$ 9.16
Outstanding at December 31, 2016	2,052,223	$ 11.58

Performance Share Units ("PSUs")

Performance share units ("PSUs") are grants that vest upon the achievement of certain performance goals. The goals are commonly related to the Company's market capitalization or market share price of the common stock.

The PSUs originally issued during 2015 to certain board members and senior management shall be earned based on the Company's achievement of market capitalization growth between the effective date of the Employment Agreement and the end of the Initial Employment Period. If the Company's market capitalization is $100 million or less, no PSUs will be earned. If the Company reaches a market capitalization of $1.1 billion or more, 100% of the PSUs will be earned. For market capitalization between $100 million and $1.1 billion, the percentage of PSUs earned will be determined on a quarterly basis based on straight line interpolation.

On March 4, 2016, the compensation committee of the board of directors granted an executive inducement PSUs under which the executive is eligible to receive 63,908 shares of the Company's common stock based on similar market capitalization criteria indicated above.

The Company determined that the PSUs were equity awards with both market and service conditions. The Company utilized a Monte Carlo simulation to determine the fair value of the market condition, as described below. Grantees of PSUs are required to be employed through December 31, 2018 in order to earn the entire award, if and when vested.

	Performance Share Units (PSUs) Granted During the Year Ended December 31, 2016	Performance Share Units (PSUs) Granted During the Year Ended December 31, 2015
Market capitalization	$ 102,600,000	$ 106,270,000
Dividend yield	0%	0%
Expected volatility	75%	60%
Risk-free interest rate	1.04%	0.95%

The fair value of the grants of PSUs to purchase a total of 1,342,061 shares of common stock (including 1,278,153 PSUs granted under the 2015 Performance Share Unit Plan and 63,908 granted as an inducement) was determined to be approximately $3,218,000, and is amortized over the service period of May 21, 2015 through December 31, 2018, on a straight-line basis.

Note 8 – Stock Based Compensation, continued

Performance Share Units ("PSUs"), continued

On October 24, 2016, the compensation committee of the board of directors granted Mr. Rizzone a PSU award under the 2013 Equity Incentive Plan under which Mr. Rizzone has the right to receive 150,000 shares of the Company's common stock. The shares of this award vest upon the Company's stock price meeting specific targets.

For the PSU award grant issued to Stephen Rizzone, Chief Executive Officer, a Monte Carlo simulation was used to determine the fair value at each of the five target prices of the Company's common stock, using a market capitalization of $298,857,000, dividend yield of 0%, expected volatility of 75% and a risk-free interest rate of 0.66%.

The fair value of the PSUs granted to Mr. Rizzone under the 2013 Equity Incentive Plan was determined to be $2,332,000, and is amortized over the estimated service period from October 24, 2016 through October 30, 2017.

Amortization for all PSU awards was $2,285,683 and $489,239 for the years ended December 31, 2016 and 2015, respectively.

At December 31, 2016, the unamortized value of all PSUs was approximately $2,774,507. The unamortized amount will be expensed over a weighted average period of 1.16 years. A summary of the activity related to PSUs for the year ended December 31, 2016 is presented below:

	Total	Weighted Average Grant Date Fair Value
Outstanding at January 1, 2016	1,135,614	$ 2.62
PSUs granted	213,908	$ 11.84
PSUs forfeited	-	$ -
PSUs vested	(195,905)	$ 6.60
Outstanding at December 31, 2016	1,153,617	$ 3.66

Note 8 – Stock Based Compensation, continued

Deferred Stock Units ("DSUs")

On January 4, 2016, the compensation committee of the board of directors granted to John Gaulding, director and chairman of the board, DSUs under the 2014 Non-Employee Equity Compensation Plan for which Mr. Gaulding has the right to receive 14,953 shares of the Company's common stock. These shares were issued to Mr. Gaulding in lieu of $125,000 of his anticipated compensation for his services on the board, including $75,000 worth of DSUs and $50,000 of his regular board stipends. The award granted vests fully on the first anniversary of the grant date. Amortization was $123,644 for the year ended December 31, 2016.

At December 31, 2016, the unamortized value of the DSUs was $1,362. A summary of the activity related to DSUs for the year ended December 31, 2016 is presented below:

	Total	Weighted Average Grant Date Fair Value
Outstanding at January 1, 2016	-	$ -
DSUs granted	14,953	$ 8.36
DSUs forfeited	-	$ -
DSUs vested	-	$ -
Outstanding at December 31, 2016	14,953	$ 8.36

Employee Stock Purchase Plan ("ESPP")

During the year ended December 31, 2016, there were two offering periods for the ESPP. The first offering period started on January 1, 2016 and concluded on June 30, 2016. The second offering period started on July 1, 2016 and concluded on December 31, 2016. During the year ended December 31, 2015, there was one initial offering period for the ESPP, which started on July 1, 2015 and concluded on December 31, 2015.

The weighted-average grant-date fair value of the purchase option for each designated share purchased under this plan was approximately $5.20 and $2.46 during the years ended December 31, 2016 and 2015, respectively, which represents the fair value of the option, consisting of three main components: (i) the value of the discount on the enrollment date, (ii) the proportionate value of the call option for 85% of the stock and (iii) the proportionate value of the put option for 15% of the stock. The Company recognized compensation expense for the plan of $318,735 and $113,217 for the years ended December 31, 2016 and 2015, respectively.

The Company estimated the fair value of the purchase options granted during the years ended December 31, 2016 and 2015 using the Black-Scholes option pricing model. The fair values of the purchase options granted were estimated using the following assumptions:

	For the Year Ended December 31, 2016
Stock price range	$ 8.36 - 12.16
Dividend yield	0%
Expected volatility range	56 - 100%
Risk-free interest rate range	0.37 – 0.49%
Expected life	6 months

	For the Year Ended December 31, 2015
Stock price	$ 7.41
Dividend yield	0%
Expected volatility	65%
Risk-free interest rate	0.13%
Expected life	6 months

Note 8 – Stock Based Compensation, continued

Stock-Based Compensation Expense

The following tables summarize total stock-based compensation costs recognized for years ended December 31, 2016, 2015 and 2014:

	For the Years Ended December 31,		
	2016	2015	2014
Stock options	$ 1,045,081	$ 1,037,399	$ 1,333,943
RSUs	5,735,032	4,225,728	900,063
PSUs	2,285,683	489,239	-
DSUs	123,644	-	-
ESPP	318,735	113,217	-
IR warrants	-	85,831	263,972
Shares issued to consultant for services rendered	-	-	50,000
Total	$ 9,508,175	$ 5,951,414	$ 2,547,978

The total amount of stock-based compensation was reflected within the statements of operations as:

	For the Years Ended December 31,		
	2016	2015	2014
Research and development	$ 4,226,304	$ 2,816,707	$ 924,702
Sales and marketing	328,760	729,329	583,238
General and administrative	4,953,111	2,405,378	1,040,038
Total	$ 9,508,175	$ 5,951,414	$ 2,547,978

Note 9 – Income Taxes

As of December 31, 2016, and 2015, the Company's deferred tax assets (liabilities) consisted of the effects of temporary differences attributable to the following:

	December 31,	
	2016	2015
Deferred tax assets (liabilities):		
Tax credit	$ 2,802,573	$ 2,958,771
Net operating loss carryovers	16,174,712	7,511,765
Property and equipment	(58,747)	(98,235)
Research and development costs	18,628,913	10,380,961
Start-up and organizational costs	1,222	1,333
Stock-based compensation	1,829,843	1,175,821
Other accruals	341,090	155,472
Total gross deferred tax assets	39,719,606	22,085,888
Less: valuation allowance	(39,719,606)	(22,085,888)
Deferred tax assets, net	$ -	$ -

The change in the Company's valuation allowance is as follows:

	2016	2015
January 1,	$ 22,085,888	$ 9,630,687
Increase in valuation allowance	17,633,718	12,455,201
December 31,	$ 39,719,606	$ 22,085,888

The Company has federal and state net operating loss carryovers of approximately $44,563,000 and $44,661,000, respectively, available to offset future taxable income. The federal and state NOL carryforwards will expire at various dates beginning in 2033. The Company has federal and state research and development tax credit carryovers of approximately $1,931,000 and $1,321,000, respectively. The federal R&D credit carryovers will expire beginning in 2032 and state R&D credit carryovers do not expire. The ultimate realization of the net operating loss is dependent upon future taxable income, if any, of the Company and may be limited in any one period by alternative minimum tax rules. Although management believes that the Company may have sufficient future taxable income to absorb the net operating loss carryovers and research and development tax credit carryovers before the expiration of the carryover period, there may be circumstances beyond the Company's control that limit such utilization. Accordingly, management has determined that a full valuation allowance of the deferred tax asset is appropriate at December 31, 2016 and 2015.

Internal Revenue Code Section 382 imposes limitations on the use of net operating loss carryovers when the stock ownership of one or more 5% shareholders (shareholders owning 5% or more of the Company's outstanding capital stock) has increased on a cumulative basis by more than 50 percentage points. Management cannot control the ownership changes occurring as a result of public trading of the Company's Common Stock. Accordingly, there is a risk of an ownership change beyond the control of the Company that could trigger a limitation of the use of the loss carryover. The Company completed a Section 382 analysis as of December 31, 2016, and determined that none of its NOLs or R&D credits would be limited.

Note 9 – Income Taxes, continued

	For the Year Ended December 31,	
	2016	2015
Tax benefit at federal statutory rate	(34.0)%	(34.0)%
State income taxes	(5.7)	(5.5)
Permanent differences:		
Stock-based compensation	0.8	1.3
Meals and entertainment	0.1	0.1
True-up of federal deferred taxes	1.7	
True-up of state deferred taxes	1.2	(0.2)
Other	-	0.7
Research and development tax credit, federal	(1.5)	(4.4)
Research and development tax credit, state	(1.1)	(3.1)
Increase in valuation allowance, federal	32.9	36.3
Increase in valuation allowance, state	5.6	8.8
Effective income tax rate	0.0%	0.0%

Note 10 – Related Party

On July 14, 2014, the Company's Board of Directors appointed Howard Yeaton as the Company's Interim Chief Financial Officer. On July 13, 2015, the Company appointed Brian Sereda as the Company's Chief Financial Officer, replacing Interim Chief Financial Officer Howard Yeaton. Howard Yeaton is the Managing Principal of Financial Consulting Strategies LLC ("FCS"). During the year ended December 31, 2016, the Company had incurred fees of $0 in connection with Mr. Yeaton's services as Interim Chief Financial Officer and $13,306 for other financial advisory and accounting services provided by FCS. During the year ended December 31, 2015, the Company incurred fees of $61,848 in connection with Mr. Yeaton's services as Interim Chief Financial Officer and $88,813 for other financial advisory and accounting services provided by FCS. During the year ended December 31, 2014, the Company incurred fees of $68,413 in connection with Mr. Yeaton's services as Interim Chief Financial Officer and $126,153 for other financial advisory and accounting services provided by FCS.

Note 11 – Unaudited Quarterly Financial Information

Summarized quarterly information for the years ended December 31, 2016 and 2015 is listed below:

	For the quarter ended			
	March 31	June 30	September 30	December 31
2016				
Revenue	$ 136,364	$ 181,818	$ 1,003,973	$ 129,786
Operating expenses	$ 10,936,772	$ 10,468,990	$ 11,131,994	$ 14,744,905
Net loss	$ (10,796,542)	$ (10,284,555)	$ (10,125,063)	$ (14,611,234)
Loss per share, basic and diluted	$ (0.66)	$ (0.62)	$ (0.57)	$ (0.75)
2015				
Revenue	$ 200,000	$ 225,000	$ 2,075,000	$ -
Operating expenses	$ 7,131,600	$ 6,374,970	$ 7,683,317	$ 8,887,452
Net loss	$ (6,925,279)	$ (6,146,582)	$ (5,605,661)	$ (8,884,180)
Loss per share, basic and diluted	$ (0.54)	$ (0.48)	$ (0.43)	$ (0.61)

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

None.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We have established disclosure controls and procedures to ensure that material information relating to us is made known to the officers who certify our financial reports and the board of directors.

Based on their evaluation as of December 31, 2016, our principal executive and principal financial and accounting officers have concluded that these disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) were effective as of December 31, 2016 to provide reasonable assurance that information required to be disclosed by us in reports that we file under the Exchange Act is recorded, processed, summarized, and reported, within the time periods specified in Securities and Exchange Commission rules and forms and that material information relating to the Company is accumulated and communicated to management, including our principal executive officer and our principal financial officer, as appropriate to allow timely decisions regarding required disclosures.

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 Exchange Act Rule 13a-15(f). Internal control over financial reporting is a process used to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of our financial statements for external purposes in accordance with generally accepted accounting principles in the United States. Internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets; provide reasonable assurance that transactions are recorded as necessary to permit preparation of our financial statements in accordance with generally accepted accounting principles in the United States, and that our receipts and expenditures are being made only in accordance with the authorization of our board of directors and management; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

An internal control system over financial reporting has inherent limitations and may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, 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. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

The Company's management, under the supervision of and with the participation of the principal executive and principal financial and accounting officers, have assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2016 based on criteria for effective control over financial reporting described in Internal Control — *Integrated Framework* (2013) created by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, the Company's management concluded that the Company's internal control over financial reporting was effective as of December 31, 2016.

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 as such report is not required for filers exempt for certain initial periods under the JOBS Act.

Changes in Internal Control Over Financial Reporting

For the quarter ended December 31, 2016, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Controls

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected. Our disclosure controls and procedures are designed to provide reasonable assurance of achieving its objectives. Our principal executive and principal financial and accounting officer concluded that our disclosure controls and procedures are effective at that reasonable assurance level.

Item 9B. Other Information.

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The information required under this item is incorporated by reference to the following sections of our proxy statement for our 2016 Annual Meeting of Stockholders: “Information Concerning Directors and Nominees for Director,” “Information Concerning Executive Officers,” “Section 16(a) Beneficial Ownership Reporting Compliance,” “Corporate Governance Principles and Board Matters,” and “The Board of Directors and Its Committees.”

Item 11. Executive Compensation

The information required under this item is incorporated by reference to the following sections of our proxy statement for our 2016 Annual Meeting of Stockholders: “Compensation and Other Information Concerning Directors and Officers,” and “The Board of Directors and Its Committees.”

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholders Matters.

The information required under this item is incorporated by reference to the following sections of our proxy statement for our 2016 Annual Meeting of Stockholders: “Equity Compensation Plan Information” and “Securities Ownership of Certain Beneficial Owners and Management.”

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

The information required under this item is incorporated by reference to the following sections of our proxy statement for our 2016 Annual Meeting of Stockholders: “Certain Relationships and Related Transactions” and “Corporate Governance Principles and Board Matters.”

Item 14. Principal Accountant Fees and Services

The information required under this item is incorporated by reference to the following sections of our proxy statement for our 2016 Annual Meeting of Stockholders: “Independent Registered Public Accounting Firm” and “Pre-Approval Policies and Procedures.”

PART IV

Item 15. Exhibits, Financial Statements and Schedules

(a) List of documents filed as part of this report:

1. Financial Statements (see "Financial Statements and Supplementary Data" at Item 8 and incorporated herein by reference).

2. Financial Statement Schedules (Schedules to the Financial Statements have been omitted because the information required to be set forth therein is not applicable or is shown in the accompanying Financial Statements or notes thereto)

3. Exhibit Index (The exhibits required to be filed as a part of this Report are listed in the Exhibit Index following the signature page to this report and is incorporated herein by reference).

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.

Energous Corporation

Dated: March 16, 2017

By: /s/ Stephen R. Rizzone
Stephen R. Rizzone
President, Chief Executive Officer (Principal Executive Officer) and Director

Dated: March 16, 2017

By: /s/ Brian Sereda
Brian Sereda
Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

POWER OF ATTORNEY AND SIGNATURES

We, the undersigned officers and directors of Energous Corporation, hereby severally constitute and appoint Stephen R. Rizzone our true and lawful attorney, with full power to him to sign for us and in our names in the capacities indicated below, any amendments to this Annual Report on Form 10-K, and generally to do all things in our names and on our behalf in such capacities to enable Exact Sciences Corporation to comply with the provisions of the Securities Exchange Act of 1934, as amended, and all the requirements of the Securities Exchange Commission.

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 and in the capacities and on the dates indicated.

Signatures	Title	Date
/s/ Stephen R. Rizzone Stephen R. Rizzone	President, Chief Executive Officer and Director	March 16, 2017
/s/ Michael Leabman Michael Leabman	Chief Technology Officer and Director	March 16, 2017
/s/ John R. Gaulding John R. Gaulding	Director and Chairman	March 16, 2017
/s/ Martin Cooper Martin Cooper	Director	March 16, 2017
/s/ Robert J. Griffin Robert J. Griffin	Director	March 16, 2017
/s/ Rex S. Jackson Rex S. Jackson	Director	March 16, 2017

Exhibit No.	Description of Document
3.1	Second Amended and Restated Certificate of Incorporation of Energous Corporation (incorporated by reference to Exhibit 3.1 to Amendment No. 1 to the Registrant's Registration Statement on Form S-1/A (File No. 333-193522) filed on March 13, 2014)
3.2	Amendment No. 1 to the Second Amended and Restated Certificate of Incorporation of Energous Corporation (incorporated by reference to Exhibit 3.2 to the Registrant's Quarterly Report on Form 10-Q filed on May 14, 2014)
3.3	Amended and Restated Bylaws of Energous Corporation (incorporated by reference to Exhibit 3.1 to Amendment No. 1 to the Registrant's Registration Statement on Form S-1/A (File No. 333-193522) filed on March 13, 2014)
4.1	Specimen Certificate representing shares of common stock of Energous Corporation (incorporated by reference to Exhibit 4.1 to Amendment No. 2 to the Registrant's Registration Statement on Form S-1/A (File No. 333-193522) filed on March 21, 2014)
4.2	Amended and Restated Warrant issued to MDB Capital Group, LLC (ARW-1) dated December 13, 2013 (incorporated by reference to Exhibit 10.12 to the Registrant's Registration Statement on Form S-1 (File No. 333-193522) filed on January 24, 2014)
4.3	Amended and Restated Warrant issued to MDB Capital Group, LLC (ARW-2) dated December 13, 2013 (incorporated by reference to Exhibit 10.13 to the Registrant's Registration Statement on Form S-1 (File No. 333-193522) filed on January 24, 2014)
4.4	Form of Underwriter's Warrant (incorporated by reference to Exhibit 4.2 to Amendment No. 2 to the Registrant's Registration Statement on Form S-1/A (File No. 333-193522) filed on March 21, 2014)
4.5	Form of Amendment to Warrant to Purchase Common Stock Dated June 25, 2014 (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed on August 13, 2014
10.1	Executive Employment Agreement between the Company and Michael Leabman dated October 1, 2013 (incorporated by reference to Exhibit 10.9 to the Registrant's Registration Statement on Form S-1 (File No. 333-193522) filed on January 24, 2014)*
10.2	Form of Indemnification Agreement (incorporated by reference to Exhibit 10.10 to the Registrant's Registration Statement on Form S-1 (File No. 333-193522) filed on January 24, 2014)*
10.3	Energous Corporation 2013 Equity Incentive Plan (incorporated by reference to Exhibit 10.16 to the Registrant's Registration Statement on Form S-1 (File No. 333-193522) filed on January 24, 2014)*
10.4	Form of stock option award under 2013 Omnibus Equity Incentive Plan (incorporated by reference to Exhibit 10.17 to the Registrant's Registration Statement on Form S-1 (File No. 333-193522) filed on January 24, 2014)*
10.5	Form of Non-Statutory Option Award (incorporated by reference to Exhibit 10.19 to Amendment No. 1 to the Registrant's Registration Statement on Form S-1/A (File No. 333-193522) filed on March 13, 2014)*
10.6	First Amendment to Energous Corporation 2013 Equity Incentive Plan (incorporated by reference to Exhibit 10.20 to Amendment No. 1 to the Registrant's Registration Statement on Form S-1/A (File No. 333-193522) filed on March 13, 2014)*
10.7	2014 Non-Employee Equity Compensation Plan (incorporated by reference to Exhibit 10.21 to Amendment No. 1 to the Registrant's Registration Statement on Form S-1/A (File No. 333-193522) filed on March 13, 2014)*
10.8	Form of stock option award under 2014 Non-Employee Equity Compensation Plan (incorporated by reference to Exhibit 10.22 to Amendment No. 2 to the Registrant's Registration Statement on Form S-1/A (File No. 333-193522) filed on March 21, 2014)*

10.9	Offer Letter effective as of July 14, 2014 between Energous Corporation and Cesar Johnston (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed on November 10, 2014)*
10.10	Consulting Agreement effective as of July 14, 2014 between Energous Corporation and Howard Yeaton (incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q filed on November 10, 2014)*
10.11	Form of Restricted Stock Unit Award Agreement effective as of August 14, 2014 between Energous Corporation and Cesar Johnston (incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q filed on November 10, 2014)*
10.12	Lease Agreement dated as of September 10, 2014 between the Company and Balzer Family Investments, L.P. (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on September 16, 2014)
10.13	Form of Restricted Stock Unit Award Agreement under 2013 Omnibus Equity Incentive Plan (incorporated by reference to Exhibit 10.21 to the Registrant's Annual Report on Form 10-K filed on March 30, 2015)*
10.14	Form of Inducement Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.22 to the Registrant's Annual Report on Form 10-K filed on March 30, 2015)*
10.15	Amended and Restated Executive Employment Agreement dated as of April 3, 2015 between the Company and Stephen R. Rizzone (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on April 9, 2015)*
10.16	Energous Corporation Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on May 22, 2015)*
10.17	Energous Corporation 2015 Performance Unit Share Plan (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on May 22, 2015)*
10.18	Amendment No. 1 to Energous Corporation 2015 Performance Unit Share Plan (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed on May 22, 2015)*
10.19	Energous Corporation Director Compensation Policy (incorporated by reference to Exhibit 10.4 to the Registrant's Quarterly Report on Form 10-Q filed on August 13, 2015)*
10.20	Brian Sereda Offer Letter (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on July 14, 2015)*
10.21	Non-Employee Director Compensation Policy, dated December 17, 2015 (incorporated by reference to Exhibit 10.21 to Registrant's Annual Report on Form 10-K filed on March 15, 2016)
10.22	Securities Purchase Agreement between the Company and Ascend Legend Master Fund, Ltd., dated August 9, 2016 +
10.23	Amendment No. 1 to Securities Purchase Agreement between the Company and Ascend Legend Master Fund, Ltd., dated August 12, 2016 +**
10.24	Strategic Alliance Agreement between the Company and Dialog Semiconductor (UK) Ltd., dated November 6, 2016 + **
10.25	Securities Purchase Agreement between the Company and Dialog Semiconductor (UK) Ltd., dated November 6, 2016 +
21.1	Subsidiaries of the Registrant +
23.1	Consent of Marcum LLP +
24.1	Power of Attorney (included on signature page) +
31.1	Certification Pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934 +
31.2	Certification Pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934 +
32.1	Certification Pursuant to 18 U.S.C Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 +
101.INS	XBRL Instance Document +
101.SCH	XBRL Taxonomy Schema +
101.CAL	XBRL Taxonomy Extension Calculation Linkbase +

101.DEF	XBRL Taxonomy Extension Definition Linkbase +
101.LAB	XBRL Taxonomy Extension Label Linkbase +
101.PRE	XBRL Taxonomy Extension Presentation Linkbase +

---

* Indicates a management contract or any compensatory plan, contract or arrangement.

\+ Filed herewith.

** Registrant has omitted portions of the referenced exhibit and submitted such exhibit separately with a request for confidential treatment under Rule 24b-2 promulgated under the Exchange Act.

Exhibit 10.22

SECURITIES PURCHASE AGREEMENT

THIS SECURITIES PURCHASE AGREEMENT (the "**Agreement**"), is dated as of August 9, 2016, by and among Energous Corporation, a Delaware corporation (the "**Company**") and Ascend Legend Master Fund, Ltd., an exempted company formed under the laws of the Cayman Islands (the "**Investor**").

BACKGROUND

A. The Company and the Investor are executing and delivering this Agreement in reliance upon the exemption from registration afforded by Section 4(a)(2) of the Securities Act of 1933, as amended (the "**Securities Act**"), and/or Rule 506 of Regulation D ("**Regulation D**") as promulgated by the United States Securities and Exchange Commission (the "**SEC**") under the Securities Act.

B. The Investor wishes to purchase, and the Company wishes to sell and issue to the Investor, upon the terms and subject to the conditions stated in this Agreement, (i) an aggregate of up to 1,618,123 shares of the Common Stock at a purchase price of $12.36 per share (as adjusted by any stock split, dividend or other distribution, recapitalization or similar event, the "**Shares**") and (ii) warrants to purchase an aggregate of up to 1,618,123 shares (subject to adjustment as described in the Warrants) of Common Stock (the "**Warrants**") in the form attached hereto as Exhibit B, which Warrants shall be exercisable at any time on or after date which is six months and one day after the date hereof and have an exercise price equal to $23.00 per share (subject to adjustment as described Warrants) ("**Exercise Price**") and a term of exercise of five (5) years from and after the Closing (as defined below).

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained in this Agreement, and for other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the Company and the Investor agree as follows:

ARTICLE I
DEFINITIONS

1 . 1 Definitions. In addition to the terms defined elsewhere in this Agreement, the following terms have the meanings indicated:

"**Affiliate**" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 144 under the Securities Act.

"**Agreement**" has the meaning set forth in the Preamble.

"**Applicable Law**" collectively means any and all laws, rules, regulations, and governmental, judicial or administrative decrees, orders and decisions that are applicable to the Company or any of its Subsidiaries, this Agreement, the other Transaction Documents, including the U.S. Gramm-Leach-Bliley Act of 1999, as amended, and the regulations promulgated under such Act, the U.S. Fair Credit Reporting Act of 1970, as amended, or any regulations or guidelines promulgated under such Act, the U.S. Bank Secrecy Act, orders and guidelines of the Office of Foreign Assets Control and the USA Patriot Act, and any other applicable data protection, privacy, consumer protection or confidentiality laws or regulations (including the rules and regulations of any self-regulatory organization to which the Company or its securities are subject, including The Nasdaq Stock Market or comparable securities trading market).

"**Board**" has the meaning set forth in Section 2.2.

"**Business Day**" means any day other than Saturday, Sunday or other day on which commercial banks in The City of New York are authorized or required by Applicable Law to remain closed.

"**Change of Control of the Company**" means a change in ownership or control of the Company effected through any of the following transactions: (a) a merger, consolidation or other reorganization approved by the Company's stockholders, unless securities representing more than fifty percent (50%) of the total combined voting power of the voting securities of the successor corporation are immediately thereafter beneficially owned, directly or indirectly and in substantially the same proportion, by the Persons who beneficially owned the Company's outstanding voting securities immediately prior to such transaction; (b) a stockholder-approved sale, transfer or other disposition of all or substantially all of the Company's assets; or (c) the closing of any transaction or series of transactions to which any Person or any group of Persons comprising a "group" within the meaning of Rule 13d-5(b)(1) of the Exchange Act becomes directly or indirectly the beneficial owner (within the meaning of Rule 13d-3 or the Exchange Act) of securities possessing (or convertible into or exercisable for securities possessing) more than fifty percent (50%) of the total combined voting power of the Company's securities (as measured in terms of the power to vote with respect to the election of Board members) outstanding immediately after the consummation of such transaction or series of transactions, whether such transaction involves a directly issuance from the Company or the acquisition of outstanding securities held by one or more of the Company's existing stockholders.

"**Closing**" means the closing of the purchase and sale of the Securities pursuant to Section 2.1.

"**Closing Date**" means the date and time of the Closing and shall be on such date and time as is mutually agreed to by the Company and the Investor.

"**Common Stock**" means the common stock of the Company, par value $0.00001 per share.

"**Company**" has the meaning set forth in the Preamble.

"**Company Plans**" has the meaning set forth in Section 3.1(k).

"**Disclosure Letter**" has the meaning set forth in the lead-in paragraph to Article III.

"**Disclosure Materials**" has the meaning set forth in Section 3.1(h).

"**Effectiveness Period**" has the meaning set forth in Section 6.1(b).

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

"**Exercise Price**" has the meaning set forth in the Background.

"**GAAP**" has the meaning set forth in Section 3.1(h).

"**Indemnified Party**" has the meaning set forth in Section 6.4(c).

"**Indemnifying Party**" has the meaning set forth in Section 6.4(c).

"**Insolvent**" has the meaning set forth in Section 3.1(i).

"**Investor**" has the meaning set forth in the Preamble.

"Investor Controlled Entity" shall mean an entity of which the Investor collectively owns or controls, directly or indirectly, not less than a majority of the outstanding voting power entitled to vote in the election of directors of such entity (or, in the event the entity is not a corporation, the governing members, board or other similar body of such entity).

"**Lien**" means, with respect to any asset, any pledge, lien, collateral assignment, security interest, encumbrance, right of first refusal, mortgage, deed of trust, title retention, conditional sale or other security arrangement, or adverse claim of title.

"**Losses**" means any and all losses, claims, damages, liabilities, settlement costs and expenses, including, without limitation, reasonable attorneys' fees.

"**Material Adverse Effect**" means (i) a material adverse effect on the legality, validity, or enforceability of any of the Transaction Documents, (ii) a material adverse effect on the results of operations, assets, business or financial condition of the Company and the Subsidiaries, taken as a whole on a consolidated basis, or (iii) a material adverse effect on the Company's ability to perform on a timely basis its obligations under any of the Transaction Documents.

"**Material Permits**" has the meaning set forth in Section 3.1(m).

"**Non-Voting Convertible Securities**" means any securities of the Company that are convertible into, exchangeable for or otherwise exercisable to acquire Voting Stock of the Company, including convertible securities, warrants, rights or options to purchase Voting Stock of the Company.

"**Person**" means any individual, corporation, limited liability company, partnership, joint venture, trust, incorporated or unincorporated association, joint stock company, unincorporated organization, a government or any department, subdivision or agency thereof, or other entity of any kind.

"**Preferred Stock**" means the preferred stock of the Company, par value $0.00001 per share.

"**Proceeding**" means an action, claim, suit, investigation or proceeding (including, without limitation, or a partial proceeding, such as a deposition), whether commenced or threatened in writing.

"**Prospectus**" means the prospectus included in a Registration Statement (including, without limitation, a prospectus that includes any information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A promulgated under the Securities Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Securities covered by a Registration Statement, and all other amendments and supplements to the Prospectus including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

"**Purchase Price**" has the meaning set forth in Section 2.1.

"**Registrable Securities**" means the Shares and the Warrant Shares issued or issuable pursuant to the Transaction Documents, together with any securities issued or issuable upon any stock split, dividend or other distribution, recapitalization or similar event with respect to the foregoing.

"**Registration Statement**" means each registration statement filed under Article VI, including (in each case) the Prospectus, amendments and supplements to such registration statement or Prospectus, including pre- and post-effective amendments, all exhibits thereto, and all material incorporated by reference or deemed to be incorporated by reference in such registration statement.

"**Regulation D**" has the meaning set forth in the Background.

"**Rule 144**," "**Rule 144(c)**," "**Rule 415**," and "**Rule 424**" means Rule 144, Rule 144(c), Rule 415 and Rule 424, respectively, promulgated by the SEC pursuant to the Securities Act, as such Rules may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC having substantially the same effect as such Rule.

"**SEC**" has the meaning set forth in the Background.

"**SEC Reports**" has the meaning set forth in Section 3.1(h).

"**Securities**" means, collectively, the Shares purchased hereunder, the Warrants and the Warrant Shares.

"**Securities Act**" has the meaning set forth in the Background.

"**Shares**" has the meaning set forth in the Background.

"**Subsidiary**" means any direct or indirect subsidiary of the Company.

"**Total Current Voting Power**" shall mean, with respect to any entity, at the time of determination of Total Current Voting Power, the total number of votes which may be cast in the election of members of the board of directors of the corporation if all securities entitled to vote in the election of such directors are present and voted (or, in the event the entity is not a corporation, the governing members, board or other similar body of such entity).

"**Trading Day**" means (a) any day on which the Securities are listed or quoted and traded on The Nasdaq Stock Market or comparable securities trading market, or (b) if trading ceases to occur on any such market, any Business Day.

"**Transaction Documents**" means this Agreement, the schedules and exhibits attached hereto, and the Warrants.

"**Transfer Agent**" means Wells Fargo or any successor transfer agent for the Company.

"**Voting Period**" has the meaning set forth in Section 4.7.

"**Voting Stock**" means shares of Common Stock and any other securities of the Company having the ordinary power to vote in the election of members of the Board.

"**Warrants**" has the meaning set forth in the Background.

"**Warrant Shares**" means the shares of Common Stock to be issued upon exercise of the Warrants (as adjusted by any stock split, dividend or other distribution, recapitalization or similar event).

"**13D Group**" means any group of Persons that would be required under Section 13(d) of the Exchange Act, and the rules and regulations promulgated thereunder, to file a statement on Schedule 13D or Schedule 13G with the SEC as a "person" within the meaning of Section 13(d)(3) of the Exchange Act if such group beneficially owned Voting Stock representing more than 5% of any class of Voting Stock then outstanding.

ARTICLE II
PURCHASE AND SALE

2.1 Purchase and Sale of the Shares and Warrants. Subject to the terms and conditions of this Agreement, the Investor hereby agrees to purchase, and the Company hereby agrees to sell and issue to the Investor, the Shares and Warrants as set forth opposite the Investor's name on Exhibit A for the aggregate purchase price (the "**Purchase Price**") set forth opposite the Investor's name on Exhibit A.

2.2 Closing.

(a) At the Closing, the Company shall deliver to the Investor (i) the Shares and Warrants, registered in the name of the Investor as indicated on Exhibit A and (ii) a certificate, in the form set forth on Exhibit C, executed by the secretary of the Company and dated as of the Closing Date, as to the Certificate of Incorporation, by-laws, foreign qualification, incumbency of the Company's officers and good standing of the Company and the resolutions adopted by the Company's Board of Directors (the "**Board**") authorizing the transactions contemplated by the Transaction Documents.

(b) At the Closing, the Investor shall deliver to the Company the Purchase Price to the Company by wire transfer of immediately available funds to an account specified by the Company in writing.

ARTICLE III
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Company. Except as disclosed in the SEC Reports filed since March 27, 2014 (but excluding all disclosures contained in the exhibits to such SEC Reports and the schedules to such exhibits, excluding the "Risk Factors" section contained in such SEC Reports, and excluding forward-looking statements identifying risks and uncertainties that are not historical facts contained in such SEC Reports) or the Disclosure Letter delivered by the Company to the Investor concurrently with the execution hereof (the "**Disclosure Letter**"), the Company hereby represents and warrants to the Investor as follows:

(a) Subsidiaries. The Company has no Subsidiaries other than those listed on Section 3.1(a) of the Disclosure Letter. Except as disclosed in Section 3.1(a) of the Disclosure Letter, the Company owns, directly or indirectly, all of the capital stock or comparable equity interests of each Subsidiary free and clear of any Lien and all the issued and outstanding shares of capital stock or comparable equity interest of each Subsidiary are validly issued and are fully paid, non-assessable and free of preemptive and similar rights.

(b) Organization and Qualification. Each of the Company and its Subsidiaries is an entity duly organized, validly existing and in good standing under the Applicable Laws of the jurisdiction of its incorporation or organization (as applicable), with the requisite legal authority to own or lease and use its properties and assets and to carry on its business as currently conducted. Neither the Company nor any Subsidiary is in violation of any of the provisions of its respective certificate or articles of incorporation or by-laws or other organizational or charter documents. Each of the Company and its Subsidiaries is duly qualified to do business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, has not had and would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(c) Authorization; Enforcement. The Company has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by each of the Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of each of the Transaction Documents by the Company and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action on the part of the Company and no further consent or action is required by the Company, its officers, the Board or its stockholders. The issuance of the Shares, the Warrants and the Warrant Shares do not require the approval of the stockholders of the Company. Each of the Transaction Documents has been (or upon delivery will be) duly executed by the Company and is, or when delivered in accordance with the terms hereof, will constitute, the valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as may be limited by (i) applicable bankruptcy, insolvency, reorganization or other Applicable Laws of general application relating to or affecting the enforcement of creditors rights generally; and (ii) the effect of rules of law governing the availability of specific performance and other equitable remedies.

(d) No Conflicts. The execution, delivery and performance by the Company of the Transaction Documents and the consummation by the Company of the transactions contemplated hereby and thereby do not and will not (i) conflict with or violate any provision of the Company's or any Subsidiary's certificate or articles of incorporation, by-laws or other organizational or charter documents; (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any agreement, credit facility, debt or other instrument (evidencing a Company or Subsidiary debt or otherwise) to which the Company or any Subsidiary is a party or by which any property or asset of the Company or any Subsidiary is bound or affected; or (iii) result in a violation of any Applicable Law, except, in the case of clause (ii) or (iii), to the extent that such conflict or violation has not had and would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(e) Filings, Consents and Approvals. The Company is not required to obtain any consent, waiver, authorization or order of, give notice to, or make any filing or registration with, any court or other federal, state, local or other governmental authority or other Person in connection with the execution, delivery and performance by the Company of the Transaction Documents or the consummation of the transactions contemplated hereby and thereby, other than (i) the filings required to comply with the Company's registration obligations hereunder, (ii) the application(s) to The Nasdaq Stock Market for the listing of the shares of Common Stock purchased pursuant to this Agreement and the Warrant Shares for trading thereon in the time and manner required thereby, and (iii) filings required under applicable U.S. federal and state securities laws.

(f) The Securities. The Securities are duly authorized and, when issued and paid for in accordance with the Transaction Documents, will be duly and validly issued, fully paid and nonassessable, free and clear of all Liens and will not be subject to preemptive rights, rights of first refusal, or similar rights of stockholders. The Company has reserved from its duly authorized capital stock the maximum number of shares of Common Stock issuable pursuant to this Agreement and upon exercise of the Warrants.

(g) Capitalization. As of August 9, 2016, the aggregate number of shares and type of all authorized, issued and outstanding classes of capital stock, options and other securities of the Company (whether or not presently convertible into or exercisable or exchangeable for shares of capital stock of the Company) consists of (i) 50,000,000 authorized shares of Common Stock, with 17,043,703 shares of Common Stock outstanding; (ii) 10,000,000 shares of Preferred Stock, none of which are outstanding; (iii) 24,785,395 shares of Common Stock, on a diluted basis, reserved for issuance upon the exercise of outstanding warrants; and (iv) 4,037,888 shares of Common Stock, reserved for issuance upon the exercise of outstanding employee stock options and/or restricted stock units. Since August 9, 2016, the Company has not issued or granted, as applicable, any capital stock, options or other securities of the Company (whether or not presently convertible into or exercisable or exchangeable for shares of capital stock of the Company). All outstanding shares of capital stock are duly authorized, validly issued, fully paid and nonassessable and have been issued in compliance with all applicable securities laws and regulations. Except as disclosed in this Section 3.1(g) or in Section 3.1(g) of the Disclosure Letter, the Company does not have outstanding any other options, warrants, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities, rights or obligations convertible into or exercisable or exchangeable for, or entered into any agreement giving any Person any right to subscribe for or acquire, any shares of Preferred Stock or Common Stock, or securities or rights convertible or exchangeable into shares of Preferred Stock or Common Stock. There are no anti-dilution or price adjustment provisions contained in any security issued by the Company (or in any agreement providing rights to security holders) and the issuance and sale of the Securities will not obligate the Company to issue shares of Common Stock or other securities to any Person (other than the Investor) and will not result in a right of any holder of securities to adjust the exercise, conversion, exchange or reset price under such securities. To the knowledge of the Company, based solely on an examination of Schedules 13D and Schedules 13G on file with the SEC, except pursuant to this Agreement, no Person or group of related Persons beneficially owns (as determined pursuant to Rule 13d-3 under the Exchange Act) or has the right to acquire, by agreement with or by obligation binding upon the Company, beneficial ownership of in excess of five percent (5%) of the outstanding Common Stock.

(h) SEC Reports; Financial Statements. The Company has filed all reports required to be filed by it under the Securities Act and the Exchange Act since March 27, 2014, including pursuant to Sections 13(a) or 15(d) of the Exchange Act, or has received a valid extension of such time of filing and has filed any such SEC Reports prior to the expiration of any such extension. Such reports required to be filed by the Company under the Securities Act and the Exchange Act, including pursuant to Section 13(a) or 15(d) of the Exchange Act, together with any materials filed or furnished by the Company under the Securities Act and the Exchange Act, whether or not any such reports were required being collectively referred to herein as the "**SEC Reports**" and, together with this Agreement and the Disclosure Letter, the "**Disclosure Materials**". As of their respective dates, the SEC Reports filed by the Company complied in all material respects with the requirements of the Securities Act and the Exchange Act, as applicable, and the rules and regulations of the SEC promulgated thereunder, and none of the SEC Reports, when filed by the Company, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The financial statements of the Company included in the SEC Reports comply in all material respects with applicable accounting requirements and the rules and regulations of the SEC with respect thereto as in effect at the time of filing. Such financial statements have been prepared in accordance with United States generally accepted accounting principles applied on a consistent basis during the periods involved ("**GAAP**"), except as may be otherwise specified in such financial statements or the notes thereto and except that unaudited financial statements may not contain all footnotes required by GAAP, and fairly present in all material respects the consolidated financial position of the Company and its consolidated Subsidiaries taken as a whole as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, immaterial, year-end audit adjustments. All material agreements to which the Company or any Subsidiary is a party or to which the property or assets of the Company or any Subsidiary are subject that are required to be filed with the SEC or identified on the SEC Reports are included as part of or identified in the SEC Reports. The Company is eligible to use Form S-3 to register the resale of the Registrable Securities. The Company has not received any comments from the SEC or the staff of the SEC Division of Corporation Finance on the Company's SEC Reports (or any Company filings with the SEC during the years ended December 31, 2014 and 2015) that remain unresolved.

(i) No Change. Except as otherwise disclosed in the SEC Reports, since March 27, 2014, (A) there has been no event, occurrence or development that, individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect, (B) the Company has not incurred any liabilities (contingent or otherwise) other than those arising from operations in the ordinary course of business consistent with past practice, and (C) the Company has not declared or made any dividend or distribution of cash or other property to its stockholders, or purchased, redeemed, or made any agreements to purchase or redeem any shares of its capital stock other than pursuant to the Company's stock repurchase plan described in the SEC Reports. The Company has not taken any steps to seek protection pursuant to any bankruptcy law nor does the Company believe that its creditors intend to initiate involuntary bankruptcy Proceedings or have any actual knowledge of any fact which would reasonably lead a creditor to do so. The Company is not Insolvent (as hereinafter defined) as of the date hereof, and will not be Insolvent after giving effect to the transactions contemplated hereby to occur at the applicable Closing. For purposes of this Section 3.1(i), "**Insolvent**" means (i) the present fair saleable value of the Company's assets is less than the amount required to pay the Company's total indebtedness, (ii) the Company is unable to pay its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured or (iii) the Company has unreasonably small capital with which to conduct the business in which it is engaged as such business is now conducted and is proposed to be conducted.

(j) Litigation. Except as disclosed in Section 3.1(j) of the Disclosure Letter or the SEC Reports, there is no Proceeding pending or, to the knowledge of the Company, threatened against the Company or any Subsidiary or any of its properties that has or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Neither the Company, nor, to the knowledge of the Company, any director or officer thereof, is or has been the subject of any Proceeding involving a claim of violation of or liability under federal or state securities laws or a claim of breach of fiduciary duty. There has not been, and to the knowledge of the Company, there is not pending or contemplated, any investigation involving the Company or, to the knowledge of the Company, any current or former director or officer of the Company. Except as disclosed in the Disclosure Letter, neither the Company nor any Subsidiary is a party or subject to the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality that has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. There is no Proceeding by the Company or any Subsidiary currently pending or which the Company or any Subsidiary intends to initiate that would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Since March 27, 2014, (i) the Common Stock has been designated for quotation on The Nasdaq Stock Market, (ii) trading in the Common Stock has not been suspended by the SEC or The Nasdaq Stock Market and (iii) the Company has received no communication, written or oral, from the SEC or The Nasdaq Stock Market regarding the suspension or delisting of the Common Stock.

(k) Key Employees. There are no currently effective employment contracts, offer letters containing economic terms, consulting agreements, deferred compensation arrangements, bonus plans, incentive plans, profit sharing plans, retirement agreements or other employee compensation plans or agreements ("**Company Plans**") containing terms and conditions that would result in the material payment to any employee or former employee of the Company or any of its Subsidiaries of any material money or other property or the acceleration, vesting or provision of any other material rights or benefits to any employee or former employee of the Company or any of its Subsidiaries by virtue of the issuance of the Securities pursuant to this Agreement (either alone or upon the occurrence of any other event).

(l) Registration Rights and Voting Rights. Except as required pursuant to Article VI of this Agreement, the Company is presently not under any obligation, and has not granted any rights, to register any of the Company's presently outstanding securities or any of its securities that may hereafter be issued that have not expired or been satisfied. To the knowledge of the Company, no stockholder of the Company has entered into any agreement with respect to the voting of equity securities of the Company.

(m) Compliance with Laws; Permits. Neither the Company nor any of its Subsidiaries is, or since March 27, 2014 has been, in violation of any Applicable Law in respect of the conduct of its business or the ownership of its properties, which violation has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. The Company and its Subsidiaries possess all certificates, authorizations and permits issued by the appropriate federal, state, local or foreign regulatory authorities necessary to conduct their respective businesses as described in the SEC Reports ("**Material Permits**"), except where the failure to possess such permits has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, and neither the Company nor any Subsidiary has received any notice of Proceedings relating to the revocation or modification of any Material Permit, the revocation or modification of which has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(n) Offering Valid. Assuming the accuracy of the representations and warranties of the Investor contained in Section 3.2 hereof, the offer, sale and issuance of the Common Stock, the Warrants, and the Warrant Shares will be exempt from the registration requirements of the Securities Act, and will have been registered or qualified (or are exempt from registration and qualification) under the registration, permit or qualification requirements of all applicable state securities laws.

(o) Private Placement. Neither the Company, nor any of its Affiliates, nor any Person acting on its or their behalf, has engaged in any form of general solicitation or general advertising (within the meaning of Regulation D) in connection with the offer or sale of the Securities. Neither the Company nor any of its Affiliates nor, any Person acting on the Company's behalf has, directly or indirectly, at any time within the past six months, made any offer or sale of any security or solicitation of any offer to buy any security under circumstances that would (i) eliminate the availability of the exemption from registration under Regulation D in connection with the offer and sale by the Company of the Securities as contemplated hereby or (ii) cause the offering of the Securities pursuant to the Transaction Documents to be integrated with prior offerings by the Company for purposes of any Applicable Law or stockholder approval provisions, including, without limitation, under the rules and regulations of The Nasdaq Stock Market in a manner which would require any stockholder approval.

(p) Transfer Taxes. On the Closing Date, all stock transfer or other taxes (other than income taxes) required to be paid in connection with the sale and transfer of the shares of Common Stock to be sold to the Investor hereunder will be, or will have been, fully paid or provided for by the Company, and all Applicable Laws imposing such taxes will be or will have been complied with fully.

(q) Placement Agent's Fees. The Company has not employed any broker, investment banker, finder or other Person in a similar capacity and has not incurred any liability for any financial advisory fees, brokerage fees, commissions or finder's fees, and no broker, investment banker, finder or other Person in a similar capacity has acted, directly or indirectly, for the Company or any of its Subsidiaries, in connection with this Agreement or the transactions contemplated hereby. The Company shall pay, and hold the Investor harmless against, any liability, loss or expense (including, without limitation, reasonable attorney's fees and out-of-pocket expenses) arising in connection with any such claim for fees arising out of the issuance of the Securities pursuant to this Agreement and the Transaction Documents.

(r) Application of Takeover Protections. Except as described in Section 3.1(r) of the Disclosure Letter, there is no control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or other similar anti-takeover provision under the Company's charter documents or the Applicable Laws of its state of incorporation or otherwise, that is or could become applicable to the Investor as a result of the Investor and the Company fulfilling their obligations or exercising their rights under the Transaction Documents, including, without limitation, as a result of the Company's issuance of the Securities (including the issuance of the Warrant Shares) and the Investor's ownership of the Securities.

3.2 Representations, Warranties and Covenants of the Investor. The Investor hereby represents and warrants to the Company as follows:

(a) Organization; Authority. The Investor is an entity duly organized, validly existing and in good standing under the Applicable Laws of the jurisdiction of its organization with the requisite corporate, partnership or other power and authority to enter into and to consummate the transactions contemplated by the Transaction Documents and otherwise to carry out its obligations thereunder. The purchase by the Investor of the Securities hereunder has been duly authorized by all necessary corporate, partnership or other action on the part of the Investor. This Agreement has been duly executed and delivered by the Investor and constitutes the valid and binding obligation of the Investor, enforceable against it in accordance with its terms, except as may be limited by (i) applicable bankruptcy, insolvency, reorganization or other Applicable Laws of general application relating to or affecting the enforcement of creditors rights generally, and (ii) the effect of rules of law governing the availability of specific performance and other equitable remedies. The Investor is not required to obtain any consent, waiver, authorization or order of, give notice to, or make any filing or registration with, any court or other federal, state, local or other governmental authority or other Person in connection with the execution, delivery and performance by the Investor of the Transaction Documents or the consummation of the transactions contemplated hereby and thereby, other than filings required under applicable U.S. federal and state securities laws.

(b) No Public Sale or Distribution. The Investor is (i) acquiring the Common Stock and the Warrants and (ii) upon exercise of the Warrants will acquire the Warrant Shares issuable upon exercise thereof, not with a view towards, or for resale in connection with, the public sale or distribution thereof, except pursuant to sales registered under the Securities Act or under an exemption from such registration and in compliance with applicable federal and state securities laws, and the Investor does not have a present arrangement to effect any distribution of the Securities to or through any person or entity; provided, however, that by making the representations herein, the Investor does not agree to hold any of the Securities for any minimum or other specific term and reserves the right to dispose of the Securities at any time in accordance with or pursuant to a registration statement or an exemption under the Securities Act.

(c) Investor Status. At the time the Investor was offered the Securities, it was, and at the date hereof it is, an "accredited investor" as defined in Rule 501(a) under the Securities Act or a "qualified institutional buyer" as defined in Rule 144A(a) under the Securities Act.

(d) Experience of the Investor. The Investor, either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Securities, and has so evaluated the merits and risks of such investment. The Investor understands that it must bear the economic risk of this investment in the Securities, and is able to bear such risk and is able to afford a complete loss of such investment.

(e) Access to Information. The Investor acknowledges that it has had access to the Disclosure Materials and information about the Company and the Subsidiaries and their respective financial condition, results of operations, business, properties, management and prospects sufficient to enable it to evaluate its investment. No information, inquiry, or investigation conducted by or on behalf of the Investor or its representatives or counsel shall modify, amend or affect the Investor's right to rely on the truth, accuracy and completeness of the Disclosure Materials and the Company's representations and warranties contained in the Transaction Documents.

(f) Restricted Securities. The Investor understands that the Securities are characterized as "restricted securities" under the U.S. federal securities laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such securities may be resold without registration under the Securities Act only in certain limited circumstances. The Investor has been advised or is aware that it may be deemed to be an "affiliate" of the Company within the meaning of the Securities Act following the execution of this Agreement.

(g) Placement Agent's Fees. The Investor has not employed any broker, investment banker, finder or other Person in a similar capacity or incurred any liability for any financial advisory fees, brokerage fees, commissions or finder's fees, and no broker, investment banker, finder or other Person in a similar capacity has acted, directly or indirectly, for the Company or any of its Subsidiaries, in connection with this Agreement or the transactions contemplated hereby. The Investor shall pay, and hold the Company harmless against, any liability, loss or expense (including, without limitation, reasonable attorney's fees and out-of-pocket expenses) arising in connection with any such claim for any such fees described in the preceding sentence arising out of the purchase of the Securities pursuant to this Agreement.

(h) Litigation. There is no Proceeding pending or, to the Investor's knowledge, threatened against the Investor or any subsidiary or any of its properties which in any manner challenge or seek to prevent, enjoin, alter or materially delay the transactions contemplated by this Agreement.

(i) No Ownership of Company Securities. Except as set in disclosure provided to the Company, as of the date of this Agreement, neither the Investor, nor any Investor Controlled Entity, Affiliate of the Investor (other than any officer or director of the Investor) or any 13D Group of which the Investor or any of its Affiliates is a member, beneficially owns any shares of Common Stock, or any other equity securities of the Company, or any options, warrants or other rights to acquire equity securities of the Company or any other securities convertible into equity securities of the Company. Except as set in disclosure provided to the Company, since March 27, 2014, neither the Investor, nor any Investor Controlled Entity, Affiliate of the Investor (other than any officer or director of the Investor) or any 13D Group of which the Investor or any of its Affiliates is a member, has purchased, sold, transferred, made any short sale of, granted any option for the purchase of, or entered into any hedging or similar transaction with the same economic effect as a sale of, any equity securities or any options, warrants or other rights to acquire equity securities of the Company.

ARTICLE IV
OTHER AGREEMENTS OF THE PARTIES

4.1 Transfer Restrictions.

(a) The Investor covenants that the Securities will only be disposed of pursuant to an effective registration statement under, and in compliance with the requirements of, the Securities Act, to the Company or pursuant to an available exemption from the registration requirements of the Securities Act, and in compliance with any applicable state securities laws. In connection with any transfer of Securities other than pursuant to an effective registration statement or to the Company, the Company may require the transferor to provide to the Company an opinion of counsel selected by the transferor, the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration under the Securities Act. Notwithstanding the foregoing, the Company hereby consents to and agrees to register on the books of the Company and with its Transfer Agent, without any such legal opinion, except to the extent that the Transfer Agent requests such legal opinion, any transfer of Securities by the Investor to an Affiliate of the Investor (including an individual retirement account related thereto), provided that (i) the transferee certifies to the Company that it is an "accredited investor," as defined in Rule 501(a) under the Securities Act and (ii) the transferee agrees in writing to be subject to the terms and conditions of this Agreement.

(b) The Investor agrees to the imprinting, so long as is required by this Section 4.1(b), of the following legends on any certificate evidencing any of the Securities:

THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE " **SECURITIES ACT**"), OR ANY APPLICABLE STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS OR BLUE SKY LAWS.

THESE SECURITIES ARE SUBJECT TO TRANSFER RESTRICTIONS AS SET FORTH IN A CERTAIN SECURITIES PURCHASE AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE ISSUER.

Certificates evidencing Securities shall not be required to contain the legends set forth above (i) following any sale of such Securities pursuant to a Registration Statement covering the resale of the Securities is effective under the Securities Act; (ii) following any sale of such Securities pursuant to Rule 144 if the holder provides the Company with a legal opinion reasonably acceptable to the Company to the effect that the Securities have been sold under Rule 144; (iii) if the Securities are eligible for sale under Rule 144(b)(1); or (iv) if the holder provides the Company with a legal opinion reasonably acceptable to the Company to the effect that the legend is not required under applicable requirements of the Securities Act (including controlling judicial interpretations and pronouncements issued by the staff of the SEC). The Company may not make any notation on its records or give instructions to the Transfer Agent that enlarge the restrictions on transfer set forth in this Section 4.1(b) unless required by Applicable Law. Notwithstanding anything to the contrary in any of the Transaction Documents, the Securities may be pledged in connection with a bona fide margin account or other loan or financing arrangement secured by the Securities and such pledge of Securities shall not be deemed to be a transfer, sale or assignment of the Securities hereunder, and in connection with a pledge of Securities, the question shall not be required to provide the Company with any notice thereof or otherwise make any delivery to the Company pursuant to any provision of this Agreement or any other Transaction Document.

(c) Notwithstanding the foregoing provisions of this Section 4.1, during the Voting Period, Investor agrees that it shall not sell, transfer or dispose of, directly or indirectly, any Securities, other than pursuant to an effective registration statement, pursuant to Rule 144, or to the Company, unless the transferee agrees in writing to be bound by and subject to the terms and conditions of this Agreement.

4.2 Furnishing of Information. During the time a Registration Statement is required to be effective, the Company covenants to timely file (or obtain extensions in respect thereof and file within the applicable grace period) all reports required to be filed by the Company after the date hereof pursuant to the Exchange Act. Upon the request of the Investor, the Company shall deliver to the Investor a written certification of a duly authorized officer as to whether it has complied with the preceding sentence. As long as the Investor owns Securities, if the Company is not required to file reports pursuant to the Exchange Act, it will prepare and furnish to the Investor and make publicly available in accordance with Rule 144(c) such information as is required for the Investor to sell the Securities under Rule 144. The Company further covenants that it will take such further action as the Investor may reasonably request, all to the extent necessary from time to time to enable such Person to sell such Securities without registration under the Securities Act within the limitation of the exemptions provided by Rule 144.

4.3 Integration. The Company shall not, and shall use its commercially reasonably efforts to ensure that no Affiliate thereof shall, sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in Section 2 of the Securities Act) that would be integrated with the offer or sale of the Securities in a manner that would require the registration under the Securities Act of the sale of the Securities to the Investor or that would be integrated with the offer or sale of the Securities such that approval of the stockholders of the Company would be required pursuant to the rules and regulations of The Nasdaq Stock Market or a comparable securities trading market.

4.4 Reservation of Securities. The Company shall maintain a reserve from its duly authorized shares of Common Stock for issuance pursuant to the Transaction Documents in such amount as may be required to fulfill its obligations to issue Warrant Shares under the Transaction Documents. In the event that at any time the then authorized shares of Common Stock are insufficient for the Company to satisfy its obligations to issue such Warrant Shares under the Transaction Documents, the Company shall promptly take such actions as may be required to increase the number of authorized shares.

4.5 Listing of Common Stock. The Company hereby agrees to use best efforts to maintain the listing of the Common Stock on The Nasdaq Stock Market or a comparable securities trading market, and promptly following the Closing (but not later than the 30 day anniversary of the Closing) to list the Shares and Warrant Shares on The Nasdaq Stock Market. The Company further agrees, if the Company applies to have the Common Stock traded on any other securities trading market, it will include in such application the Shares and the Warrant Shares, and will take such other action as is necessary or desirable in the reasonable opinion of the Investor to cause the Shares and Warrant Shares to be listed on such other securities trading market as promptly as possible. The Company will take all action reasonably necessary to continue the listing and trading of its Common Stock on The Nasdaq Stock Market or comparable securities trading market and will comply in all material respects with the Company's reporting, filing and other obligations under the by-laws or rules of such market.

4.6 Anti-Takeover Provisions. If any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or other similar anti-takeover provision under the Company's charter documents or the Applicable Laws of its state of incorporation or otherwise, that is or would reasonably be expected to become applicable to the Investor as a result of the Investor and the Company fulfilling their obligations or exercising their rights under the Transaction Documents, including, without limitation, as a result of the Company's issuance of the Securities and/or Investor's exercise of Warrants and the Investor's ownership of the Securities, shall become applicable to the transactions contemplated by the Transaction Documents, the Company and the Board shall use best efforts to grant such approvals and take such actions as are necessary so that the transactions contemplated by the Transaction Documents may be consummated as promptly as practicable on the terms contemplated hereby and otherwise act to minimize the effects of any such statute or regulation on the transactions contemplated hereby.

4.7 Voting. During the period commencing upon the date hereof and ending five (5) years from and after the Closing (the "***Voting Period***"), each of the Investor, any Investor Controlled Entity, any Affiliate of the Investor (other than any officer or director of the Investor) and any 13D Group of which the Investor or any of its Affiliates is a member shall vote all Common Stock of the Company they hold in each vote of the Company's stockholders in the manner recommended by the Board; provided that this Section 4.7 shall not apply to proposals seeking approvals of the Company's stockholders with respect to amendments to the Company's Certificate of Incorporation or by-laws that directly conflict with the rights of the Investor under this Agreement, or that directly affect the Investor by naming the Investor specifically in such amendment, (ii) if the Company has materially breached any of its representations or warranties hereunder, or (iii) if the Company has breached any of its covenants hereunder without curing such breach within ten days after notice thereof. With respect to votes of the Company's stockholders relating to the election of members of the Board, each of the Investor, any Investor Controlled Entity and any 13D Group of which the Investor or any of its Affiliates is a member shall vote all Common Stock of the Company they hold in favor of individuals recommended by the Board for election to the Board, provided that the provisions of this sentence shall not apply in the event of any fraud or malfeasance by, or any material change in, the senior executive management of the Company. During the Voting Period, the Investor agrees to take such actions as may be reasonably necessary to ensure that any Common Stock held by the Investor, any Investor Controlled Entity, any Affiliate of the Investor (other than any officer or director of the Investor) and any 13D Group of which the Investor or any of its Affiliates is a member are present for any vote of the Company's stockholders for purposes of establishing a quorum with respect to such vote.

4.8 Standstill; Required Sales.

(a) The Investor agrees that during the Voting Period, neither the Investor, nor any Investor Controlled Entity, Affiliate of the Investor (other than any officer or director of the Investor) or any 13D Group of which the Investor or any of its Affiliates is a member shall directly or indirectly:

(i) otherwise act, alone or in concert with others, to seek to control the management, Board or policies of the Company;

(ii) enter into any joint venture, securities lending or option agreement, put or call, guarantee of loans, guarantee of profits or division of losses or profits, contract, arrangement or understanding with any Person with respect to any securities of the Company or any Subsidiary of the Company;

(iii) acquire additional shares of Voting Stock without the consent of the Board, except for the Warrant Shares;

(iv) solicit or participate in the solicitation of proxies with respect to any Voting Stock, or seek to advise or influence any person with respect to the voting of any Voting Stock (other than as otherwise provided or contemplated by this Agreement);

(v) deposit any Voting Stock in a voting trust or, except as otherwise provided or contemplated herein, subject any Voting Stock to any arrangement or agreement with any third party with respect to the voting of such Voting Stock;

(vi) join a 13D Group (other than a group comprising solely of the Investor and its Affiliates) for the purpose of acquiring, holding, voting or disposing of Voting Stock or Non-Voting Convertible Securities;

(viii) take any action which might require the Company to make a public announcement regarding the possibility of a business combination or merger involving the Company or any of its subsidiaries or divisions;

(ix) disclose any intention, plan or arrangement inconsistent with the foregoing;

(x) advise, assist or encourage any other Persons in connection with any of the foregoing; or

(xi) request that the Company (or its respective directors, officers, affiliates, employees or agents), directly or indirectly, amend or waive any provision of this Section 4.8(a) in a manner that may require public disclosure of such a request.

Notwithstanding anything to the contrary in this Agreement, (i) the prohibitions in this Article IV shall not affect the Investor's ability to hold the Shares, the Warrants and the Warrant Shares and (ii) in the event that it shall be publicly announced or disclosed that the Company has entered into an agreement to effect a Change of Control of the Company, that the Company has received an unsolicited offer (determined to be bona fide by the Board in good faith) for a majority of the outstanding shares of capital stock of the Company or for the sale of the Company or substantially all of its assets at any time, the Investor shall be released from compliance with the terms of this Section 4.8(a) for the pendency of such transaction, offer or process.

(b) Intentionally omitted

4.9 Lock-Up. From and after the Closing, the Investor hereby agrees not to (i) sell, transfer or otherwise dispose of, directly or indirectly, any Shares or Warrant Shares or (ii) enter into any swap or other arrangement that transfers to another Person any of the economic consequences of ownership of Shares or Warrant Shares, until the six month anniversary of the closing, except to the Company, in response to a Change of Control (or agreement related to a Change of Control), or a tender or exchange offer for the Common Stock (other than a tender or exchange offer by the Investor, any Investor Controlled Entity, any Affiliate of the Investor or any 13D Group of which the Investor or any of its Affiliates is a member) or as part of a transaction in which all outstanding shares of Common Stock of the Company are converted into or exchanged for other consideration and is approved by the stockholders of the Company. This Section 4.9 shall not, with respect to Securities, apply to (a) bona fide gifts, whether to charitable organizations or otherwise, provided the recipient thereof agrees in writing to be bound by the terms of this Section 4.9, (b) dispositions to any individual retirement account, foundation, trust, partnership, or limited liability company, as the case may be, for the direct or indirect benefit of the Investor and/or the immediate family of the Investor or any Investor Related Entity, provided that such transferee agrees in writing to be bound by the terms of this Section 4.9, (c) transfers as required by law, (d) dispositions by a corporation, partnership or limited liability company to a shareholder, partner or member thereof, provided such shareholder, partner or member agrees in writing to be bound by the terms of this Section 4.9, or (e) any obligations regarding the Securities under any existing pledge, margin account or similar agreement, including, but not limited to, sales and transfers of such Undersigned Shares.

4.10 Press Releases. No later than the Trading Day immediately following the execution of this Agreement, the Company will issue a press release disclosing the transactions contemplated by the Agreement, and the Company shall file a Form 8-K relating to the Transaction Documents. The Company and the Investor shall consult with each other in issuing any subsequent press releases with respect to the transactions contemplated hereby, and the Company and the Investor shall not issue any such subsequent press release or otherwise make any such public statement without the prior consent of the other party, which consent shall not be unreasonably withheld, conditioned or delayed, except if such disclosure is required by Applicable Law, in which case the disclosing party shall if possible promptly provide the other party with prior notice of such public statement or communication.

4.11 Antitrust Filings. If the exercise of the Warrants requires any antitrust filings under Applicable Law, then the Investor and the Company agree to make any such required filings and to cooperate with each other in making any such filings.

ARTICLE V
CONDITIONS PRECEDENT

5.1 Conditions Precedent to the Obligations of the Investor. The obligation of the Investor to acquire Securities at the Closing is subject to the satisfaction or waiver by the Investor, at the Closing, of each of the following conditions:

(a) Representations and Warranties. The representations and warranties of the Company contained herein shall be true and correct in all material respects (other than those representations and warranties that are qualified by materiality or Material Adverse Effect qualifiers, which shall be true and correct in all respects) as of the date when made and as of the Closing as though made on and as of such date.

(b) Performance. The Company shall have performed, satisfied and complied in all material respects with all covenants, agreements and conditions required by the Transaction Documents to be performed, satisfied or complied with by it at or prior to the Closing.

(c) No Stockholder Approval Required. No approval on the part of the stockholders of the Company shall be required in connection with the execution and delivery by the Company of this Agreement and the other Transaction Documents and the consummation of the transactions to be performed by the Company contemplated by the Transaction Documents.

(d) Regulatory Approvals. All material approvals, authorizations and consents of any governmental entity or Person required to consummate the transactions contemplated by this Agreement and the other Transaction Documents (including any such approvals, authorizations and consents under applicable foreign antitrust laws) shall have been obtained and remain in full force and effect, and all statutory waiting periods relating to such approvals, authorizations and consents shall have expired or been terminated.

(e) Qualification Under State Securities Laws. All registrations, qualifications, permits and approvals, if any, required to be obtained prior to the Closing under applicable state securities laws shall have been obtained for the lawful execution, delivery and performance of this Agreement and the other Transaction Documents, including, without limitation, the offer and sale of the Securities.

(f) No Litigation. No litigation, order, writ, injunction, judgment, decree or other claim shall be pending or, to the knowledge of the Investor, threatened that questions the validity of this Agreement or the other Transaction Documents or the right of the Company or the Investor to enter into such agreements or to consummate the transactions contemplated hereby and thereby.

(g) No Violation. No statute, rule, regulation, order, or interpretation shall have been enacted, entered or deemed applicable by any domestic or foreign government or governmental or administrative agency or court which would make the transactions contemplated by the Agreement or the other Transaction Documents illegal.

5 . 2 Conditions Precedent to the Obligations of the Company. The obligation of the Company to sell the Securities at the Closing is subject to the satisfaction or waiver by the Company, at the Closing, of each of the following conditions:

(a) Representations and Warranties. The representations and warranties of the Investor contained herein shall be true and correct in all material respects as of the date when made and as of the Closing Date as though made on and as of such date.

(b) Performance. The Investor shall have performed, satisfied and complied in all material respects with all covenants, agreements and conditions required by this Agreement and the other Transaction Documents to be performed, satisfied or complied with by the Investor at or prior to the Closing.

(c) Regulatory Approvals. All material approvals, authorizations and consents of any governmental entity or Person required to consummate the transactions contemplated by this Agreement and the other Transaction Documents (including any such approvals, authorizations and consents under applicable foreign antitrust laws) shall have been obtained and remain in full force and effect, and all statutory waiting periods relating to such approvals, authorizations and consents shall have expired or been terminated.

(d) Qualification Under State Securities Laws. All registrations, qualifications, permits and approvals, if any, required to be obtained prior to the Closing under applicable state securities laws shall have been obtained for the lawful execution, delivery and performance of this Agreement and the other Transaction Documents, including, without limitation, the offer and sale of the Securities.

(e) No Litigation. No litigation, order, writ, injunction, judgment, decree or other claim shall be pending or, to the knowledge of the Company, threatened that questions the validity of this Agreement or the other Transaction Documents or the right of the Company or the Investor to enter into such agreements or to consummate the transactions contemplated hereby and thereby.

(f) No Violation. No statute, rule, regulation, order, or interpretation shall have been enacted, entered or deemed applicable by any domestic or foreign government or governmental or administrative agency or court which would make the transactions contemplated by this Agreement or the other Transaction Documents illegal.

ARTICLE VI
REGISTRATION RIGHTS

6.1 Registration Statement.

(a) Until such time as the date that all Registrable Securities covered by such Registration Statement have been sold or can be sold publicly under Rule 144 without volume limitation, upon written request by the Investor, the Company shall, as soon as reasonably practicable following Investor's request, prepare and file with the SEC a Registration Statement covering the resale of such portion of the Registrable Securities requested by the Investor for an offering to be made on a continuous basis pursuant to Rule 415. Each Registration Statement shall be on Form S-3 or any successor form thereto (except if the Company is not then eligible to register for resale the Registrable Securities on Form S-3 or any successor form thereto, in which case such registration shall be on another appropriate form in accordance with the Securities Act and the Exchange Act). The Company shall not be obligated to file and have declared effective more than three (3) Registration Statements per year pursuant to this Article VI and each registration hereunder shall include Registrable Securities consisting of not less than 200,000 shares of Common Stock (as adjusted by any stock split, dividend or other distribution, recapitalization or similar event).

(b) The Company shall use its best efforts to cause each Registration Statement to be declared effective by the SEC as promptly as practical after the filing thereof (but in no event sooner than six months after the Closing Date of this Agreement), and, subject to Section 6.1(e), shall use its best efforts to keep each Registration Statement continuously effective under the Securities Act for all Registrable Securities for a period up to the earlier of seventy five (75) days or until the date that all Registrable Securities covered by such Registration Statement have been sold or can be sold publicly under Rule 144 on a single day (the "Effectiveness Period").

(c) The Company shall notify the Investor in writing promptly (and in any event within two (2) Trading Days) after receiving notification from the SEC that a Registration Statement has been declared effective.

(d) The Company may require the Investor to provide such information regarding the Investor as may be required under the Securities Act to effect the registration contemplated hereunder.

(e) If at any time after a Registration Statement has become effective, the Company is engaged in any plan, proposal or agreement with respect to any financing, acquisition, recapitalization, reorganization or other material transaction or development the public disclosure of which would be detrimental to the Company, then the Company may direct that such request be delayed or that use of the Prospectus contained in such Registration Statement be suspended, as applicable, for a period of up to 45 days. The Company will notify the Investor of the delay or suspension. In the case of notice suspending an effective Registration Statement, the Investor will immediately discontinue any sales of Registrable Securities pursuant to such Registration Statement until the Investor has received copies of a supplemented or amended Prospectus or until the Investor is advised in writing by the Company that the then-current Prospectus may be used and has received copies of any additional or supplemental filings that are incorporated or deemed incorporated by reference in such Prospectus. The Company may exercise the rights provided by this Section 6.1(e) for an aggregate of 90 days within any 365-day period.

(f) The Company will use its best efforts to cooperate with the Investor in the disposition of the Registrable Securities covered by a Registration Statement.

6.2 Registration Procedures. In connection with the Company's registration obligations hereunder, the Company shall:

(a) (i) Prepare and file with the SEC such amendments, including post-effective amendments, to each Registration Statement and the Prospectus used in connection therewith as may be necessary to keep each Registration Statement continuously effective, as to the applicable Registrable Securities for the Effectiveness Period and prepare and file with the SEC such additional Registration Statements in order to register for resale under the Securities Act all of the Registrable Securities during the Effectiveness Period; (ii) cause the related Prospectus to be amended or supplemented by any required Prospectus supplement, and as so supplemented or amended to be filed pursuant to Rule 424; (iii) respond as promptly as reasonably practical, to any comments received from the SEC with respect to each Registration Statement or any amendment thereto; and (iv) comply in all material respects with the provisions of the Securities Act and the Exchange Act applicable to the Company with respect to the disposition of all Registrable Securities covered by a Registration Statement during the applicable period in accordance with the intended methods of disposition by the Investor thereof set forth in a Registration Statement as so amended or in such Prospectus as so supplemented.

(b) Notify the Investor as promptly as reasonably practical, and confirm such notice in writing no later than two (2) Trading Days thereafter, of any of the following events: (i) any Registration Statement or any post-effective amendment is declared effective; (ii) the Company becomes aware that the SEC has issued any stop order suspending the effectiveness of any Registration Statement or initiates any Proceedings for that purpose; (iii) the Company receives notice of any suspension of the qualification or exemption from qualification of any Registrable Securities for sale in any jurisdiction, or the initiation or threat of any Proceeding for such purpose; or (iv) the financial statements included in any Registration Statement become ineligible for inclusion therein or any Registration Statement or Prospectus or other document contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(c) Use its best efforts to avoid the issuance of or, if issued, obtain the withdrawal of (i) any order suspending the effectiveness of any Registration Statement, or (ii) any suspension of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any jurisdiction, as soon as possible.

(d) If requested by the Investor, promptly provide the Investor, without charge, at least one conformed copy of each Registration Statement and each amendment thereto, including financial statements and schedules, and all exhibits to the extent requested by the Investor (including those previously furnished or incorporated by reference) promptly after the filing of such documents with the SEC.

(e) Promptly deliver to the Investor, without charge, as many copies of the Prospectus or Prospectuses (including each form of prospectus) and each amendment or supplement thereto as the Investor may reasonably request. The Company hereby consents to the use of such Prospectus and each amendment or supplement thereto by the Investor in connection with the offering and sale of the Registrable Securities covered by such Prospectus and any amendment or supplement thereto to the extent permitted by federal and state securities laws and regulations.

(f) Prior to any public offering of Registrable Securities, use its best efforts to register or qualify or cooperate with the Investor in connection with the registration or qualification (or exemption from such registration or qualification) of such Registrable Securities for offer and sale under the securities or Blue Sky laws of such jurisdictions within the United States as the Investor requests in writing, to keep each such registration or qualification (or exemption therefrom) effective for so long as required, but not to exceed the duration of the Effectiveness Period, and to do any and all other acts or things reasonably necessary or advisable to enable the disposition in such jurisdictions of the Registrable Securities covered by a Registration Statement; provided, however, that the Company shall not be obligated to file any general consent to service of process or to qualify as a foreign corporation or as a dealer in securities in any jurisdiction in which it is not so qualified or to subject itself to taxation in respect of doing business in any jurisdiction in which it is not otherwise so subject.

(g) Upon sale of such Registrable Securities pursuant to an effective Registration Statement, cooperate with the Investor to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be delivered to a transferee, which certificates shall be free, to the extent permitted by this Agreement and under Applicable Law, of all restrictive legends, and to enable such Registrable Securities to be in such denominations and registered in such names as any the Investor may reasonably request.

(h) Promptly upon the occurrence of any event described in Section 6.2(b)(iv), prepare a supplement or amendment, including a post-effective amendment, to a Registration Statement or a supplement to the related Prospectus or any document incorporated or deemed to be incorporated therein by reference, and file any other required document so that, as thereafter delivered, neither such Registration Statement nor such Prospectus will contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(i) Comply with all rules and regulations of the SEC applicable to the Company in connection with the registration of the Securities.

(j) The Company shall comply with all applicable rules and regulations of the SEC under the Securities Act and the Exchange Act, including, without limitation, Rule 172 under the Securities Act, file any final Prospectus, including any supplement or amendment thereof, with the SEC pursuant to Rule 424 under the Securities Act, promptly inform the holders in writing if, at any time during the Effectiveness Period, the Company does not satisfy the conditions specified in Rule 172 and, as a result thereof, the holders are required to make available a Prospectus in connection with any disposition of Registrable Securities and take such other actions as may be reasonably necessary to facilitate the registration of the Registrable Securities hereunder.

6.3 Registration Expenses. The Company shall pay all fees and expenses incident to the performance of or compliance with Article VI of this Agreement, but excluding underwriting discounts and commissions of the Investor, including without limitation (a) all registration and filing fees and expenses, including without limitation those related to filings with the SEC, The Nasdaq Stock Market or comparable securities trading market and in connection with applicable state securities or Blue Sky laws, (b) printing expenses (including without limitation expenses of printing certificates for Registrable Securities), (c) messenger, telephone and delivery expenses incurred by the Company, (d) fees and disbursements of counsel for the Company, (e) fees and expenses of all other Persons retained by the Company in connection with the consummation of the transactions contemplated by this Agreement, (f) reasonable fees and expenses of one special counsel for the Investor (not to exceed $25,000 per registration or $100,000 in the aggregate for all registrations pursuant to this Agreement); and (g) all listing fees to be paid by the Company to The Nasdaq Stock Market or comparable securities trading market.

6.4 Indemnification.

(a) Indemnification by the Company. The Company shall, notwithstanding any termination of this Agreement, indemnify and hold harmless the Investor, the officers, directors, partners, members, agents and employees of each of them, each Person who controls the Investor (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and the officers, directors, partners, members, agents and employees of each such controlling Person, to the fullest extent permitted by Applicable Law, from and against all Losses arising out of or relating to any untrue or alleged untrue statement of a material fact contained in any Registration Statement, any Prospectus or any form of Company prospectus or in any amendment or supplement thereto or in any Company preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or form of prospectus or supplement thereto, in the light of the circumstances under which they were made) not misleading, provided, however, that the Company shall not be liable in any such case to the extent that such Losses arise out of, or are based upon, an untrue statement or omission or alleged untrue statement or omission made in such Registration Statement in reliance upon and in conformity with information that relates solely to the Investor or the Investor's proposed method of distribution of Registrable Securities and was provided by the Investor in writing for use in such Registration Statement, such Prospectus or such form of Prospectus or in any amendment or supplement thereto.

(b) Indemnification by the Investor. The Investor shall, notwithstanding any termination of this Agreement, indemnify and hold harmless the Company, its officers, directors, partners, members, agents and employees of each of them, each Person who controls the Company (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the officers, directors, partners, members, agents and employees of each such controlling Person, to the fullest extent permitted by Applicable Law, from and against all Losses arising out of any untrue statement of a material fact contained in any Registration Statement, any Prospectus or any form of Company prospectus or in any amendment or supplement thereto or in any Company preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or form of prospectus or supplement thereto, in the light of the circumstances under which they were made) not misleading, in each case, on the effective date thereof, but only to the extent that such untrue statement or omission is based solely upon information regarding the Investor furnished to the Company by the Investor in writing expressly for use therein, or to the extent that such information solely relates to the Investor or the Investor's proposed method of distribution of Registrable Securities and was provided by the Investor for use in such Registration Statement, such Prospectus or such form of Prospectus or in any amendment or supplement thereto. In no event shall the liability of the Investor under this Article VI be greater in amount than the dollar amount of the net proceeds received by the Investor upon the sale of the Registrable Securities giving rise to such indemnification obligation.

(c) Conduct of Indemnification Proceedings. If any Proceeding shall be brought or asserted against any Person entitled to indemnity hereunder (an "**Indemnified Party**"), such Indemnified Party shall promptly notify the Person from whom indemnity is sought (the "**Indemnifying Party**") in writing, and the Indemnifying Party shall assume the defense thereof, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of all reasonable fees and expenses incurred in connection with defense thereof; provided that the failure of any Indemnified Party to give such notice shall not relieve the Indemnifying Party of its obligations or liabilities pursuant to this Agreement, except (and only) to the extent that such failure shall have materially and adversely prejudiced the Indemnifying Party. An Indemnified Party shall have the right to employ separate counsel in any such Proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Parties unless: (i) the Indemnifying Party has agreed in writing to pay such fees and expenses; (ii) the Indemnifying Party shall have failed promptly to assume the defense of such Proceeding; or (iii) the named parties to any such Proceeding (including any impleaded parties) include both such Indemnified Party and the Indemnifying Party, and such Indemnified Party shall have been advised by counsel that a conflict of interest is likely to exist if the same counsel were to represent such Indemnified Party and the Indemnifying Party or that additional or different defenses may be available to the Indemnified Party (in which case, if such Indemnified Party notifies the Indemnifying Party in writing that it elects to employ separate counsel at the expense of the Indemnifying Party, the Indemnifying Party shall not have the right to assume the defense thereof and the reasonable fees and expenses of separate counsel shall be at the expense of the Indemnifying Party), it being understood, however, that the Indemnifying Party shall not, in connection with any one such Proceeding (including separate Proceedings that have been or will be consolidated before a single judge) be liable for the fees and expenses of more than one separate firm of attorneys at any time for all Indemnified Parties. The Indemnifying Party shall not be liable for any settlement of any such Proceeding effected without its written consent, unless such consent is unreasonably withheld or delayed. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending Proceeding in respect of which any Indemnified Party is a party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such Proceeding. All reasonable fees and expenses of the Indemnified Party (including reasonable fees and expenses to the extent incurred in connection with investigating or preparing to defend such Proceeding in a manner not inconsistent with this Section 6.4(c)) shall be paid to the Indemnified Party, as incurred, within twenty (20) Trading Days of written notice thereof to the Indemnifying Party (regardless of whether it is ultimately determined that an Indemnified Party is not entitled to indemnification hereunder; provided that the Indemnifying Party shall reimburse all such fees and expenses to the extent it is finally judicially determined that such Indemnified Party is not entitled to indemnification hereunder).

(d) Contribution. If a claim for indemnification under Section 6.4(a) or (b) is unavailable to an Indemnified Party (by reason of public policy or otherwise), then each Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Losses, in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and Indemnified Party in connection with the actions, statements or omissions that resulted in such Losses as well as any other relevant equitable considerations. The relative fault of such Indemnifying Party and Indemnified Party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission of a material fact, has been taken or made by, or relates to information supplied by, such Indemnifying Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action, statement or omission. The amount paid or payable by a party as a result of any Losses shall be deemed to include, subject to the limitations set forth in Section 6.4(c), any reasonable attorneys' or other reasonable fees or expenses incurred by such party in connection with any Proceeding to the extent such party would have been indemnified for such fees or expenses if the indemnification provided for in this Section 6.4(d) was available to such party in accordance with its terms. The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 6.4(d) were determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this Section 6.4(d), the Investor shall not be required to contribute, in the aggregate, any amount in excess of the amount by which the net proceeds actually received by the Investor from the sale of the Registrable Securities subject to the Proceeding exceeds the amount of any damages that the Investor has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

6.5 Dispositions. The Investor agrees that it will comply with the prospectus delivery requirements of the Securities Act as applicable to it in connection with sales of Registrable Securities pursuant to a Registration Statement and shall sell its Registrable Securities in accordance with the Plan of Distribution set forth in the Prospectus. The Investor further agrees that, upon receipt of a notice from the Company of the occurrence of any event of the kind described in Sections 6.2(b)(ii), (iii) or (iv), the Investor will use best efforts to discontinue disposition of Registrable Securities under a Registration Statement until the Investor is advised in writing by the Company that the use of the Prospectus, or amended Prospectus, as applicable, may be used. The Investor acknowledges and agrees that the provisions of Section 4.9 of this Agreement shall apply with respect to any proposed disposition pursuant to a Registration Statement filed pursuant to this Article VI. The Company may provide appropriate stop orders to enforce the provisions of this paragraph.

6.6 "Market Stand-Off" Agreement. For so long as the Investor and/or any Investor Controlled Entity, Affiliate of the Investor or any 13D Group of which the Investor or any of its Affiliates is a member collectively owns at least 5% of the voting power of the Company, the Investor agrees that neither the Investor, nor any Investor Controlled Entity, Affiliate of the Investor or any 13D Group of which the Investor or any of its Affiliates is a member shall, to the extent requested by the Company or an underwriter of securities of the Company, sell, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, any Common Stock (or other securities) of the Company held by such Person for a period specified by the representative of the underwriters of Common Stock (or other securities) of the Company not to exceed ninety (90) days following the effective date of any registration statement of the Company filed under the Securities Act other than a Registration Statement filed pursuant to Section 6.1; provided that all officers and directors of the Company enter into similar agreements. The obligations described in this Section 6.6 shall not apply to a registration relating solely to employee benefit plans on Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a Commission Rule 145 transaction on Form S-4 or similar forms that may be promulgated in the future. The Investor further agrees to execute (and cause any Investor Controlled Entity, Affiliate of the Investor or any 13D Group of which the Investor or any of its Affiliates is a member to execute) such agreements as may be reasonably requested by the underwriters in connection with such registration that are consistent with this Section 6.6 or that are necessary to give further effect thereto. The Investor agrees that the Company may instruct its transfer agent to place stop-transfer notations in its records to enforce the provisions of this Section 6.6.

6 . 7 Assignment of Registration Rights. The registration rights under this Article VI of this Agreement with respect to applicable shares transferred by Investor pursuant to this agreement shall be automatically transferred to any transferee of all or any portion of Investor's Registrable Securities,, to the extent of such shares transferred, if (a) Investor agrees in writing with the transferee or assignee to assign such rights and a copy of such agreement is furnished to the Company within a reasonable time after such assignment; (b) the Company is furnished with written notice of (i) the name and address of such transferee, and (ii) the securities with respect to which such registration rights are being transferred; (c) following such transfer or assignment, the further disposition of such securities by the transferee is restricted under this Agreement, the Securities Act and applicable state securities laws; (d) at or before the time the Company receives the written notice contemplated by clause (b) of this sentence the transferee agrees in writing to be bound by all of the provisions of this Agreement; and (e) such transfer shall have been made in accordance with the applicable requirements of this Agreement.

ARTICLE VII
MISCELLANEOUS

7 . 1 Termination. This Agreement may be terminated by the Company or the Investor, by written notice to the other, if the Closing has not been consummated by the third Business Day following the date of this Agreement; provided that no such termination will affect the right of any party to sue for any breach by the other party (or parties).

7 . 2 Fees and Expenses. The Company shall pay all Transfer Agent fees, stamp taxes and other taxes and duties levied in connection with the sale and issuance of the Securities.

7 . 3 Entire Agreement. The Transaction Documents and the non-disclosure agreement dated August 4, 2016 between the Company and the Investor, together with the exhibits and schedules thereto, contain the entire understanding of the parties with respect to the subject matter hereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits and schedules.

7 . 4 Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of (a) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number specified in this Section 7.4 prior to 6:30 p.m. (New York City time) on a Trading Day, (b) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number specified in this Section 7.4 on a day that is not a Trading Day or later than 6:30 p.m. (New York City time) on any Trading Day, (c) the Trading Day following the date of deposit with a nationally recognized overnight courier service, or (d) upon actual receipt by the party to whom such notice is required to be given. The addresses, facsimile numbers for such notices and communications are as follows:

Notices for the Company:

Energous Corporation, Inc.
3590 North First Street, Suite 210
San Jose, CA 95134
Attention: Brian Sereda
Telephone No.: [telephone]

With a copy to:

Fenwick & West LLP
801 California Street
Mountain View, CA 94041
Attention: Mark Leahy and Horace Nash
Telephone No.: [telephone]
Facsimile No.: [fax]

Notices for the Investor:

Ascend Legend Fund, Ltd.
c/o Stone Coast Fund Services Ltd.
c/o Codan Trust Company (Cayman) Limited
Boundary Hall, 2nd Floor, Cricket Square
PO Box 2681
Grand Cayman KY1-1111
Telephone: [telephone]
Facsimile: [fax]

With a copy to:

Ascend Capital Limited Partnership
c/o Ascend Capital, LLC
4 Orinda Way
Orinda, CA 94563
Attn: Benjamin Slavet, Chief Operating Officer and Chief Financial Officer
Telephone No.: [telephone]
Facsimile No.: [fax]

7.5 Amendments; Waivers. No provision of this Agreement may be waived or amended except in a written instrument signed, in the case of an amendment, by the Company and the Investor. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of either party to exercise any right hereunder in any manner impair the exercise of any such right.

7.6 Construction. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party.

7.7 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns. The Company shall not assign this Agreement or any rights or obligations hereunder without the prior written consent of the Investor. Notwithstanding the foregoing, nothing in this Section 7.7 shall prevent any assignment of this Agreement by the Company or the Investor that is deemed to occur in connection with a Change of Control of the Company. The Investor may assign some or all of its rights hereunder in connection with transfer of any of its Securities without the consent of the Company, in which event such assignee shall be deemed to be an Investor hereunder with respect to such assigned rights.

7.8 No Third-Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other Person, except that each Indemnified Party is an intended third party beneficiary of Section 6.4 and (in each case) may enforce the provisions of such Section 6.4 directly against the parties with obligations thereunder.

7.9 Governing Law; Venue; Service of Process; Waiver of Jury Trial. ALL QUESTIONS CONCERNING THE CONSTRUCTION, VALIDITY, ENFORCEMENT AND INTERPRETATION OF THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THAT BODY OF LAWS PERTAINING TO CONFLICT OF LAWS. EACH PARTY HEREBY IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS SITTING IN THE CITY OF NEW YORK, BOROUGH OF MANHATTAN, FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION HEREWITH OR WITH ANY TRANSACTION CONTEMPLATED HEREBY OR DISCUSSED HEREIN (INCLUDING WITH RESPECT TO THE ENFORCEMENT OF ANY OF THE TRANSACTION DOCUMENTS), AND HEREBY IRREVOCABLY WAIVES, AND AGREES NOT TO ASSERT IN ANY SUIT, ACTION OR PROCEEDING, ANY CLAIM THAT IT IS NOT PERSONALLY SUBJECT TO THE JURISDICTION OF ANY SUCH COURT AND THAT SUCH SUIT, ACTION OR PROCEEDING IS IMPROPER. EACH PARTY HEREBY IRREVOCABLY WAIVES PERSONAL SERVICE OF PROCESS AND CONSENTS TO PROCESS BEING SERVED IN ANY SUCH SUIT, ACTION OR PROCEEDING BY MAILING A COPY THEREOF VIA REGISTERED OR CERTIFIED MAIL OR OVERNIGHT DELIVERY (WITH EVIDENCE OF DELIVERY) TO SUCH PARTY AT THE ADDRESS IN EFFECT FOR NOTICES TO IT UNDER THIS AGREEMENT AND AGREES THAT SUCH SERVICE SHALL CONSTITUTE GOOD AND SUFFICIENT SERVICE OF PROCESS AND NOTICE THEREOF. NOTHING CONTAINED HEREIN SHALL BE DEEMED TO LIMIT IN ANY WAY ANY RIGHT TO SERVE PROCESS IN ANY MANNER PERMITTED BY LAW. THE COMPANY AND INVESTOR HEREBY WAIVE ALL RIGHTS TO A TRIAL BY JURY.

7.10 Survival. The representations and warranties contained herein shall survive the Closing. The agreements and covenants contained herein shall survive the Closing in accordance with their respective terms.

7.11 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or email attachment, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or email-attached signature page were an original thereof.

7.12 Severability. If any provision of this Agreement is held to be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Agreement shall not in any way be affected or impaired thereby and the parties will attempt to agree upon a valid and enforceable provision that is a reasonable substitute therefor, and upon so agreeing, shall incorporate such substitute provision in this Agreement.

7.13 Replacement of Securities. If any certificate or instrument evidencing any Securities is mutilated, lost, stolen or destroyed, the Company shall promptly issue or cause to be issued in exchange and substitution for and upon cancellation thereof, or in lieu of and substitution therefor, a new certificate or instrument, and the Investor will pay only those costs and expenses that are customarily charged by or on behalf the Company or the Transfer Agent to any stockholder of the Company in connection therewith. The Company may require the execution by the holder thereof of a customary lost certificate affidavit of that fact and a customary agreement to indemnify and hold harmless the Company (and Transfer Agent, if applicable) for any losses in connection therewith.

7.14 Remedies. In addition to being entitled to exercise all rights provided herein or granted by Applicable Law, including recovery of damages, the Investor and the Company will be entitled to seek specific performance under the Transaction Documents. The parties agree that monetary damages may not be adequate compensation for any loss incurred by reason of any breach of obligations described in the foregoing sentence and hereby agrees to waive in any action for specific performance of any such obligation (other than in connection with any action for temporary restraining order) the defense that a remedy at law would be adequate.

7.15 Indemnification. In consideration of the Investor's execution and delivery of the Transaction Documents and acquiring the Securities thereunder and in addition to all of the Company's other obligations under the Transaction Documents, the Company shall defend, protect, indemnify and hold harmless the Investor and each other holder of the Securities (other than holders of Securities purchased on any securities trading market), and all of the Investor's stockholders, partners, members, officers, directors, employees and direct or indirect investors and any of the foregoing Persons' agents or other representatives (including, without limitation, those retained in connection with the transactions contemplated by this Agreement) (collectively, the "Indemnitees"), as incurred, from and against any and all actions, causes of action, suits, claims, losses, costs, penalties, fees, liabilities and damages, and expenses in connection therewith (irrespective of whether any such Indemnitee is a party to the action for which indemnification hereunder is sought), and including reasonable attorneys' fees and disbursements, but excluding any consequential, indirect or incidental damages (the "Indemnified Liabilities"), incurred by any Indemnitee as a result of, or arising out of, or relating to (a) any material misrepresentation or material breach of any representation or warranty made by the Company in the Transaction Documents, (b) any material breach of any covenant, agreement or obligation of the Company contained in the Transaction Documents that remains uncured ten (10) days after the Company receives notice thereof, or (c) any cause of action, suit or claim brought or made against such Indemnitee by a third party (including for these purposes a derivative action brought on behalf of the Company) and arising out of or resulting from (i) the execution, delivery, performance or enforcement of the Transaction Documents or any other certificate, instrument or document contemplated hereby or thereby, or (ii) any transaction financed or to be financed in whole or in part, directly or indirectly, with the proceeds of the issuance of the Securities. To the extent that the foregoing undertaking by the Company may be unenforceable for any reason, the Company shall make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is permissible under applicable law. In no event shall aggregate payments under this Section 7.15 exceed the Purchase Price. Except as otherwise set forth herein, the mechanics and procedures with respect to the rights and obligations under this Section 7.15 shall be the same as those set forth in Section 6.4(c).

7.16 Adjustments in Share Numbers and Prices. In the event of any stock split, subdivision, dividend or distribution payable in shares of Common Stock (or other securities or rights convertible into, or entitling the holder thereof to receive directly or indirectly shares of Common Stock), combination or other similar recapitalization or event occurring after the date hereof and prior to the Closing, each reference in any Transaction Document to a number of shares or a price per share shall be amended to appropriately account for such event.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

COMPANY:

ENERGOUS CORPORATION, INC.

By: /s/ Stephen R. Rizzone

Name: Stephen R. Rizzone

Title: President and Chief Executive Officer

INVESTOR:

ASCEND LEGEND MASTER FUND, LTD.

By: /s/ Malcolm P. Fairbairn

Name: Malcolm P. Fairbairn

Title: Director

Signature Page to Securities Purchase Agreement

Exhibits:

A Securities Purchased

B Form of Warrant

C Form of Secretary's Certificate - Company

EXHIBIT A
SECURITIES PURCHASED

Investor	Common Stock	Warrants	Purchase Price
Ascend Legend Master Fund, Ltd.	1,618,123	1,618,123	$ 20,000,000

Exhibit B
FORM OF WARRANT

NEITHER THESE SECURITIES NOR THE SECURITIES FOR WHICH THESE SECURITIES ARE EXERCISABLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. THESE SECURITIES AND THE SECURITIES ISSUABLE UPON EXERCISE OF THESE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES IN ACCORDANCE WITH THE PURCHASE AGREEMENT (AS DEFINED BELOW).

ENERGOUS CORPORATION

WARRANT

Warrant No. [ ] Dated: [ ]

Energous Corporation, a Delaware corporation (the "**Company**"), hereby certifies that, for value received, [ ], an exempted company formed under the laws of the Cayman Islands, or its successors or assigns (the "**Holder**"), is entitled to purchase from the Company up to a total of [ ] shares of common stock, $.00001 par value per share (the "**Common Stock**"), of the Company (each such share, a "**Warrant Share**" and all such shares, the "**Warrant Shares**") at an exercise price initially equal to $23.00 per share (as adjusted from time to time as provided in Section 8, the "**Exercise Price**"), at any time on or after date which is six months and one day after the date hereof (the "**Initial Exercise Date**") and through and including the date that is five (5) years after the date hereof (the "**Expiration Date**"), and subject to the following terms and conditions. This Warrant (this "**Warrant**") is issued pursuant to that certain Securities Purchase Agreement, dated as of the date hereof, by and among the Company and the Investor named therein (as amended from time to time, the "**Purchase Agreement**").

1. Definitions. In addition to the terms defined elsewhere in this Warrant, capitalized terms that are not otherwise defined herein have the meanings given to such terms in the Purchase Agreement.

2. Registration of Warrant. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the "**Warrant Register**"), in the name of the Holder of record hereof. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary. The Warrant Shares shall be afforded the registration rights set forth in Article VI of the Purchase Agreement.

3. Exercise and Duration of Warrant.

(a) This Warrant shall be exercisable by the Holder at any time and from time to time on or after the Initial Exercise Date to and including the Expiration Date. At 6:30 P.M., New York City time on the Expiration Date, the portion of this Warrant not exercised prior thereto shall be and become void and of no value.

(b) The Holder may exercise this Warrant by delivering to the Company (i) an exercise notice, in the form attached hereto (the "**Exercise Notice**"), appropriately completed and duly signed, and (ii) payment of the Exercise Price in a form specified in Section 3(c) hereof for the number of Warrant Shares as to which this Warrant is being exercised, or, if applicable, an election to net exercise this Warrant as provided in Section 3(d) hereof for the number Warrant Shares to be acquired in connection with such exercise, and the date such items are delivered to the Company (as determined in accordance with the notice provisions hereof) is an "**Exercise Date**." The Holder shall be required to deliver the original Warrant in order to effect an exercise hereunder unless the Holder shall deliver an affidavit of loss or such other documentation reasonably requested by the Company in lieu of such original Warrant in connection with any such exercise. Execution and delivery of the Exercise Notice in respect of less than all the Warrant Shares issuable upon exercise of this Warrant shall have the same effect as cancellation of the original Warrant and issuance of a new warrant to purchase Common Stock, in substantially the form of this Warrant (any such new warrant, a "**New Warrant**"), evidencing the right to purchase the remaining number of Warrant Shares.

(c) Payment for the Warrant Shares upon exercise may be made by (i) a check payable to the Company's order, (ii) wire transfer of funds to the Company, (iii) by net exercise as provided in Section 3(d) hereof, or (iv) any combination of the foregoing.

(d) Net Exercise Election. Holder may elect to convert all or any portion of this Warrant, without the payment by Holder of any additional consideration, by the surrender of this Warrant to the Company, with the Exercise Notice, duly executed by Holder, into up to the number of shares of Warrant Shares that is obtained under the following formula:

$$\mathbf{X = \frac{Y\ (A-B)}{A}}$$

where X = the number of shares of Warrant Shares to be issued to Holder pursuant to a net exercise of this Warrant effected pursuant to this Section 3(d).

Y = the number of Warrant Shares as to which this Warrant is then being net exercised.

A = the fair market value of one share of Warrant Shares, determined at the time of such net exercise as set forth in the last paragraph of this Section 3(d).

B = the Exercise Price.

The Company will promptly respond in writing to an inquiry by Holder as to the then current fair market value of one share of Warrant Stock.

For purposes of the above calculation, fair market value of one share of Warrant Shares shall be determined by the Company's Board of Directors in good faith; *provided, however*, that if on the relevant exercise date for which such value must be determined, a public market for the Company's Common Stock exists, then the fair market value per share of the Warrant Shares shall be (A) the average of the closing bid and asked prices of the Common Stock quoted in the Over-The-Counter Market Summary or (B) the last reported sale price of the Common Stock or the closing price quoted on the exchange on which the Common Stock is listed, whichever is applicable, as published in the Western Edition of *The Wall Street Journal* for the five (5) trading days prior to the date as of which the value of the fair market value is to be determined.

4. Delivery of Warrant Shares.

(a) Upon exercise of this Warrant, the Company shall promptly issue or cause to be issued and cause to be delivered to or upon the written order of the Holder and in such name or names as the Holder may designate, a certificate for the Warrant Shares issuable upon such exercise (i) free of restrictive legends if sold under a registration statement covering the resale of the Warrant Shares and naming the Holder as a selling stockholder, or (ii) if such shares are not freely transferable without volume restrictions pursuant to Rule 144 under the Securities Act, such certificate will bear the legends set forth in Section 4.1(b) of the Purchase Agreement. The Holder, or any Person so designated by the Holder to receive Warrant Shares, shall be deemed to have become the holder of record of such Warrant Shares as of the Exercise Date. The Company shall, upon request of the Holder, use best efforts to deliver, or to cause its transfer agent to deliver, Warrant Shares hereunder electronically through The Depository Trust Company or another established clearing corporation performing similar functions.

(b) This Warrant is exercisable, either in its entirety or, from time to time, for a portion of the number of Warrant Shares. Upon surrender of this Warrant following one or more partial exercises, the Company shall issue or cause to be issued, at its expense, a New Warrant evidencing the right to purchase the remaining number of Warrant Shares.

(c) The Company's obligations to issue and deliver Warrant Shares in accordance with the terms hereof are absolute and unconditional, irrespective of any action or inaction by the Holder to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any Person or any action to enforce the same, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by the Holder or any other Person of any obligation to the Company or any violation or alleged violation of law by the Holder or any other Person, and irrespective of any other circumstance which might otherwise limit such obligation of the Company to the Holder in connection with the issuance of Warrant Shares. Nothing herein shall limit the Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver certificates representing shares of Common Stock upon exercise of this Warrant as required pursuant to the terms hereof.

5 . Charges, Taxes and Expenses. Issuance and delivery of certificates for shares of Common Stock upon exercise of this Warrant shall be made without charge to the Holder for any issue or transfer tax, withholding tax, transfer agent fee or other incidental tax or expense in respect of the issuance of such certificates, all of which taxes and expenses shall be paid by the Company; provided, however, that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance, delivery or registration of any certificates for Warrant Shares or Warrant in a name other than that of the Holder. The Holder shall be responsible for all other tax liability that may arise as a result of holding or transferring this Warrant or receiving Warrant Shares upon exercise hereof.

6 . Replacement of Warrant. If this Warrant is mutilated, lost, stolen or destroyed, the Company, at no cost to Holder, shall issue or cause to be issued in exchange and substitution for and upon cancellation hereof, or in lieu of and substitution for this Warrant, a New Warrant, but only upon receipt of an affidavit of such loss, theft or destruction and customary indemnity, if requested.

7 . Reservation of Warrant Shares. The Company covenants that it will at all times reserve and keep available out of the aggregate of its authorized but unissued and otherwise unreserved Common Stock, solely for the purpose of enabling it to issue Warrant Shares upon exercise of this Warrant as herein provided, the number of Warrant Shares which are then issuable and deliverable upon the exercise of this entire Warrant, free from preemptive rights or any other contingent purchase rights of persons other than the Holder (after giving effect to the adjustments and restrictions of Section 8, if any). The Company covenants that all Warrant Shares so issuable and deliverable shall, upon issuance and the payment of the applicable Exercise Price in accordance with the terms hereof, be duly and validly authorized, issued and fully paid and nonassessable. The Company will use reasonable commercial efforts to take all such action to assure that such shares of Common Stock may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of any securities exchange or automated quotation system upon which the Common Stock may be listed, in each case, applicable to the Company.

8 . Certain Adjustments. The Exercise Price and number of Warrant Shares issuable upon exercise of this Warrant are subject to adjustment from time to time as set forth in this Section 8.

(a) Stock Dividends, Splits and Combinations. If the Company, at any time while this Warrant is outstanding, (i) pays a stock dividend on its Common Stock or otherwise makes a distribution on its Common Stock that is payable in shares of Common Stock, (ii) subdivides outstanding shares of Common Stock into a larger number of shares, or (iii) combines outstanding shares of Common Stock into a smaller number of shares, then in each such case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event. Any adjustment made pursuant to clause (i) of this paragraph shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution, and any adjustment pursuant to clause (ii) or (iii) of this paragraph shall become effective immediately after the effective date of such dividend, distribution, subdivision or combination.

(b) Fundamental Transactions. If any capital reorganization, reclassification of the capital stock of the Company, consolidation or merger of the Company with another corporation, or sale, transfer or other disposition of all or substantially all of the Company's assets to another corporation shall be effected (all such transactions being hereinafter referred to as a "**Fundamental Transaction**"), then the Company shall ensure that lawful and adequate provision shall be made whereby the Holder shall thereafter have the right to purchase and receive upon the basis and upon the terms and conditions herein specified and in lieu of the Warrant Shares immediately theretofore issuable upon exercise of this Warrant, such shares of stock, securities or assets as would have been issuable or payable with respect to or in exchange for a number of Warrant Shares equal to the number of Warrant Shares immediately theretofore issuable upon exercise of this Warrant, had such reorganization, reclassification, consolidation, merger, sale, transfer or other disposition not taken place, and in any such case appropriate provision shall be made with respect to the rights and interests of the Holder to the end that the provisions hereof (including, without limitation, provision for adjustment of the Exercise Price) shall thereafter be applicable, as nearly equivalent as may be practicable in relation to any share of stock, securities or assets thereafter deliverable upon the exercise thereof. The Company shall not effect any such consolidation, merger, sale, transfer or other disposition unless prior to or simultaneously with the consummation thereof the successor corporation (if other than the Company) resulting from such consolidation or merger, or the corporation purchasing or otherwise acquiring such assets or other appropriate corporation or entity shall assume the obligation to deliver to the Holder, at the last address of the Holder appearing on the books of the Company, such shares of stock, securities or assets as, in accordance with the foregoing provisions, the Holder may be entitled to purchase, and the other obligations under this Warrant. The provisions of this Section 8(b) shall similarly apply to successive reorganizations, reclassifications, consolidations, mergers, sales, transfers or other dispositions, each of which transactions shall also constitute a Fundamental Transaction.

(c) Number of Warrant Shares. Simultaneously with any adjustment to the Exercise Price pursuant to this Section 8, the number of Warrant Shares that may be purchased upon exercise of this Warrant shall be increased or decreased (as the case may be), proportionately, so that after such adjustment the aggregate Exercise Price payable hereunder for the decreased or increased (as the case may be) number of Warrant Shares shall be the same as the aggregate Exercise Price in effect immediately prior to such adjustment.

(d) Calculations. All calculations under this Section 8 shall be made to the nearest cent or the nearest 1/100th of a share, as applicable. The number of shares of Common Stock outstanding at any given time shall not include shares owned or held by or for the account of the Company, and the disposition of any such shares shall be considered an issue or sale of Common Stock.

(e) Notice of Adjustments . Upon the occurrence of each adjustment pursuant to this Section 8, the Company at its expense will promptly compute such adjustment in accordance with the terms of this Warrant and prepare a certificate setting forth such adjustment, including a statement of the adjusted Exercise Price and adjusted number or type of Warrant Shares or other securities issuable upon exercise of this Warrant (as applicable), describing the transactions giving rise to such adjustments and showing in detail the facts upon which such adjustment is based. Upon any such occurrence and/or otherwise upon written request by or on behalf of the Holder, the Company will promptly deliver a copy of each such certificate to the Holder and to the Transfer Agent.

(f) Notice of Corporate Events. If the Company (i) declares a dividend or any other distribution of cash, securities or other property in respect of its Common Stock, including without limitation any granting of rights or warrants to subscribe for or purchase any capital stock of the Company, (ii) enters into any agreement contemplating, or solicits stockholder approval for, any Fundamental Transaction or Change of Control or (iii) authorizes the voluntary dissolution, liquidation or winding up of the affairs of the Company, then the Company shall deliver to the Holder a notice describing the material terms and conditions of such transaction, at least fifteen calendar days prior to the applicable record or effective date on which a Person would need to hold Common Stock in order to participate in or vote with respect to such transaction, and the Company will take all steps reasonably necessary to facilitate the exercise of the Warrant pursuant to Section 3(b) (which exercise may be conditioned upon the occurrence of such event); provided, however, that the failure to deliver such notice or any defect therein shall not affect the validity of the corporate action required to be described in such notice.

9. Fractional Shares. The Company shall not be required to issue or cause to be issued fractional Warrant Shares on the exercise of this Warrant. If any fraction of a Warrant Share would, except for the provisions of this Section 9, be issuable upon exercise of this Warrant, then the number of Warrant Shares to be issued will be rounded down to the nearest whole share.

10. Notices. Any and all notices or other communications or deliveries hereunder (including without limitation any Exercise Notice) shall be in writing and shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number specified in the Purchase Agreement prior to 6:30 p.m. (New York City time) on a Trading Day, (ii) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number specified in the Purchase Agreement on a day that is not a Trading Day or later than 6:30 p.m. (New York City time) on any Trading Day, (iii) the Trading Day following the date of delivery to the courier service, if sent by nationally recognized overnight courier service, or (iv) upon actual receipt by the party to whom such notice is required to be given. The address for such notices or communications shall be as set forth in the Purchase Agreement.

11. Warrant Agent. The Company shall serve as warrant agent under this Warrant. Upon thirty (30) days' notice to the Holder, the Company may appoint a new warrant agent. Any corporation into which the Company or any new warrant agent may be merged or any corporation resulting from any consolidation to which the Company or any new warrant agent shall be a party or any corporation to which the Company or any new warrant agent transfers substantially all of its corporate trust or stockholder services business shall be a successor warrant agent under this Warrant without any further act. Any such successor warrant agent shall promptly cause notice of its succession as warrant agent to be mailed (by first class mail, postage prepaid) to the Holder at the Holder's last address as shown on the Warrant Register.

12. Miscellaneous.

(a) The Company shall not, by amendment of its Certificate of Incorporation or Bylaws, or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, and will at all times in good faith carry out all the provisions of this Warrant. Without limiting the generality of the foregoing, the Company (i) will not increase the par value of any Warrant Shares above the amount payable therefor on such exercise and (ii) will not, and will not permit its transfer agent to, close its stockholder books or records in any manner which interferes with the timely exercise of this Warrant.

(b) GOVERNING LAW; VENUE; SERVICE OF PROCESS; WAIVER OF JURY TRIAL . ALL QUESTIONS CONCERNING THE CONSTRUCTION, VALIDITY, ENFORCEMENT AND INTERPRETATION OF THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THAT BODY OF LAWS PERTAINING TO CONFLICT OF LAWS. EACH PARTY HEREBY IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS SITTING IN THE CITY OF NEW YORK, BOROUGH OF MANHATTAN, FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION HEREWITH OR WITH ANY TRANSACTION CONTEMPLATED HEREBY OR DISCUSSED HEREIN (INCLUDING WITH RESPECT TO THE ENFORCEMENT OF ANY OF THE TRANSACTION DOCUMENTS), AND HEREBY IRREVOCABLY WAIVES, AND AGREES NOT TO ASSERT IN ANY SUIT, ACTION OR PROCEEDING, ANY CLAIM THAT IT IS NOT PERSONALLY SUBJECT TO THE JURISDICTION OF ANY SUCH COURT AND THAT SUCH SUIT, ACTION OR PROCEEDING IS IMPROPER. EACH PARTY HEREBY IRREVOCABLY WAIVES PERSONAL SERVICE OF PROCESS AND CONSENTS TO PROCESS BEING SERVED IN ANY SUCH SUIT, ACTION OR PROCEEDING BY MAILING A COPY THEREOF VIA REGISTERED OR CERTIFIED MAIL OR OVERNIGHT DELIVERY (WITH EVIDENCE OF DELIVERY) TO SUCH PARTY AT THE ADDRESS IN EFFECT FOR NOTICES TO IT UNDER THIS AGREEMENT AND AGREES THAT SUCH SERVICE SHALL CONSTITUTE GOOD AND SUFFICIENT SERVICE OF PROCESS AND NOTICE THEREOF. NOTHING CONTAINED HEREIN SHALL BE DEEMED TO LIMIT IN ANY WAY ANY RIGHT TO SERVE PROCESS IN ANY MANNER PERMITTED BY LAW. EACH OF THE COMPANY AND THE HOLDER HEREBY WAIVES ALL RIGHTS TO A TRIAL BY JURY.

(c) The headings herein are for convenience only, do not constitute a part of this Warrant and shall not be deemed to limit or affect any of the provisions hereof.

(d) In case any one or more of the provisions of this Warrant shall be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Warrant shall not in any way be affected or impaired thereby and the parties will attempt in good faith to agree upon a valid and enforceable provision which shall be a commercially reasonable substitute therefor, and upon so agreeing, shall incorporate such substitute provision in this Warrant.

(e) No course of dealing or any delay or failure to exercise any right hereunder on the part of the Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies, notwithstanding all rights hereunder terminate on the Expiration Date.

(f) No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant or purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

(g) The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive the defense in any action for specific performance that a remedy at law would be adequate.

(h) Any term of this Warrant may be amended and the observance of any term of this Warrant may be waived with the written consent of the Company and the holders of a majority of the outstanding unexercised warrants issued pursuant to the Purchase Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed by its authorized officer as of the date first indicated above.

ENERGOUS CORPORATION

By: _____
Name:
Title:

FORM OF EXERCISE NOTICE

(To be executed by the Holder to exercise the right to purchase shares of Common Stock under the foregoing Warrant)

To: Energous Corporation

The undersigned is the Holder of Warrant No. _____ (the "**Warrant**") issued by Energous Corporation, a Delaware corporation (the "**Company**"). Capitalized terms used herein and not otherwise defined herein have the respective meanings set forth in the Warrant.

1. The Warrant is currently exercisable to purchase a total of _____ Warrant Shares.

2. The undersigned Holder hereby exercises its right to purchase _____ Warrant Shares pursuant to the Warrant.

3. The Holder is hereby paying the sum of $_____ to the Company in cash in accordance with the terms of the Warrant.

4. Pursuant to this exercise, the Company shall deliver to the holder _____ Warrant Shares in accordance with the terms of the Warrant.

5. Following this exercise, the Warrant shall be exercisable to purchase a total of _____ Warrant Shares.

Dated: _____, _____

Name of Holder:

(Print) _____

By: _____
Name: _____
Title: _____

(Signature must conform in all respects to name of holder as specified on the face of the Warrant)

EXHIBIT C
FORM OF SECRETARY'S CERTIFICATE – COMPANY

Energous Corporation
Secretary's Certificate

I, Brian Sereda, certify that I am the Secretary of Energous Corporation, a Delaware corporation (the "**Company**"), and that, as such, I am authorized to execute this certificate on behalf of the Company and in connection with that certain Securities Purchase Agreement, dated as of August [__], 2016 (the "**Purchase Agreement**"), by and among the Company and the Investor named therein (the "**Investor**"), and do hereby further certify that:

1. Attached hereto as Exhibit A is a true and complete copy of the Second Amended and Restated Certificate of Incorporation of the Company filed with the Secretary of State of the State of Delaware (the "**Certificate of Incorporation**"), as amended by that Certificate of Amendment dated March 26, 2016; no other amendments to the Certificate of Incorporation have been adopted, the Company has not filed any amendments to the Certificate of Incorporation with the Secretary of State of the State of Delaware, and no action has been taken by the Company, its shareholders, directors or officers in contemplation of the filing of any such amendment or other document; the Certificate of Incorporation remains in full force and effect on the date hereof;

2. Attached hereto as Exhibit B is a certificate of good standing certified by the Secretary of State of the State of Delaware;

3. Attached hereto as Exhibit C is a certificate of foreign qualification certified by the Secretary of State of the State of California;

4. Attached hereto as Exhibit D is a true and complete copy of the By-laws of the Company; such By-laws have not been amended and are in full force and effect as of the date hereof;

5. Attached hereto as Exhibit E are true and complete copies of the resolutions adopted by the Board of Directors of the Company, either at a meeting or meetings properly held or by the unanimous written consent of the Board of Directors, relating to the issuance, offering and sale of the shares of the Company's common stock (the "**Common Stock**") and the warrants to purchase shares of Common Stock (the "**Warrants**") pursuant to the Purchase Agreement; all of such resolutions were duly adopted, have not been amended, modified or rescinded and remain in full force and effect; and such resolutions are the only resolutions adopted by the Board of Directors with respect to the issuance, offering and sale of the Common Stock and Warrants pursuant to the Purchase Agreement;

6. Attached hereto as Exhibit F is a true and complete copy of an incumbency certificate of the Company's officers.

[Signature page follows]

In witness whereof, I have hereunto signed my name this [ ]th day of August, 2016.

By: _____
Brian Sereda, Secretary

Exhibit A
Certificate of Incorporation

Exhibit B
Delaware Good Standing

Exhibit C
Foreign Qualification

Exhibit D
By-laws

Exhibit E
Board of Director Resolutions

Exhibit F
Incumbency Certificate

The undersigned individuals of Energous Corporation, a Delaware corporation (the "Corporation"), are designated as appropriate parties with the power and authority to enter into contracts, agreements and to provide written directions pertaining to services associated with stock transfer and registrar needs:

Name	Title	Signature
Stephen R. Rizzone	President and Chief Executive Officer	
Brian Sereda	Chief Financial Officer and Secretary	

IN WITNESS WHEREOF I have hereunto set my hand and the Corporate Seal of the Corporation this __ day of August, 2016.

Name: Brian Sereda
Title: Secretary

Exhibit 10.23

AMENDMENT NO. 1 TO
SECURITIES PURCHASE AGREEMENT

THIS AMENDMENT NO. 1 TO SECURITIES PURCHASE AGREEMENT (this "**Amendment**") is entered into effective as of August 12, 2016, by and among Energous Corporation, a Delaware corporation (the "**Company**"), Ascend Legend Master Fund, Ltd., an exempted company formed under the laws of the Cayman Islands ("**Ascend**"), and the investors who are signatories hereto (each, a "**Purchaser**" and collectively, the "**Purchasers**"). This Amendment amends the Securities Purchase Agreement dated as of August 9, 2016 by and between the Company and Ascend (the "**Purchase Agreement**"). All capitalized terms used in this Amendment without definition shall have the respective meanings assigned to them in the Purchase Agreement.

Recitals:

WHEREAS, pursuant to the Purchase Agreement, Ascend agreed to purchase, and the Company agreed to sell and issue to Ascend, upon the terms and subject to the conditions stated in the Purchase Agreement, (i) an aggregate of up to 1,618,123 shares of the Company's common stock ("**Common Stock**") and (ii) warrants to purchase an aggregate of up to 1,618,123 shares of the Company's Common Stock ("**Warrants**") at an exercise price of $23.00 per share.

WHEREAS, the Company and Ascend wish to amend the Purchase Agreement such that the Company instead agrees to sell and issue (i) warrants to purchase up to 809,062 shares of Common Stock to The Kingdom Trust Company, Custodian, FBO Emily T Fairbairn Roth IRA (7465812820) ("**EF IRA**") and (ii) warrants to purchase up to 809,061 shares of Common Stock to The Kingdom Trust Company, Custodian, FBO Malcolm P Fairbairn Roth IRA (9510281370) ("**MF IRA**"), in lieu of the sale and issuance to Ascend of warrants to purchase 1,618,123 shares of the Company's Common Stock, upon the terms and subject to the conditions stated in the Purchase Agreement.

NOW, THEREFORE, in consideration of the premises and covenants set forth herein, and intending to be legally bound hereby, the parties hereto agree as follows:

1. The Preamble of the Purchase Agreement is hereby deleted and the following is hereby inserted in lieu thereof:

"**THIS SECURITIES PURCHASE AGREEMENT** (the "**Agreement**"), is dated as of August 9, 2016, by and among Energous Corporation, a Delaware corporation (the "**Company**") and Ascend Legend Master Fund, Ltd., an exempted company formed under the laws of the Cayman Islands ("**Ascend**"), The Kingdom Trust Company, Custodian, FBO Emily T Fairbairn Roth IRA (7465812820) ("**EF IRA**"), and The Kingdom Trust Company, Custodian, FBO Malcolm P Fairbairn Roth IRA (9510281370) ("**MF IRA**," and collectively with Ascend and EF IRA, the "**Investor**").

2. Section B of the Background of the Purchase Agreement is hereby deleted and the following recital is hereby inserted in lieu thereof:

"Ascend wishes to purchase, and the Company wishes to sell and issue to Ascend, upon the terms and subject to the conditions stated in this Agreement, an aggregate of up to 1,618,123 shares of the Common Stock, for the purchase price specified in Exhibit A (as adjusted by any stock split, dividend or other distribution, recapitalization or similar event, the "**Shares**"). EF IRA and MF IRA each wish to purchase, and the Company wishes to sell and issue to EF IRA and MF IRA, upon the terms and subject to the conditions stated in this Agreement, warrants to purchase an aggregate of up to 1,618,123 shares (subject to adjustment as described in the Warrants) of Common Stock (the "**Warrants**") in the form attached hereto as Exhibit B, for the purchase price specified in Exhibit A, which Warrants shall be exercisable at any time on or after the date which is six months and one day after the date hereof and have an exercise price equal to $23.00 per share (subject to adjustment as described in the Warrants) ("**Exercise Price**") and a term of exercise of five (5) years from and after the Closing (as defined below)."

3. Section 2.2 of the Purchase Agreement is hereby deleted and the following is hereby inserted in lieu thereof:

"2.2 Closing.

(a) At the Closing, the Company shall deliver to each Investor (i) the Shares and Warrants, registered in the name of such Investor as indicated on Exhibit A and (ii) a certificate, in the form set forth on Exhibit C, executed by the secretary of the Company and dated as of the Closing Date, as to the Certificate of Incorporation, by-laws, foreign qualification, incumbency of the Company's officers and good standing of the Company and the resolutions adopted by the Company's Board of Directors (the "**Board**") authorizing the transactions contemplated by the Transaction Documents.

(b) At the Closing, the Investors shall deliver the Purchase Price to the Company by wire transfer of immediately available funds to an account specified by the Company in writing."

4. The Purchasers certify that at the time the Purchasers were offered the Warrants, and at the date hereof, each is an "accredited investor" as defined in Rule 501(a) under the Securities Act of 1933, as amended (the "**Securities Act**") or a "qualified institutional buyer" as defined in Rule 144A(a) under the Securities Act. The Purchasers further covenant that each will be subject to and comply with the terms and conditions as set forth in the Purchase Agreement.

5. Exhibit A of the Purchase Agreement is hereby deleted and the following is hereby inserted in lieu thereof**:**

Exhibit A
SECURITIES PURCHASED

Investor	Common Stock	Warrants	Purchase Price
Ascend Legend Master Fund, Ltd.	1,618,123		$ 19,797,734.63
The Kingdom Trust Company, Custodian, FBO Emily T Fairbairn Roth IRA (7465812820)		809,062	$ 101,132.75
The Kingdom Trust Company, Custodian, FBO Malcolm P Fairbairn Roth IRA (9510281370)		809,061	$ 101,132.63

6 . Except for the changes expressly set forth herein, the parties acknowledge and agree that all of the terms, provisions, covenants and conditions of the Purchase Agreement shall hereafter continue in full force and effect in accordance with the terms thereof; provided, however, that if any term or provision of this Amendment shall conflict with or otherwise be inconsistent with any term or provision of the Purchase Agreement, the terms and provisions of this Amendment shall prevail.

7 . This Amendment shall be governed by and construed under the laws of the State of New York, without giving effect to principles of conflicts of laws.

8. This Amendment may be executed (by facsimile) in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Executed counterparts of this Amendment may be delivered by electronic or facsimile transmission with the same effect as if delivered personally.

(Signature page follows.)

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

ENERGOUS CORPORATION

By: /s/ Stephen R. Rizzone
STEPHEN R. RIZZONE
Chief Executive Officer

ASCEND LEGEND MASTER FUND, LTD.

By: /s/ Malcolm P. Fairbairn
Name: Malcolm P. Fairbairn
Title: Director

PURCHASERS:

THE KINGDOM TRUST COMPANY,
CUSTODIAN, FBO EMILY T FAIRBAIRN
ROTH IRA (7465812820)

By: /s/ Emily Fairbairn
Name: Emily Fairbairn
Title:

Kingdom Trust Company, Custodian
FBO: Emily T. Fairbairn
/s/ Authorized Signatory

THE KINGDOM TRUST COMPANY,
CUSTODIAN, FBO MALCOLM P FAIRBAIRN
ROTH IRA (9510281370)

By: /s/ Malcolm Fairbairn
Name: Malcolm Fairbairn
Title:

Kingdom Trust Company, Custodian
FBO: Malcolm Fairbairn
/s/ Authorized Signatory

Exhibit 10.24

[***] Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

EXECUTION VERSION

STRATEGIC ALLIANCE AGREEMENT

THIS STRATEGIC ALLIANCE AGREEMENT ("**Agreement**") is made and entered into as of November 6, 2016 (the "**Effective Date**") by and between Dialog Semiconductor (UK) Ltd., a corporation organized under the laws of England and Wales, having its principal office at 100 Longwater Avenue, Green Park, Reading, RG2 6GP, United Kingdom (" **DIALOG**") and Energous Corporation, a Delaware corporation, having its principal office at 3590 North First Street, Suite 210, San Jose, CA 95134 ("**ENERGOUS**").

WHEREAS DIALOG is a supplier of mixed-signal semiconductor products;

WHEREAS ENERGOUS is a supplier of uncoupled wirefree charging systems, including antennas, semiconductors, firmware, software, algorithms, and sensors;

WHEREAS concurrently with their execution of this Agreement, DIALOG and ENERGOUS are entering into a separate Securities Purchase Agreement, pursuant to which DIALOG will make an investment in ENERGOUS, and ENERGOUS will issue to DIALOG shares of its common stock and a warrant to purchase its common stock on the terms set forth therein.

WHEREAS DIALOG and ENERGOUS desire to enter into a strategic relationship to distribute to the marketplace certain ENERGOUS products and technology and to potentially collaborate on further initiatives pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration for the premises and mutual covenants contained herein, DIALOG and ENERGOUS hereby agree as follows:

1. DEFINITIONS.

All capitalized terms used in this Agreement will have the meaning set out below, or if not defined below, the meaning as defined elsewhere in the Agreement.

1.1 "**Affiliate**" means any person or entity that controls, is controlled by or is under common control with the specified person or entity, but only so long as such control exists. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities, by contract or otherwise.

1.2 "**Approved Production Specifications**" means those materials, processes and workmanship specifications of Manufacturing Subcontractors as approved by ENERGOUS for the manufacture and production of the Products.

1.3 "**Change of Control**" means any transaction or series of transactions that results in (i) the consolidation or merger of the specified party ("**Target**") into or with any other corporation or corporations, (ii) the sale, conveyance or disposition of all or substantially all of the assets of the Target, (iii) the transfer of more than fifty percent (50%) of the voting power of the Target to any entity or entities not controlled by the Target, or (iv) any similar form of acquisition or any liquidation, dissolution or winding up of the Target or other transaction that results in the discontinuance of the Target's business; provided, however, that Change of Control will not include any transaction or series of transactions entered into primarily for equity financing purposes (including, without limitation, any private equity investment or any public offering of securities).

1.4 "**Deposit Materials**" means all chip level design databases, circuit schematics, test and characterization programs and associated documentation reasonably required to have Products manufactured, or to allow design bugs or Epidemic Defects to be fixed in the Product.

1.5 **"Design-In Phase"** means the phase in the sales cycle with a prospective customer for a Product that follows the customer's decision to move forward with the potential Product, during which chip samples are delivered to customer and the parties work together to design the evaluation board for in-system evaluation.

1.6 "**Documentation**" means all information that is necessary or useful to support DIALOG's authorized manufacture, testing, sale and support of the Products, including but not limited to Product Specifications, data sheets, application notes, application board gerber files/BOM, sales and marketing collateral, Product errata, test reports, characterization reports, software (e.g., firmware, GUI), test plans and yield data in connection with the manufacture and sale of Products, Approved Production Specifications, test and characterization programs and associated documentation reasonably required to have Products manufactured, assembled and tested, designs of all Tooling and all other items reasonably required for the manufacture of the Products.

1.7 "**Epidemic Defects**" means material defects of any Product resulting from a common root cause solely attributable to the Product Specifications or Approved Production Specifications and which results in returns (in accordance with the returns procedure mutually agreed between the parties in the Commercialization Plan) of more than [***] percent ([***]%) of the quantity of such Product manufactured in any [***] day period. Any number of material defects affecting any number of Products which result from a single common root cause or combination of causes and result in returns of more than [***] ([***]%) of such Products manufactured in any [***] day period will be treated as the occurrence of a single Epidemic Defect for purposes of this Agreement.

1.8 "**Insolvency Event**" means (a) without a successor, the specified party fails to function as a going concern or to operate in the ordinary course, or (b) other than in the case when the specified party is a debtor-in-possession and continuing to fulfill all its obligations under this Agreement, a receiver or trustee in bankruptcy is appointed for such party or its property, or such party makes a general assignment for the benefit of its creditors, or such party commences, or has commenced against it, proceedings under any bankruptcy, insolvency or debtor's relief law, in each case which proceedings are not dismissed within ninety (90) days.

1.9 "**Intellectual Property Rights**" means any and all Patent Rights, copyright rights, Marks rights (including all associated goodwill), mask work rights, trade secret rights and all other intellectual and industrial property rights of any sort throughout the world (including any application therefor).

* Confidential Treatment Requested

1.10 "**Invention**" means any idea, concept, discovery, invention, development, technology, work of authorship, trade secret, software, firmware, library, component, tool, mask work, process, method, technique, know-how, show-how, data, plan, formula, device, apparatus, specification, design, documentation or other material or information, tangible or intangible, whether or not it may be patented, copyrighted or otherwise protected (including all versions, modifications, enhancements and derivative works thereof).

1.11 "**Manufacturing Subcontractors**" means (a) [***] and/or its Affiliate that is the wafer foundry for the Products ("[***]"), (b) [***] and/or its Affiliate that is responsible for the assembly, packaging and testing of the Products, and (c) and other third party contractors DIALOG or ENERGOUS use, or may from time to time use, for the manufacturing, assembly, testing, or packaging of the Licensed Products or Licensed Product components.

1.12 "**Marks**" means trademarks, service marks, trade dress and trade names.

1.13 "**Mask Set**" means the mask set for fabrication of wafers at a foundry supplier.

1.14 "**Mass Production Qualified Product**" means a fully qualified Product which has completed 500 hour high temperature over lifetime (HTOL) testing and has been shipped in excess of [***] units for purposes of incorporation in customer products.

1.15 **MCM** means a multichip module, being a single package that includes multiple integrated circuit dies, including a Product die.

1.16 "**Net Sales**" means the invoiced amounts for the Sale of Products less: (a) amounts credited for return of any such Products; (b) amounts separately stated with respect to shipment of such Products for insurance, handling, duty, freight, and taxes; and (c) any discounts, credits or rebates in the relevant royalty or service fee period.

1.17 "**New Product**" means a product developed by or on behalf of ENERGOUS after the Effective Date that is not a Product Update; provided, however, that "New Products" exclude any product developed by a successor or acquirer of ENERGOUS.

1.18 "**Patent**" means any United States or foreign patent or patent application, including any provisional application, continuation, continuation-in-part, divisional, registration, confirmation, revalidation, reissue, PCT application, patent term extension, supplementary protection certificate, and utility model, as well as all foreign counterparts of any of the foregoing, and related extensions or restorations of terms thereof.

1.19 "**Patent Rights**" means rights under any Patent.

1.20 "**Person**" a human being or group of human beings, a company, corporation, a partnership or other legal entity (artificial or juristic person) recognized by law as having rights and duties.

* Confidential Treatment Requested

1.21 "**Products**" means the ENERGOUS products set forth in Exhibit A, as such Exhibit may be amended from time to time by mutual agreement between the parties, that have been released by ENERGOUS to production, including all Product Updates, which will be deemed to have been added to Exhibit A automatically, without any further action required by the parties, immediately following the release to production date.

1.22 "**Product Die**" means the silicon die incorporated within Products.

1.23 "**Product IP**" means (a) all Intellectual Property Rights in and to the Products, including all Product Updates, (b) any other Inventions and work products created or developed in connection with research and development or manufacturing efforts relating to the Products, including all Intellectual Property Rights therein and (c) all Intellectual Property Rights in and to the Mask Sets and Tooling, in each of the foregoing cases, that are owned or controlled by ENERGOUS, its Affiliates or any successor or assign.

1.24 "**Product Specifications**" means ENERGOUS' written technical specifications for the Products as referenced in datasheets and related documentation such as errata sheets. All Product Specifications are subject to change with at least one (1) months prior written notice to DIALOG, provided that with respect to any warranty for Products covered by this Agreement, the Product Specification in effect at the time of shipment of the relevant Product will apply for warranty purposes notwithstanding any subsequent change to the Product Specifications as provided herein.

1.25 "**Product Updates**" means any updates, improvements and other modifications to the Products made by or for ENERGOUS, including, without limitation: (a) any updates or modifications to the software (DSP code, firmware, GUI (graphical user interface) code); (b) modifications of silicon, including, without limitation; such modifications made solely for cost reduction purposes, and including only metal layer as well as all layer mask changes; (c) modifications which increase the distance over which wireless power is transmitted or received, subject to the limitations set out in Exhibit A; (d) modifications which increase the amount of power which is transmitted or received; (e) modifications to improve functionality or efficiency or add or improve features; and (f) modifications required to attain regulatory approvals, including, but not limited to, FCC approval; provided, however, that "Product Updates" will only include any of the foregoing developed by an acquirer or successor of ENERGOUS for a period of [***] after a Change of Control of ENERGOUS, and provided further that any Products incorporating Product Updates will be subject to separate terms and conditions to be agreed in good faith by the Parties, which terms and conditions will be no less favourable to DIALOG than those with respect to the Product to which the Product Update corresponds.

1.26 "**Sale**," "**Sell**" or "**Sold**" mean the sale, transfer, exchange or other disposition of Products, by DIALOG or any of its Affiliates to any customer or other third party, directly or indirectly through one or more tiers of distribution, for consideration that is recognized as revenue by DIALOG or its Affiliates according to applicable generally accepted accounting principles.

1.27 **"Semiconductor Supplier"** means any Person, other than DIALOG or its Affiliates, which primarily, or in its ordinary course of business, sells or distributes integrated circuits in packaged, die, multichip module or similar form.

* Confidential Treatment Requested

1.28 "**Term**" means the Initial Term and any and all Renewal Term(s) as set forth in Section 15.1 hereof.

1.29 "**Third Party IP**" means Intellectual Property Rights licensed from a third party relating to the Products.

1.30 "**Tooling**" means the physical Mask Sets, packaging fixtures, test fixtures, test programs, processes, software source code and any other physical tooling or program source code required for the manufacture, packaging, assembly and testing of the Products.

1.31 **"Uncoupled Power Transfer Technology"** means a family of wire-free technology defined by the AirFuel Alliance that provides power to devices at a distance, and that currently includes (i) RF, (ii) ultrasonic transduction, and (iii) Laser power beaming. Notwithstanding the foregoing, the meaning of Uncoupled Power Transfer Technology excludes technology which functions primarily for data transmission or direct-current-to-direct-current (DC-to-DC) power conversion.

2. LICENSE.

2.1 License Grant. Subject to the restrictions set out in Section 2.2, ENERGOUS hereby grants to DIALOG a non-exclusive (subject to Section 2.5), irrevocable, worldwide, sub-licensable (solely in accordance with Section 2.4), royalty-bearing license during the Term under all Product IP to:

(a) repackage or have repackaged the Product Die into various package formats or layouts, and to integrate the Product Die into MCMs, which may incorporate DIALOG or third party intellectual property (such repackaged Product Die, MCMs and Products, are individually and/or collectively referred to as the "**Licensed Products**");

(b) have the Licensed Products manufactured, tested and packaged by Manufacturing Subcontractors;

(c) Sell, offer for Sale, import, export and support the Licensed Products, including without limitation, providing system design, troubleshooting and failure analysis support for DIALOG's customers and their customers;

(d) use and modify the Tooling and Documentation for the purposes of paragraphs (a) to (d) of this Section 2.1.

2.2 Excluded Applications. Until the earlier of (i) termination of ENERGOUS' exclusivity obligations to the Key Customer set forth in Exhibit F (the "**Key Customer**") existing as of the Effective Date with respect to the following applications, or (ii) [***] that incorporates ENERGOUS wireless charging technology, or (iii) [***] and subject to the exceptions set out in Section 2.3, DIALOG will not be permitted to Sell Licensed Products for use in the following applications (the "**Excluded Applications**"):

(a) [***];

* Confidential Treatment Requested

(b) [***];

(c) [***];

(d) [***]; and

(e) [***] designed for use with any of the applications in paragraphs (a) to (d) of this Section 2.2.

For the avoidance of doubt, DIALOG will be permitted to Sell Licensed Products for use in any or all of the Excluded Applications (A) at any time on or after [***] or, if earlier, (B) [***] that incorporates ENERGOUS wireless charging technology, or (C) upon the termination of ENERGOUS' exclusivity obligations to the Key Customer existing as of the Effective Date with respect to the above applications.

2.3 Exceptions to Excluded Applications. The following applications are exceptions to and excluded from the Excluded Applications (the "**Permitted Applications**"):

(a) [***];

(b) [***];

(c) [***];

(d) [***];

(e) [***];

(f) [***];

(g) [***];

(h) [***];

(i) [***]; and

(j) [***].

The fact that a [***] has [***] does not automatically preclude such device from falling under paragraphs (b), (c) and (d) of this Section 2.3

2.4 Sublicenses. DIALOG may sublicense the foregoing license rights to any of its Affiliates. DIALOG will be responsible for the observance and performance by all such Affiliates of all of DIALOG's obligations pursuant to this Agreement. DIALOG may sublicense the foregoing license rights to Manufacturing Subcontractors solely to the extent necessary and appropriate for them to manufacture, assemble, test and provide support for the Products. DIALOG may not sublicense the foregoing license rights to any other third party without ENERGOUS' prior written consent.

* Confidential Treatment Requested

2.5 Exclusivity.

(a) Subject to paragraph (b) of this Section 2.5, ENERGOUS will not, and will not enable any Semiconductor Supplier, to manufacture, have manufactured, offer for sale, sell, import or export the Products or Product Die in commercial volumes, except a Semiconductor Supplier to the Key Customer for use in the Excluded Applications.

(b) ENERGOUS will use its diligent, good faith efforts to promote DIALOG as the preferred supplier of Products and Product Die. However, ENERGOUS is allowed to engage with a Semiconductor Supplier to supply comparable products or product die to a customer if either (i) the customer which has not been engaged with DIALOG with respect to such product or product die notifies ENERGOUS or DIALOG in writing by an authorized officer of the customer that it does not want to use DIALOG or a DIALOG Affiliate as a supplier of such product or product die; or (ii) if DIALOG has been engaged with the customer, the customer notifies ENERGOUS or DIALOG in writing prior to commencement of the Design-In Phase that it does not want to use DIALOG or a DIALOG Affiliate as a supplier of such product or product die. For clarity, ENERGOUS shall not intentionally supply Products, Product Die or comparable products or product die to customers directly or through distribution channels.

2.6 Branding.

(a) Products Sold by DIALOG or its Affiliates may be branded as DIALOG products. All sales and marketing collateral, software tools and material for promotional activities relating to the Products will utilize ENERGOUS branding in a prominent basis as an equivalent partner with respect to such Products.

(b) To the extent the parties engage in any co-branding activities, then, subject to the terms and conditions of this Agreement and during the Term, each party (in such capacity, "**Licensor**") hereby grants to the other party (in such capacity, "**Licensee**") a non-exclusive, non-transferable, worldwide right and license (without the right to sublicense), under Licensor's Intellectual Property Rights in Licensor's Marks, to use those Marks of Licensor set forth in Exhibit D solely in connection with the marketing, sale and distribution of such co-branded Products in accordance with this Agreement.

(c) Use of Licensor's Marks will be subject to the following terms and conditions: (i) all goodwill generated by use of Licensor's Marks by Licensee will inure to the benefit of Licensor; (ii) Licensee will use Licensor's Marks only in such forms and with such graphics as authorized by Licensor; and (iii) Licensee will identify Licensor's Marks as being owned by Licensor and will (A) cause the symbol "®" to appear adjacent to and slightly above any registered Licensor Mark, or (B) alternatively, for any Licensor Marks that are not registered, the symbol "TM" or "SM", as applicable.

2.7 No Other Rights. Except for the rights and licenses expressly granted in this Agreement, no other right is granted, no other use is permitted and all other rights are expressly reserved.

3. SOURCING.

3.1 Product Manufacture. Concurrent with or before execution of this Agreement, and substantially in the form attached as Exhibit C, ENERGOUS will provide written authorization to its Manufacturing Subcontractors to confirm DIALOG's and, if applicable, DIALOG's Affiliates' rights to procure the Licensed Products and related services directly from such Manufacturing Subcontractors utilizing ENERGOUS' Tooling and any associated manufacturing resources. DIALOG and its sublicensed Affiliates may directly contract with the Manufacturing Subcontractors for the manufacture and supply of Licensed Products under terms and conditions that DIALOG or such Affiliates may directly negotiate with such third parties.

3.2 Additional Manufacturing Subcontractors. DIALOG at its sole discretion may qualify and establish an alternative source to some or all of ENERGOUS' Manufacturing Subcontractors for the manufacturing of the Licensed Products and ENERGOUS will provide its written authorization thereof if requested by DIALOG.

3.3 Tooling. Subject to ENERGOUS' rights in the Product IP and any Third Party IP (including, without limitation, that of any Manufacturing Subcontractors), each party will own all right, title and interest in the physical Tooling procured or generated by that party for the manufacturing, testing and packaging of the Licensed Products. For the avoidance of doubt, as between the parties, ENERGOUS will also continue to own all right, title and interest in and to the firmware, DSP code and GUI software embedded in the Products, including all Intellectual Property Rights embodied therein. Upon the termination of DIALOG's right to manufacture the Licensed Products following any expiration or termination of the Agreement or any Wind Down Period or Continuing Obligation period, as applicable, then all right, title and interest in the Tooling will automatically transfer to ENERGOUS subject to any Third Party IP, and DIALOG will, at ENERGOUS' option, either sell any Tooling in its possession to ENERGOUS at cost or destroy the Tooling and certify in writing as to same.

4. PRODUCT COMMERCIALIZATION.

4.1 Commercialization Plan.

(a) Exhibit E hereto sets out the plan for the commercialization of the Licensed Products (the "**Commercialization Plan**"). The Commercialization Plan sets forth the parties' respective rights and obligations with respect to commercial and technical activities to be performed to maximize potential Sales of Licensed Products. The Commercialization Plan will be reviewed and (if necessary) updated by the parties on a quarterly basis during the Term.

(b) Each party will appoint (and notify the other party of the name of) a member of their management team who will serve as that party's primary contact for all matters related to this Agreement (each, a "**Liaison**"), including resolution of issues that may arise under this Agreement. Each party may replace its Liaison at any time by notice in writing to the other party.

(c) The Commercialization Plan includes a go-to-market plan. ENERGOUS will provide commercially reasonable sales training, material and support to DIALOG's global application, sales and marketing teams and customers, including the support set out in Section 4.3.

(d) ENERGOUS will also support DIALOG with an operations and quality plan, which will set forth information relating to quality matters, including, but not limited to, testing, yield management, RMA process, failure analysis/corrective action procedure, ECN/PCN process and detailed agreement on mutual rights and responsibilities with respect to any quality issues or warranty claims (hereinafter "**Quality Plan**"). Both parties will work in good faith to finalize and implement the Quality Plan within 90 days after the Effective Date of this Agreement. DIALOG will be responsible for its own frontline quality function and corrective actions, with technical input from ENERGOUS as required.

(e) The parties may promote the relationship with marketing initiatives and also agree to engage in joint marketing communication activities related to the relationship described in this Agreement or to the promotion of the Licensed Products, as set forth in the Commercialization Plan or otherwise mutually agreed between the parties from time to time.

4.2 Commercialization Meetings. The parties will meet regularly, but at least once each month during the Term, either in person or by telephone, video or internet conference call, to share technical and commercial information as reasonably required to facilitate the parties' exercise of their respective rights and performance of their respective obligations under this Agreement. The information shared by the parties will include, but is not limited to (a) market and competitive dynamic updates, (b) activities and progress updates at DIALOG's customers, (c) technical review and feedback from customers, (d) non-binding 12 month rolling Sales and Royalty and Service Fee forecasts for the Licensed Products, (e) initiatives to boost sales potential for the Licensed Products. Customer information shared will be within the limits allowed by any non-disclosure agreements DIALOG may have entered into with such customers.

4.3 Technical Support. ENERGOUS will support DIALOG's or its Affiliates' engineers and, in some cases and at DIALOG's request, the customer directly in providing standard design-in support (including antenna design support) for customers' products. If the customer requires unique or custom engineering services (i.e., support and services not limited to those with general application to Product customers), then ENERGOUS will contract directly with such customer for the provision of such services. ENERGOUS will provide DIALOG with any and all information that is necessary or useful to support its authorized manufacture, testing, marketing, Sale, troubleshooting, compatibility analysis, performance tuning, failure analysis, and other support of the Licensed Products, including the Documentation and any updates thereto or revisions thereof which are reasonably necessary or appropriate to provide technical support for the Products to DIALOG customers. ENERGOUS receives the Service Fee for providing the support described in this Section 4.3 to DIALOG and its customers during the Term. In the event the Technical Support provided by ENERGOUS falls below a mutually-agreed upon service level that is common to the semiconductor industry or reasonably requested by DIALOG's customers, and after failure by ENERGOUS to address such deficiency within a twenty (20) day notice period, DIALOG may suspend the payment of Service Fees until such service level is provided. Furthermore, in the event ENERGOUS fails to meet its obligations as set forth in the Quality Plan, and after failure by ENERGOUS to address such deficiency within a thirty (30) day notice period, DIALOG may suspend the payment of Service Fees until such obligations are met.

5. PRODUCT DEVELOPMENT AND PRODUCT UPDATES.

ENERGOUS will have control and authority over the design and development of the Products, including without limitation, developing and implementing all Product Updates. ENERGOUS reserves the right to implement Product Updates at any time in its sole discretion. The parties will consult each other on the perceived product needs of the market and DIALOG's customers and how best to respond to such needs. DIALOG may suggest Product Updates to ENERGOUS provided, but all the development of Product Updates will be at ENERGOUS' sole discretion. ENERGOUS will share its relevant product roadmaps from time to time to maximize collaboration opportunities.

6. INTELLECTUAL PROPERTY OWNERSHIP.

6.1 Product IP. ENERGOUS retains right, title and interest in and to the Product IP, ENERGOUS' Marks and ENERGOUS' Confidential Information, including all Intellectual Property Rights embodied therein. No transfer or grant is made hereunder by ENERGOUS of any of these rights or any of its other rights, whether by implication, estoppel or otherwise, other than the limited rights and licenses expressly granted by ENERGOUS in this Agreement, and all such other rights are hereby reserved.

6.2 DIALOG Intellectual Property. DIALOG retains rights, title and interest in and to DIALOG's Marks and DIALOG's Confidential Information, including all Intellectual Property Rights embodied therein. No transfer or grant is made hereunder by DIALOG of any of these rights or any of its other rights, whether by implication, estoppel or otherwise, other than the limited rights and licenses expressly granted by DIALOG in this Agreement and all such other rights are hereby reserved.

7. PRODUCT SALES.

7.1 Sales. Subject to the terms and conditions of this Agreement, and except as set forth in the Commercialization Plan or otherwise agreed in writing between the parties, DIALOG will market and Sell the Licensed Products as authorized under this Agreement. DIALOG will independently manage and process its own forecasting, operations and order management.

7.2 Discontinuation of Sale of Products. If DIALOG decides to discontinue Sales of any Product, it will notify ENERGOUS at least [***] prior to such discontinuance, and following such notification, the exclusivity rights, if any, associated with that Product will cease; provided, however, this provision will not apply in the event that DIALOG continues Sales of Product Updates, repackaged Product Dies or MCMs.

7.3 Supply of Products to ENERGOUS. DIALOG will provide 1000 samples of each Product free of charge to ENERGOUS for the purposes of evaluation and demonstration. For additional volumes required by ENERGOUS, DIALOG will sell to ENERGOUS on a reasonable cost plus basis for the purposes of evaluation and demonstration. These samples are provided as is, are not intended for resale by ENERGOUS, and no indemnification or other warranties from DIALOG will apply.

* Confidential Treatment Requested

8. OTHER PRODUCTS.

8.1 New Products. In the event that ENERGOUS develops New Product, ENERGOUS will provide DIALOG with written notice describing the New Product before marketing, selling or distributing the New Product with or to any third party. Upon receipt of such notice, DIALOG will have [***] to notify ENERGOUS in writing that it desires to add such New Product as Product under this Agreement. If DIALOG provides such a notice, for a period of [***] following ENERGOUS' receipt of such notice, ENERGOUS and DIALOG will negotiate in good faith the terms pursuant to which such New Product will be added as a Product to this Agreement. ENERGOUS may not negotiate with any third party the rights to market, sell or distribute any New Product until the earliest to occur of the following (a) DIALOG does not provide ENERGOUS with notice that it desires to add such New Product to this Agreement within the above-described [***] period, (b) ENERGOUS and DIALOG do not reach mutually agreeable terms for adding such New Product to this Agreement during the [***] negotiation period or (c) DIALOG provides ENERGOUS with written notice that it does not wish to negotiate with respect to such New Product. For clarity, after any of the events described in the foregoing subsections (a), (b) or (c) occurs, the New Product will not be covered under this Agreement, and ENERGOUS will be free to manufacture, market, sell, distribute and otherwise exploit such New Product as it deems fit in its sole discretion, including in collaboration with or through one or more third parties.

8.2 No Competing Products.

(a) Until expiration or earlier termination of the Agreement, DIALOG agrees that it and its Affiliates will not, without ENERGOUS' written approval, intentionally sell, distribute or work with any third party to develop products incorporating any Uncoupled Power Transfer Technology other than Licensed Products; provided, however, that DIALOG shall not be under any such restrictions in relation to services or products it provides to the Key Customer in the event the Key Customer terminates its agreement with ENERGOUS.

(b) In the event that ENERGOUS does not receive Federal Communications Commission approval of any Licensed Product for power transmission [***] by the [***], (i) ENERGOUS may provide written notice to DIALOG which references this Section 8.2(b) and indicates ENERGOUS' intention to enable one or more Semiconductor Suppliers to supply Products for [***]; and (ii) DIALOG may provide written notice to ENERGOUS which references this Section 8.2(b) and indicates DIALOG's intention to sell, distribute or work with one or more third parties to develop products incorporating Uncoupled Power Transfer Technology for [***]. [***] following the date such notice is given pursuant to Section 20.1, the restrictions in Section 8.2(a) shall no longer apply to DIALOG for Uncoupled Power Transfer Technology in [***] and the restrictions relating to enabling a Semiconductor Supplier in Section 2.5(a) shall no longer apply to ENERGOUS for Products or Product Die in [***].

(c) In the event that ENERGOUS does not receive Federal Communications Commission approval of any Licensed Product for power transmission in [***] by the [***], (i) ENERGOUS may provide written notice to DIALOG which references this Section 8.2(c) and indicates ENERGOUS' intention to enable one or more Semiconductor Suppliers to supply Products for [***]; and (ii) DIALOG may provide written notice to ENERGOUS which references this Section 8.2(c) and indicates DIALOG's intention to sell, distribute or work with one or more third parties to develop products incorporating Uncoupled Power Transfer Technology for [***]. [***] following the date such notice is given pursuant to Section 20.1, the restrictions in Section 8.2(a) shall no longer apply to DIALOG for Uncoupled Power Transfer Technology in [***] and the restrictions relating to enabling a Semiconductor Supplier in Section 2.5(a) shall no longer apply to ENERGOUS for Products or Product Die in [***].

* Confidential Treatment Requested

9. ROYALTIES AND SERVICE FEES.

9.1 Royalties. DIALOG will pay ENERGOUS the Royalties set forth in Exhibit B. For clarity, DIALOG will be responsible for paying to ENERGOUS any Royalties payable hereunder as a result of its Affiliates' Licensed Product Sales.

9.2 Service Fee. Subject to Section 4.3, DIALOG will pay ENERGOUS the Service Fees set forth in Exhibit B. For clarity, subject to Section 4.3, DIALOG will be responsible for paying to ENERGOUS any Service Fees payable hereunder for services provided by ENERGOUS hereunder to DIALOG's Affiliates or any of DIALOG's or its Affiliates' customers.

9.3 Payment. Payments of Royalties and Service Fees will be due on a calendar quarterly basis, within [***] days after the end of the calendar quarter in which the applicable Licensed Products were Sold or services were rendered. From the date a payment is due, unless otherwise agreed, any late payment will accrue a late payment fee of [***] per month, or the highest interest rate permitted by law, whichever is less.

9.4 Reports. Each payment made hereunder will be accompanied by a report detailing (a) the total number of units, on a product-by-product basis, of the Licensed Products Sold during the previous calendar quarter, (b) DIALOG's and its Affiliates' Net Sales attributable to such Licensed Product units during such calendar quarter, and (c) reasonable details regarding the calculation of the quarterly Royalty payment and Service Fee. Such information will be maintained in strict confidence by ENERGOUS under Section 10 of this Agreement.

9.5 Books. With respect to its exercise of the rights and licenses granted in, and payment obligations under, this Agreement, DIALOG and its Affiliates will keep accurate books and other records, including but not limited to supporting documentation for the Royalties and Service Fees paid hereunder (the "**Records**"). These Records will be maintained for a period of at least three (3) years from the date of the related payment ("**Record Retention Period**"), notwithstanding any termination of expiration of this Agreement.

9.6 Audit Rights. During the Record Retention Period, ENERGOUS may appoint a mutually agreed independent, internationally recognized third-party certified auditor who will have the right to inspect and copy the Records upon reasonable prior notice, and DIALOG will (and will cause its Affiliates to) allow necessary access including, as applicable, to its premises where such Records are located. ENERGOUS may exercise such right to this independent-third party audit no more than one time per calendar year and each such audit will be conducted during normal business hours. Such audit may also not interfere with DIALOG's or its Affliates' quarterly closing of its books. In the event that such audit reveals an underpayment of Royalties or Service Fees owed by DIALOG, DIALOG will promptly pay ENERGOUS the amount of the underpayment. If such underpayment is in excess of [***] of the Royalties or Service Fee due for the period audited, DIALOG will also reimburse ENERGOUS for its reasonable, out-of-pocket cost of such audit. In the event that such audit reveals an overpayment of Royalties or Service Fees owed by DIALOG, ENERGOUS will promptly pay DIALOG the amount of the overpayment.

* Confidential Treatment Requested

9.7 Taxes. Each party will be responsible to collect, bear and pay any and all taxes levied or based upon the party's sale of the Products, Product Die or Licensed Products, including, all sales, use, value added, withholding or similar taxes. In the event that the government of a country imposes any income taxes on payments made by a party to the other hereunder and requires a party to withhold such tax from such payments, such party may deduct such tax from such payments. Each party will be responsible for its own banking costs relating to the receipt of payments of Royalties and Service Fees and any other monies payable to it in connection with this Agreement.

9.8 Payment Currency. All payments due under this Agreement will be payable in U.S. Dollars. With respect to Net Sales invoiced in a currency other than U.S. Dollars, the Net Sales will be expressed in the domestic currency of the entity making the Sale, together with the U.S. Dollar equivalent, calculated using the conversion rate existing in the United States (as reported in the Wall Street Journal) on the last working day of each month of the calendar quarter in which the Net Sales were made. Such payments will be without deduction of exchange, collection or other charges.

10. CONFIDENTIALITY.

10.1 Scope. The term "**Confidential Information**" means all financial, business and technical information disclosed by or on behalf of a party in relation to this Agreement (whether tangible or intangible, and including all copies, analyses and derivatives thereof), that is marked or otherwise identified as proprietary or confidential at the time of disclosure, or which by its nature would be understood by a reasonable person to be proprietary or confidential, including all copies, abstracts, summaries, analyses and derivatives thereof. Confidential Information does not include information the receiving party can demonstrate (a) was rightfully furnished to it without restriction by a third party without breach of any obligation to the disclosing party, (b) is generally available to the public without breach of this Agreement, (c) was available to or already in the possession or control of the receiving party on a non-confidential basis before receipt from the disclosing party or (d) is independently developed by it or its employees without reliance on such information. Information associated with DIALOG's quarterly Royalty or Service Fee disclosures is Confidential Information of DIALOG.

10.2 Non-Disclosure. The receiving party agrees (a) not to copy or use the disclosing party's Confidential Information except and only for the purposes contemplated by this Agreement, (b) to maintain it as confidential, and exercise reasonable precautions to prevent unauthorized access, use and disclosure, (c) not to disclose it to any third party other than the receiving party's employees and contractors who have a need to know for the permitted purpose and who are bound by obligations that are at least as protective as the restrictions in this Agreement and (d) not to export or re-export in violation of U.S. or other export control laws or regulations any such Confidential Information or product thereof. Each party will bear the responsibility for any breach of this Section 10 by its and its Affiliates' employees and contractors. Upon any termination of this Agreement or, in the event of any Wind Down Period or Continuing Obligation period, upon the expiration of such period, and within fifteen (15) days after request by the disclosing party, each receiving party will return the Confidential Information of the other or destroy such Confidential Information and all copies of it and all information, records and materials developed therefrom, except that the recipient may retain one copy for archival purposes to ensure compliance with the provisions of this Agreement, and nothing contained herein will require the erasure, deletion, alteration or destruction of any Confidential Information required to be retained for legal or regulatory purposes or stored on back-up tapes or other back-up media or archiving systems made in the ordinary course of business, subject in each case to the confidentiality obligations set forth herein. Each party may only disclose the general nature, but not the specific terms, of this Agreement without the prior consent of the other party; provided, however, either party may provide a copy of this Agreement or otherwise disclose its terms on a confidential basis in connection with any legal or regulatory requirement, financing transaction or due diligence inquiry. For clarity, in the event that use, disclosure or retention of any Confidential Information is required in order for DIALOG to exercise the license granted in Section 2, this Section 10 will not be deemed to prevent such use, disclosure or retention.

10.3 Required Disclosure. Nothing herein will prevent a receiving party from disclosing all or part of the other's Confidential Information as necessary pursuant to court order, the lawful requirement of a governmental agency or when disclosure is required by operation of law (including disclosures pursuant to applicable securities laws or regulations thereunder); provided, that prior to any such disclosure, the receiving party will use reasonable efforts to (a) promptly notify the disclosing party in writing of such requirement to disclose, and (b) cooperate fully with the disclosing party in protecting against or minimizing any such disclosure or obtaining a protective order.

11. REPRESENTATIONS AND WARRANTIES; DISCLAIMERS.

11.1 Mutual Representations and Warranties. ENERGOUS and DIALOG hereby each represent and warrant to the other that as of the Effective Date:

(a) it is a duly and validly organized and existing corporation in good standing under the laws of the state or country of its incorporation, as applicable, and that it is legally qualified to do business in each jurisdiction in which this Agreement may be performed and the performance of its activities hereunder requires such qualification;

(b) the performance of this Agreement and the consummation of the transactions contemplated herein will not result in any breach or violation of any terms or provisions of, or constitute a default under, its certificate of incorporation or by-laws or other organizational documents, or any material agreement or instrument to which it is a party, by which it is bound, or to which any of its property is subject;

(c) all requisite corporate action has been taken for the due authorization, execution, delivery and performance of this Agreement by it, and this Agreement constitutes a legally binding obligation, enforceable against such party in accordance with its terms, except insofar as enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws affecting the rights of creditors generally; and

(d) it is not a party to any litigation relating to, or that could reasonably be expected to affect, its ability to perform its obligations under this Agreement.

11.2 Product Warranty.

(a) ENERGOUS warrants that (i) when manufactured in accordance with the Approved Production Specifications, and as implemented in a suitable circuit application in accordance with the Product Specifications, the Products and Product Die will conform to the Product Specifications and will be free from defects that could have been avoided in their design; (ii) the Products, any constituent parts or functionality thereof, the Documentation and the Deposit Materials do not infringe any third party's Intellectual Property Rights; (iii) it did not misappropriate any third party's trade secrets in the development of the Products, any constituent parts or functionality thereof, the Documentation or the Deposit Materials; and (iv) when delivered (including any software updates if any), no Product will contain any viruses, "Trojan horses" or other harmful code. The above warranties are valid for a period of [***] from the date of shipment of any Licensed Product to any customer.

(b) The warranty contained in Section 11.2(a) does not apply to the extent any Product is operated in a manner other than that specified by the Product Specifications, is treated with abuse, negligence or other improper treatment (including, without limitation, use outside the device maximum ratings, package MSL (moisture sensitivity level) guidelines or environmental limits as may be set forth in the Product Specifications), or is defective as a result of any materials or workmanship of the Manufacturing Subcontractors or failure of the Manufacturing Subcontractors to manufacture the Product according to Approved Production Specifications. As such, any warranty claims due to defects in build, materials or workmanship will be directed to the Manufacturing Subcontractors as part of that contract between DIALOG or, if applicable, its Affiliate and such parties.

(c) With the exception of the warranties in Section 11.2(a)(ii) (third party IP infringement) and Section 11.2(a)(iii) (misappropriation of third party trade secrets) related to any Product Die, the warranties in this Section 11.2 do not apply to MCMs or repackaged Product Die developed by or for DIALOG or its Affiliates.

(d) In the event any warranty claim is due to or arises from an Epidemic Defect, ENERGOUS will be responsible for all costs and expenses directly incurred by DIALOG or its Affiliates or their respective customers as a result of reasonable inspection, servicing, repairs, replacements, recall notices, recalls and responses with respect thereto, provided that ENERGOUS' aggregate liability to DIALOG and its Affiliates and their respective customers under this paragraph (d) will not exceed [***] per occurrence of an Epidemic Defect. Each party will immediately notify the other upon becoming aware of the circumstance that could reasonably be construed to be an indication of an Epidemic Defect, and, in any event, will notify the other party immediately upon becoming aware of the existence of an Epidemic Defect. ENERGOUS and DIALOG will expeditiously work together in good faith to determine a technical resolution of the Epidemic Failure. ENERGOUS agrees to make all commercially reasonable efforts to promptly diagnose the Epidemic Failure's root cause, provide DIALOG a report detailing the results of ENERGOUS' investigation and plan an effective workaround and a permanent solution. ENERGOUS will consult with DIALOG on any proposed workarounds and other solutions.

* Confidential Treatment Requested

11.3 Infringement of Intellectual Property Rights. If any of the Products, Product Die, Documentation or Deposit Materials is, or in ENERGOUS' or DIALOG's opinion is likely to become, the subject of an Intellectual Property Rights infringement claim, and as a result DIALOG or any of its Affiliates or their respective customers are enjoined, or in ENERGOUS' or DIALOG's opinion are likely to be enjoined, from using the Products, Product Die, Documentation or Deposit Materials, ENERGOUS will use its best efforts to:

(a) procure for DIALOG and its Affiliates and their respective customers the right to continue to use the Products, Product Die, Documentation or Deposit Materials, as applicable; or, but only in the event that, despite ENERGOUS' best efforts to do so, ENERGOUS is unable to so procure such right,

(b) replace or modify the Products, Product Die, Documentation or Deposit Materials, as applicable, to make them non-infringing, provided that the replaced or modified Products, Product Die, Documentation and Deposit Materials remain substantially similar in performance to the infringing Products, Product Die, Documentation and Deposit Materials.

If none of the foregoing alternatives is available within a commercially reasonable time period, DIALOG may terminate this Agreement with immediate effect, provided that it will give ENERGOUS prompt prior written notice thereof. Nothing in this Section 11.3 is intended to limit DIALOG's rights to indemnification under Section 12 in connection with any such infringement claim.

11.4 Disclaimer. EXCEPT AS EXPRESSLY SET FORTH IN THIS SECTION 11, THE PRODUCTS, THE PRODUCT IP, TOOLING, DOCUMENTATION, DEPOSIT MATERIALS, CONFIDENTIAL INFORMATION AND ALL LICENSES, SERVICES AND OTHER ITEMS PROVIDED BY A PARTY TO THE OTHER PARTY HEREUNDER ARE PROVIDED "AS IS", WITHOUT WARRANTY OF ANY KIND. EXCEPT FOR THOSE WARRANTIES EXPRESSLY PROVIDED HEREIN, EACH PARTY SPECIFICALLY DISCLAIMS ALL WARRANTIES, WHETHER ORAL OR WRITTEN, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND ALL WARRANTIES ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE IN TRADE.

12. INDEMNIFICATION.

12.1 Indemnification by Energous. Subject to Section 12.2, ENERGOUS agrees to indemnify, hold harmless and, in the case of any third party claims, defend DIALOG and its Affiliates and each of their respective directors, officers, employees, contractors, agents, distributors and customers (collectively, "**DIALOG Indemnitees**") from and against and in respect of any and all alleged or actual demands, claims, actions, causes of action, suits or proceedings, assessments, awarded damages (including punitive damages), liabilities, interest and penalties, costs and expenses (including, without limitation, court costs and reasonable legal fees and disbursements in connection therewith) (each, a "**Claim**") to the extent resulting from, arising out of, relating to, or imposed upon or incurred by any DIALOG Indemnitees by reason of (a) death or bodily injury caused by or resulting from use of the Products, (b) any breach of any representation or warranty made by ENERGOUS hereunder or to any third party in relation to the Products or Product Die, (c) the infringement or misappropriation of any third party Intellectual Property Rights in relation to the Products or Product Die, (d) the infringement or misappropriation of any third party Intellectual Property Rights as a result of DIALOG's or its Affiliates' exercise of rights in accordance with the terms of this Agreement, including, but not limited to, the Manufacturing Subcontractors' manufacture of the Products on their behalf, provided that the Products are manufactured in strict compliance with the Product Specifications and Approved Production Specifications and only to the extent such Claims arise due to compliance with the Product Specifications and/or the Approved Production Specifications or use of the Tooling provided by ENERGOUS hereunder, (e) the infringement by DIALOG of any third party Marks rights as a result of its authorized use of the ENERGOUS Marks, (f) any failure by ENERGOUS to comply with applicable laws, regulations and standards, or (g) ENERGOUS' negligence, intentional misconduct or fraud.

12.2 Exclusion. Notwithstanding the provisions of Section 12.1, ENERGOUS will not be liable to the extent any Claim results from (a) modification of the Products by DIALOG, its Affiliates and/or any third party (including the Manufacturing Subcontractors), or combination of the Products with other products, offered by DIALOG, its Affiliates and/or any third party, (b) acts or omissions of any Manufacturing Subcontractor (except to the extent such Claims are due to the infringement or misappropriation of third party Intellectual Property Rights arising from such Manufacturing Subcontractor's manufacturing of the Products on behalf of DIALOG in strict compliance with the Product Specifications, Approved Production Specifications and Tooling provided by ENERGOUS), (c) failure of any DIALOG Indemnitee to comply with applicable laws, regulations and standards, or (d) negligence, intentional misconduct or fraud of any DIALOG Indemnitee. For clarification, if any of the foregoing is not the cause, in whole or in part of the Claim, ENERGOUS is not relieved of its obligations under Section 12.1.

12.3 Conditions. DIALOG must notify ENERGOUS within thirty (30) business days after receipt of actual notice of any Claim by a third party for which it seeks indemnification; provided, however, any failure or delay in notice will not relieve ENERGOUS of its obligations hereunder except to the extent that ENERGOUS is actually prejudiced by such failure to notify. ENERGOUS will have control and authority with respect to the defense, litigation, compromise or settlement of such third party Claim (except to the extent that any settlement involves any commitments, responsibilities or obligations on the part of DIALOG, in which case such settlement will require the prior written consent of DIALOG, which consent will not be unreasonably delayed, conditioned or withheld). DIALOG will cooperate and provide assistance and information as may reasonably be required by ENERGOUS (but at ENERGOUS' expense) in connection therewith. DIALOG reserves the right to participate at its own cost in any third party proceedings with counsel of its own choosing. In the event that ENERGOUS does not respond to any third party Claim or does not sufficiently defend such third party Claim, DIALOG, acting reasonably, may step in and take over the defense of such Claim. Costs incurred in the settlement of any Claim, including, but not limited to, reasonable legal expenses, may be off set against future Royalties and Service Fees payable.

12.4 Insurance. Each party will maintain, during the Term and for three (3) years thereafter, such comprehensive general liability insurance (including without limitation, products liability) as will adequately protect it against its potential liabilities under this Agreement, in amounts customary in the semiconductor industry for similar services and products. Each party will, at the other party's request, provide to the other party a certificate of insurance evidencing the foregoing insurance coverage.

13. LIMITATION OF LIABILITY.

13.1 EXCEPT IN THE CASE OF (a) ANY BREACH OF SECTION 10 (CONFIDENTIALITY), (b) THE PARTIES' OBLIGATIONS UNDER SECTION 12 (INDEMNIFICATION), (c) A PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, OR (d) LIABILITY ARISING FROM EPIDEMIC DEFECTS (WHICH WILL BE SUBJECT TO THE LIMITATION SET FORTH IN SECTION 11.2(d)), IN NO EVENT WILL EITHER PARTY BE LIABLE UNDER THIS AGREEMENT, REGARDLESS OF THE FORM OF ANY CLAIM OR ACTION (WHETHER IN CONTRACT, NEGLIGENCE, STRICT LIABILITY OR OTHERWISE), FOR ANY (i) INDIRECT, PUNITIVE, INCIDENTAL, RELIANCE, SPECIAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF BUSINESS, REVENUES, PROFITS OR GOODWILL, OR (ii) AGGREGATE DAMAGES IN EXCESS OF [***]. IN ADDITION, ENERGOUS' LIABILITY WITH RESPECT TO ITS OBLIGATIONS UNDER SECTION 12.1(b) SHALL IN NO EVENT EXCEED [***]. THESE LIMITATIONS ARE INDEPENDENT FROM ALL OTHER PROVISIONS OF THIS AGREEMENT AND WILL APPLY NOTWITHSTANDING THE FAILURE OF ANY REMEDY PROVIDED HEREIN.

14. COMPLIANCE WITH LAWS.

Each party will comply with all law and regulations applicable such party's performance under this Agreement, including but not limited to U.S. Export Administration laws and regulations and any other export, import and re-export control laws applicable to such party. The parties will refrain from exporting or re-exporting the Products or Product IP or any technical data or other materials received from each other, or the direct product of any of these, to any country, individual or organization proscribed by the United States government, unless properly authorized by the appropriate agencies of the United States government. Each party will provide all information under its control which is necessary or useful for the other party to ship or receive the Products, including, but not limited to, U.S. Export Control Classification Numbers (ECCNs), U.S. Customs Certificates of Delivery, Certificates of Origin and U.S. Federal Communications Commission identifier, if applicable. Each party agrees that it will not act in any fashion or take any action in violation of any applicable anti-bribery or anti-corruption legislation in any jurisdiction in which it does business, which prohibits the offering, giving or promising to offer or give, directly or indirectly, money or anything of value to any official of a government, political party or instrumentality to assist it in obtaining or retaining business, including the U.S. Foreign Corrupt Practices Act or any comparable legislation in another country.

* Confidential Treatment Requested

15. TERM AND TERMINATION.

15.1 Term. This Agreement is effective on the Effective Date. Unless earlier terminated as provided herein, this Agreement continues in effect for an initial term of seven (7) years ("**Initial Term**") and will automatically renew for one or more annual periods after the Initial Term (each a "**Renewal Term**") unless either party gives notice of non-renewal at least one hundred eighty (180) days prior to the beginning of any Renewal Term.

15.2 Termination.

(a) Mutual Termination Rights. Either party may, in addition to any other remedies available to it under this Agreement or at law or in equity, terminate this Agreement (or, in the event this Agreement has been previously terminated, the Wind Down Period, if any) immediately upon the issuance of written notice to the other party in the event that (i) the other party materially breaches a material provision of this Agreement, and fails to cure such breach within thirty (30) days, or (ii) the other party undergoes an Insolvency Event.

(b) Termination By ENERGOUS.

(i) If ENERGOUS is acquired by a third party, ENERGOUS' acquirer will have the right, for a period of [***] following closing of such acquisition, to terminate this Agreement upon written notice to DIALOG.

(ii) ENERGOUS will have the right to terminate this Agreement immediately upon the issuance of written notice to DIALOG (A) if DIALOG undergoes a Change of Control involving a competitor of ENERGOUS (as reasonably determined by ENERGOUS), or (B) if DIALOG or any of its Affiliates acquires, whether directly or indirectly through a sale of assets or a Change of Control transaction or otherwise, any competitor of ENERGOUS. DIALOG will provide ENERGOUS with notice of any such Change of Control or acquisition within [***] after the closing thereof and ENERGOUS' right to terminate the Agreement will expire [***] after receipt of such notice.

(iii) ENERGOUS may, at any time after the third anniversary of the Effective Date, terminate this Agreement with or without cause upon not less than one hundred and eighty (180) days prior written notice to DIALOG.

(iv) ENERGOUS will have the right to terminate this Agreement, upon not less than [***] prior written notice to DIALOG, in the event that, following termination by the [***] of its agreement with ENERGOUS, DIALOG participates in or indicates its intention to participate in the development, design or manufacture of products incorporating Uncoupled Power Transfer Technology not provided by ENERGOUS to [***].

(c) Termination by DIALOG.

(i) If DIALOG is acquired by a third party, DIALOG's acquirer will have the right, for a period of [***] following closing of such acquisition, to terminate this Agreement upon written notice to ENERGOUS.

* Confidential Treatment Requested

(ii) DIALOG may terminate this Agreement, immediately upon issuance of written notice to ENERGOUS in the event that: (A) DIALOG or its Affiliates fail to achieve a design-win pipeline with an annual projected sales value to DIALOG of at least [***] in the [***] after the availability of a Mass Production Qualified Product; or (B) the aggregate annual Net Sales of Products are below [***] by the [***] of the availability of a Mass Production Qualified Product, or below [***] by the [***] of the availability of a Mass Production Qualified Product, or below [***] by each [***] of the availability of a Mass Production Qualified Product during the remainder of the Term.

(iii) DIALOG will have the right to terminate this Agreement immediately upon the issuance of written notice to ENERGOUS (A) if ENERGOUS undergoes a Change of Control involving a competitor of DIALOG, or (B) if ENERGOUS acquires, whether directly through a sale of assets or through a Change of Control transaction, any competitor of DIALOG (as reasonably determined by DIALOG). ENERGOUS will provide DIALOG with notice of any such Change of Control or acquisition within [***] after the closing thereof and DIALOG's right to terminate the Agreement will expire [***] after receipt of such notice.

15.3 Effect of Termination. Upon any termination or expiration of this Agreement, all rights, licenses (including any sublicenses granted by DIALOG) and obligations hereunder will cease, except that the provisions of Sections 6 (Intellectual Property Ownership), 9 (Royalties and Service Fees), 10 (Confidentiality), 11 (Representations and Warranties; Disclaimers), 12 (Indemnification), 13 (Limitation of Liability), 15.3 (Effect of Termination), 15.4 (Wind Down Period), 16 (Escrow), 18 (Non-Solicitation), 19 (Choice of Law and Dispute Resolution) and any provisions to give effect thereto, will survive such termination or expiration and remain in full force and effect in accordance with their terms.

15.4 Wind Down Period.

(a) Notwithstanding any statement in Section 15.3 to the contrary, upon any termination or expiration of this Agreement and until the later to occur of (i) [***] from the Effective Date or (ii) [***] following the effective date of termination or expiration of this Agreement (the "**Wind Down Period**"), the parties' respective rights and obligations under Sections 2 (License), 3 (Sourcing), 7 (Product Sales), 9 (Royalties and Service Fees), 11 (Representations and Warranties; Disclaimers), 12 (Indemnification), 13 (Limitation of Liability), 14 (Compliance with Laws), 15.2 (Termination), 16 (Escrow) and all Exhibits hereto which are associated with any of the foregoing listed sections will remain in full force and effect as to (A) any Products or repackaged Product Die with respect to which DIALOG or any of its Affiliates has secured a design win at a customer prior to or within one (1) month after the start of the Wind Down Period, or (B) the sale of any MCMs which have been released for production at a foundry, provided, however, that DIALOG's license rights under Section 2.1 (including any sublicenses granted by DIALOG pursuant to Section 2.4) will be non-exclusive during the Wind Down Period.

(b) If, at the time of notice of any termination of this Agreement, DIALOG or any of its Affiliates has a written supply contract with a customer that extends beyond the end of the Wind Down Period (a "**Continuing Obligation**"), DIALOG and/or its Affiliates may continue to Sell Licensed Products to such customer through the term of the Wind Down Period and for the remainder of the term of such Continuing Obligation, provided that in no event may DIALOG or its Affiliates Sell Licensed Products to such customer pursuant to this Section 15.4(b) for a period longer than [***] after the effective date of termination of this Agreement. In such event, the provisions of this Agreement that survive during the Wind Down Period will continue to survive for the remainder of the period of time that DIALOG is authorized to Sell Licensed Products to any customer in accordance with the foregoing sentence. The rights granted under this Section 15.4(b) will be conditioned upon DIALOG providing ENERGOUS a complete or redacted copy of the applicable supply contract demonstrating the existence of the Continuing Obligation as of the date of notice of termination or, if DIALOG or its Affiliate is prohibited from providing a copy of the contract by the confidentiality obligations set forth therein, a written certification from an officer of DIALOG attesting to the existence of the Continuing Obligation.

* Confidential Treatment Requested

16. ESCROW.

16.1 Escrow. ENERGOUS will at its expense, at DIALOG's written request during the Term and any Wind Down Period, enter into a three-party escrow deposit arrangement, in accordance with this Section 16, with a recognized escrow agent (the "**Escrow Agent**") of mutual agreement. ENERGOUS will keep the Deposit Materials in escrow and ensure on a quarterly basis that all the information relating to the Deposit Materials in escrow is current, including deposit of any Product Updates.

16.2 Release of Deposit Materials. In the event of any Insolvency Event and where the design files need to be accessed by DIALOG to fix an Epidemic Defect or other Product design or production issue impacting yield or quality ("**Release Condition**"), the Escrow Agent will, in accordance with the terms of the escrow agreement between the parties and the Escrow Agent (the "**Escrow Agreement**"), release the Deposit Materials to DIALOG.

16.3 License. ENERGOUS hereby grants DIALOG a non-exclusive, non-transferable (except as set forth in Section 2) license under the Product IP to use any of the Deposit Materials released from escrow for the purpose of fixing an Epidemic Defect or other Product design or production issue impacting yield or quality during the Term and, if applicable, any Wind Down Period or Continuing Obligation period, including, but not limited to, authorizing any third party subcontractor to manufacture and supply Products, provided, however, that DIALOG continues to make all Royalty payment owed to ENERGOUS (or the then-current owner of the Product IP) as provided in this Agreement. No Service Fees will be payable under this license. DIALOG agrees not to exercise such license until occurrence of a Release Condition, subject to the other restrictions set forth in this Section 16. Such license may be exercised by DIALOG only during the Term and any Wind Down Period or Continuing Obligation period and is subject to DIALOG's continued compliance with all of the other applicable terms and conditions of this Agreement during any such applicable period. All Deposit Materials will be deemed ENERGOUS' Confidential Information hereunder. DIALOG's license to possess and use the Deposit Materials does not include any right to disclose, market, sublicense or distribute the Deposit Materials to any third party other than its Affiliates and Manufacturing Subcontractors.

16.4 Rights in Bankruptcy. The licenses granted pursuant to this Agreement are license to rights in "intellectual property" (as that term is defined in Section 101 of the United States Bankruptcy Code) and governed by 11 USC Section 365(n). Accordingly, if a trustee in bankruptcy rejects the Escrow Agreement and/or this Agreement as executory contracts, then Company may elect to retain its rights under this Agreement in accordance with and subject to the provisions of 11 USC Section 365(n).

17. PUBLICITY.

17.1 Publicity. Within 30 days of the Effective Date each party will issue a mutually agreed joint press release regarding the strategic cooperation for the supply of Products and the strategic cooperation between the parties.

18. NON-SOLICITATION.

18.1 Non-Solicitation. During the Term and for a [***], neither party will without the written consent of the other party (which may be granted or denied in its sole discretion) (a) directly or indirectly recruit or solicit for employment or for the provision of services any employee of the other party, (b) otherwise solicit, induce or influence any employee to leave their employment with the other party, or (c) attempt to do any of the foregoing; provided, however, that the foregoing will not apply to (y) any employee of the other party that responds to a public advertisement of employment opportunities or (z) any employee that was terminated without cause by the other party. ENERGOUS and DIALOG acknowledge and agree that the covenants in this Section 18 are reasonable and necessary to protect each of their trade secrets, Confidential Information and stable workforces.

19. CHOICE OF LAW AND DISPUTE RESOLUTION.

19.1 Applicable Law. This Agreement will be governed by and construed in accordance with the laws of the State of California, exclusive of conflict of laws principles.

19.2 Dispute Resolution; Jurisdiction. Any dispute or claim arising out of or relating to this Agreement (including any matters regarding its existence, scope, validity, breach or termination, or any non-contractual obligations arising out of or related to it) that is not able to be resolved through negotiations will be submitted to arbitration in San Francisco, California, administered by the International Chamber of Commerce under its Rules of Arbitration. There will be one arbitrator. The language of the arbitration will be English. The award will be in writing, state the reasons for the award and be final and binding. Judgment on the award may be enforced in any court of competent jurisdiction. Except as may be required by law, the parties will preserve the confidentiality of all aspects of the arbitration. The arbitration will be the sole and exclusive forum for final resolution of any such dispute or claim, provided, however, that, because each party will have access to and become acquainted with Confidential Information of the other party, the unauthorized use or disclosure of which may cause irreparable harm and significant injury which may be difficult to ascertain and which may not be compensable by damages alone, the parties agree that the damaged party will have the right to seek an injunction, specific performance or other equitable relief without prejudice to any other rights and remedies that it may have for such unauthorized use or disclosure. Each party irrevocably waives all rights to a jury trial in any judicial proceeding permitted hereunder. For the avoidance of doubt, the validity, construction, and enforceability of this Agreement and the resolution of disputes arising out of and relating to this Agreement, will be governed solely by this Section 19.

* Confidential Treatment Requested

20. MISCELLANEOUS PROVISIONS.

20.1 Notices. All notices required or permitted under this Agreement will be in writing, reference this Agreement and be deemed given: (a) when delivered personally; or (b) when sent by electronic mail with electronic confirmation of receipt, provided that such notice is immediately confirmed as provided in (c) or (d) below; or (c) seven (7) days after having been sent by registered or certified mail,; or (d) two (2) days after deposit with a commercial courier service, with written verification of receipt. All communications will be sent to the addresses set forth below. Either party may change its address by giving notice pursuant to, and specifically referring to, this Section 20.

If to ENERGOUS:

Energous Corporation
3590 North First Street
Suite 210
San Jose, California 95134
U.S.A.
Attn: Brian Sereda, CFO

If to DIALOG:

Dialog Semiconductor (UK) Ltd
100 Longwater Avenue
Green Park
Reading, RG2 6GP
United Kingdom
Attn: Legal Department

20.2 Relationship of Parties. ENERGOUS and DIALOG are independent business entities. Neither party nor its employees, consultants, contractors or agents are agents, employees, partners or joint venturers of the other party, nor do they have any authority to bind the other party by contract or otherwise to any obligation. The parties will not represent to the contrary, either expressly, implicitly, by appearance or otherwise.

20.3 Force Majeure. Except for obligations to pay amounts due under this Agreement, neither party will be liable for any failure or delay in its performance under this Agreement due to causes which are beyond its reasonable control, including, but not limited to, acts of God, acts of civil or military authority, fires, epidemics, floods, earthquakes, riots, wars, sabotage, labor shortages or disputes, and governmental actions; provided, however, that the affected party: (a) gives the other party written notice of such cause promptly, and in any event within fifteen (15) days of discovery thereof; and (b) uses its reasonable efforts to correct such failure or delay in its performance as soon as possible. The affected party's time for performance or cure under this Section 20.3 will be extended for a period equal to the duration of the cause.

20.4 Severability. If any provision of this Agreement is held to be invalid or unenforceable in any jurisdiction in which this Agreement is being performed, then: (a) such provision will be deleted from this Agreement in that jurisdiction to the extent of such invalidity or unenforceability without invalidating the remaining provisions of this Agreement, and any such unenforceability in that jurisdiction will not make that provision unenforceable in any other jurisdiction; and (b) the parties will agree on an alternative provision that best accomplishes the objectives of such provision, to the extent legally permissible in such jurisdiction.

20.5 No Waiver. No waiver or consent in connection with or relating to this Agreement will bind either party unless in writing and signed by the party against which enforcement is sought. Waiver by either party of any default will not be deemed a waiver by such party of the same or any other default that may thereafter occur.

20.6 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be an original, but taken together constituting one and the same instrument. Execution of a facsimile copy (including PDF) will have the same force and effect as execution of an original, and a facsimile/electronic signature will be deemed an original and valid signature.

20.7 Headings and References. The headings and captions used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

20.8 Construction. The parties and their respective counsel have negotiated this Agreement. This Agreement will be fairly interpreted in accordance with its terms and without any strict construction in favor of or against either party.

20.9 Complete Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes and replaces all prior or contemporaneous understandings or agreements, written or oral, regarding such subject matter. No amendment to or modification of this Agreement will be binding unless in writing and signed by a duly authorized representative of both parties.

20.10 Assignment. This Agreement may not be assigned by either party without the express written consent of the other party, which approval will not be unreasonably withheld or delayed, except that either party may (without consent but with notice to the other party) assign this Agreement in its entirety to any successor in the event of a Change of Control of such party.

20.11 Notice of Merger or Acquisition. Until the date that this Agreement terminates or is terminated in accordance with Section 15 hereof, ENERGOUS agrees that, [***].

* Confidential Treatment Requested

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

ENERGOUS CORPORATION	DIALOG SEMICONDUCTOR (UK) LTD
By: /s/ Stephen R. Rizzore	By: /s Mark Tyndall
Name: Stephen R. Rizzore	Name: Mark Tyndall
Title: President and Chief Executive Officer	Title: SVP Corporate Development and Strategy

Exhibit A

Products

Any ENERGOUS integrated circuit (IC) designed to receive power wirelessly and any ENERGOUS IC used in a wireless transmitter, including, but not limited to, the following Products (and any related Product Updates):

[***]

* Confidential Treatment Requested

Exhibit B

Royalties and Service Fees

Royalties and Service Fees payable by DIALOG and/or its Affiliates to ENERGOUS hereunder will be calculated on a Product by Product basis as defined herein.

Margin Split:

Combined Royalties and Service Fees shall equal [***].

Dialog will retain the remaining [***].

[***].

[***].

Notwithstanding any provision of the Agreement, no Royalties or Service Fees will be payable to ENERGOUS hereunder in connection with any Sale to any customer of prototype or sample Licensed Products [***].

* Confidential Treatment Requested

Exhibit C

Example of Letter of Authorization: Mask Set(s) Authorization for Third Party's Product(s)

To whom it may concern

Pursuant to a STRATEGIC ALLIANCE Agreement between Dialog Semiconductor (UK) Ltd and Energous Corporation dated November 6, 2016 (to which [Manufacturing Subcontractor] is not a party), we, Energous Corporation (Energous), hereby agree and authorize [Manufacturing Subcontractor], under the terms of this Letter of Authorization, to use the Mask Set(s) specified below for manufacturing products for the supply to the Third Party specified in paragraph 2 below only:

1. Mask Set(s) details:
Mask Set(s) Product Type:
Foundry Code:

2. Third Party details:
Third Party's Name: Dialog Semiconductor [purchasing entity to be determined]
Third Party's Address:
Contact name of Third Party:

3. Volume of products
The number of products to be manufactured with the Mask Set(s) will be unlimited, unless otherwise instructed by us below:

Authorized Amount: [**UNLIMITED]**

4. Duration of Authorization
The duration of this Letter of Authorization will be unlimited, unless otherwise instructed by us below:

Duration of Authorization: [**UNLIMITED]**

5. Confidential Information
Other than wafers for products specified under paragraph 1 above (which contain Energous designs), [Manufacturing Subcontractor] will not disclose to the Third Party any information which is proprietary or confidential to Energous.

6. Reporting
Upon Energous' request (but not more frequently than once per calendar year), [Manufacturing Subcontractor] will provide Energous with the accumulated wafer volumes ordered (and shipped) to the Third Party under this Letter of Authorization. By signing this Letter of Authorization, the Third Party authorizes [Manufacturing Subcontractor] to report to Energous accordingly.

8. Governing Law
This Letter of Authorization will be governed by and construed in accordance with the laws of California, excluding its conflict of laws provisions, and be subject to the non-exclusive jurisdiction of the California courts.

Very truly yours,

Energous Incorporated

Name:

Title:

Date:

Agreed by Dialog Semiconductor (UK) Ltd

Name:

Title:

Date:

This Letter of Authorization is subject to the approval of the Manufacturing Subcontractors.

Exhibit D

Licensed Marks

DIALOG Licensed Marks:

Dialog
Dialog Semiconductor

ENERGOUS Licensed Marks:

Energous
WattUp
Unleash your power

Pending:

[***]

* Confidential Treatment Requested

Exhibit E

Commercialization plan

Objective

The Commercialization Plan sets forth the parties' respective rights and obligations with respect to commercial and technical activities to be performed to maximize potential Sales of Licensed Products.

[***]

Review

- The Commercialization Plan will be reviewed and (if necessary) updated by the parties on a quarterly basis throughout the Term of the agreement.

* Confidential Treatment Requested

Exhibit F

Customer: [***]

* Confidential Treatment Requested

Exhibit 10.25

[***] Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

EXECUTION VERSION

SECURITIES PURCHASE AGREEMENT

THIS SECURITIES PURCHASE AGREEMENT (the "**Agreement**"), is dated as of November 6, 2016, by and between Energous Corporation, a Delaware corporation (the "**Company**") and Dialog Semiconductor plc., a public limited company organized under the laws of England and Wales (the "**Investor**").

BACKGROUND

A. The Company and Dialog Semiconductor (UK) Ltd are concurrently herewith entering into that certain Strategic Alliance Agreement, of even date herewith (the "**Strategic Alliance Agreement**").

B. The Company and the Investor are executing and delivering this Agreement in reliance upon the exemption from registration afforded by Section 4(a)(2) of the Securities Act of 1933, as amended (the "**Securities Act**"), and/or Rule 506 of Regulation D ("**Regulation D**") as promulgated by the United States Securities and Exchange Commission (the "**SEC**") under the Securities Act.

C. The Investor wishes to purchase, and the Company wishes to sell and issue to the Investor, upon the terms and subject to the conditions stated in this Agreement, (i) an aggregate of up to 763,552 shares of the Common Stock at a purchase price of $13.0967 per share (as adjusted by any stock split, dividend or other distribution, recapitalization or similar event, the "**Shares**") and (ii) warrants to purchase an aggregate of up to 763,552 shares (subject to adjustment as described in the Warrants) of Common Stock (the "**Warrants**") in the form attached hereto as Exhibit B, which Warrants shall have an exercise price equal to $17.0257 per share (subject to adjustment as described Warrants) and a term of exercise of three (3) years from and after the Closing.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained in this Agreement, and for other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the Company and the Investor agree as follows:

ARTICLE I
DEFINITIONS

1 . 1 Definitions. In addition to the terms defined elsewhere in this Agreement, the following terms have the meanings indicated:

"**Affiliate**" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 144 under the Securities Act.

"**Agreement**" has the meaning set forth in the Preamble.

"**Applicable Law**" collectively means any and all laws, rules, regulations, and governmental, judicial or administrative decrees, orders and decisions that are applicable to the Company or any of its Subsidiaries, this Agreement, the other Transaction Documents, including the U.S. Gramm-Leach-Bliley Act of 1999, as amended, and the regulations promulgated under such Act, the U.S. Fair Credit Reporting Act of 1970, as amended, or any regulations or guidelines promulgated under such Act, the U.S. Bank Secrecy Act, orders and guidelines of the Office of Foreign Assets Control and the USA Patriot Act, and any other applicable data protection, privacy, consumer protection or confidentiality laws or regulations (including the rules and regulations of any self-regulatory organization to which the Company or its securities are subject, including The Nasdaq Stock Market or comparable securities trading market).

"**Board**" has the meaning set forth in Section 2.2.

"**Business Day**" means any day other than Saturday, Sunday or other day on which commercial banks in The City of New York are authorized or required by Applicable Law to remain closed.

"**Change of Control of the Company**" means a change in ownership or control of the Company effected through any of the following transactions: (a) a merger, consolidation or other reorganization approved by the Company's stockholders, unless securities representing more than fifty percent (50%) of the total combined voting power of the voting securities of the successor corporation are immediately thereafter beneficially owned, directly or indirectly and in substantially the same proportion, by the Persons who beneficially owned the Company's outstanding voting securities immediately prior to such transaction; (b) a stockholder-approved sale, transfer or other disposition of all or substantially all of the Company's assets; or (c) the closing of any transaction or series of transactions to which any Person or any group of Persons comprising a "group" within the meaning of Rule 13d-5(b)(1) of the Exchange Act becomes directly or indirectly the beneficial owner (within the meaning of Rule 13d-3 or the Exchange Act) of securities possessing (or convertible into or exercisable for securities possessing) more than fifty percent (50%) of the total combined voting power of the Company's securities (as measured in terms of the power to vote with respect to the election of Board members) outstanding immediately after the consummation of such transaction or series of transactions, whether such transaction involves a directly issuance from the Company or the acquisition of outstanding securities held by one or more of the Company's existing stockholders.

"**Closing**" means the closing of the purchase and sale of the Securities pursuant to Section 2.1.

"**Closing Date**" means the date and time of the Closing and shall be a date no later than November 11, 2016 or such other date and time as is mutually agreed to by the Company and the Investor.

"**Common Stock**" means the common stock of the Company, par value $0.00001 per share.

"**Company**" has the meaning set forth in the Preamble.

"**Company Plans**" has the meaning set forth in Section 3.1(k).

"**Disclosure Letter**" has the meaning set forth in the lead-in paragraph to Article III.

"**Disclosure Materials**" has the meaning set forth in Section 3.1(h).

"**Effectiveness Period**" has the meaning set forth in Section 6.1(b).

"**Environmental Laws**" means any and all federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including but not limited to those related to Hazardous Materials.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

"**GAAP**" has the meaning set forth in Section 3.1(h).

"**Hazardous Material**" means any and all pollutants, toxic or hazardous wastes or other substances that might pose a hazard to health and safety, the removal of which may be required or the generation, manufacture, refining, production, processing, treatment, storage, handling, transportation, transfer, use, disposal, release, discharge, spillage, seepage or filtration of which is or shall be restricted, prohibited or penalized by any applicable law, including, without limitation, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum, petroleum products, lead based paint, radon gas or similar restricted, prohibited or penalized substances.

"**Indemnified Party**" has the meaning set forth in Section 6.4(c).

"**Indemnifying Party**" has the meaning set forth in Section 6.4(c).

"**Insolvent**" has the meaning set forth in Section 3.1(i).

"**Investor**" has the meaning set forth in the Preamble.

"Investor Controlled Entity" shall mean an entity of which the Investor collectively owns or controls, directly or indirectly, not less than a majority of the outstanding voting power entitled to vote in the election of directors of such entity (or, in the event the entity is not a corporation, the governing members, board or other similar body of such entity).

"**Lien**" means, with respect to any asset, any pledge, lien, collateral assignment, security interest, encumbrance, right of first refusal, mortgage, deed of trust, title retention, conditional sale or other security arrangement, or adverse claim of title.

"**Losses**" means any and all losses, claims, damages, liabilities, settlement costs and expenses, including, without limitation, reasonable attorneys' fees.

"**Material Adverse Effect**" means (i) a material adverse effect on the legality, validity, or enforceability of any of the Transaction Documents, (ii) a material adverse effect on the results of operations, assets, business or financial condition of the Company and the Subsidiaries, taken as a whole on a consolidated basis, or (iii) a material adverse effect on the Company's ability to perform on a timely basis its obligations under any of the Transaction Documents.

"**Material Permits**" has the meaning set forth in Section 3.1(m).

"**Non-Voting Convertible Securities**" means any securities of the Company that are convertible into, exchangeable for or otherwise exercisable to acquire Voting Stock of the Company, including convertible securities, warrants, rights or options to purchase Voting Stock of the Company.

"**Person**" means any individual, corporation, limited liability company, partnership, joint venture, trust, incorporated or unincorporated association, joint stock company, unincorporated organization, a government or any department, subdivision or agency thereof, or other entity of any kind.

"**Preferred Stock**" means the preferred stock of the Company, par value $0.00001 per share.

"**Proceeding**" means an action, claim, suit, investigation or proceeding (including, without limitation, or a partial proceeding, such as a deposition), whether commenced or threatened in writing.

"**Prospectus**" means the prospectus included in a Registration Statement (including, without limitation, a prospectus that includes any information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A promulgated under the Securities Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Securities covered by a Registration Statement, and all other amendments and supplements to the Prospectus including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

"**Purchase Price**" has the meaning set forth in Section 2.1.

"**Registrable Securities**" means the Shares and the Warrant Shares issued or issuable pursuant to the Transaction Documents, together with any securities issued or issuable upon any stock split, dividend or other distribution, recapitalization or similar event with respect to the foregoing.

"**Registration Statement**" means each registration statement filed under Article VI, including (in each case) the Prospectus, amendments and supplements to such registration statement or Prospectus, including pre- and post-effective amendments, all exhibits thereto, and all material incorporated by reference or deemed to be incorporated by reference in such registration statement.

"**Regulation D**" has the meaning set forth in the Background.

"**Rule 144**," "**Rule 144(c)**," "**Rule 415**," and "**Rule 424**" means Rule 144, Rule 144(c), Rule 415 and Rule 424, respectively, promulgated by the SEC pursuant to the Securities Act, as such Rules may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC having substantially the same effect as such Rule.

"**SEC**" has the meaning set forth in the Background.

"**SEC Reports**" has the meaning set forth in Section 3.1(h).

"**Securities**" means, collectively, the Shares purchased hereunder, the Warrants and the Warrant Shares.

"**Securities Act**" has the meaning set forth in the Background.

"**Shares**" has the meaning set forth in the Background.

"**Subsidiary**" means any direct or indirect subsidiary of the Company.

"**Trading Day**" means (a) any day on which the Securities are listed or quoted and traded on The Nasdaq Stock Market or comparable securities trading market, or (b) if trading ceases to occur on any such market, any Business Day.

"**Transaction Documents**" means this Agreement, the schedules and exhibits attached hereto, and the Warrants.

"**Transfer Agent**" means Wells Fargo or any successor transfer agent for the Company.

"**Voting Period**" means the period beginning on the Closing Date and ending on the earlier of (i) the three year anniversary of the Closing Date or (ii) the effective date of the termination of the Strategic Alliance Agreement.

"**Voting Stock**" means shares of Common Stock and any other securities of the Company having the ordinary power to vote in the election of members of the Board.

"**Warrants**" has the meaning set forth in the Background.

"**Warrant Shares**" means the shares of Common Stock to be issued upon exercise of the Warrants (as adjusted by any stock split, dividend or other distribution, recapitalization or similar event).

"**13D Group**" means any group of Persons that would be required under Section 13(d) of the Exchange Act, and the rules and regulations promulgated thereunder, to file a statement on Schedule 13D or Schedule 13G with the SEC as a "person" within the meaning of Section 13(d)(3) of the Exchange Act if such group beneficially owned Voting Stock representing more than 5% of any class of Voting Stock then outstanding.

ARTICLE II
PURCHASE AND SALE

2.1 Purchase and Sale of the Shares and Warrants. Subject to the terms and conditions of this Agreement, the Investor hereby agrees to purchase, and the Company hereby agrees to sell and issue to the Investor, the Shares and Warrants as set forth opposite the Investor's name on Exhibit A for the aggregate purchase price (the "**Purchase Price**") set forth opposite the Investor's name on Exhibit A.

2.2 Closing.

(a) At the Closing, the Company shall deliver to the Investor (i) the Shares and Warrants, registered in the name of the Investor as indicated on Exhibit A and (ii) a certificate, in the form set forth on Exhibit C, executed by the secretary of the Company and dated as of the Closing Date, as to the Certificate of Incorporation, by-laws, foreign qualification, incumbency of the Company's officers and good standing of the Company and the resolutions adopted by the Company's Board of Directors (the "**Board**") authorizing the transactions contemplated by the Transaction Documents.

(b) At the Closing, the Investor shall deliver to the Company the Purchase Price to the Company by wire transfer of immediately available funds to an account specified by the Company in writing.

ARTICLE III
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Company. Except as disclosed in the SEC Reports filed since March 27, 2014 (but excluding all disclosures contained in the exhibits to such SEC Reports and the schedules to such exhibits, excluding the "Risk Factors" section contained in such SEC Reports, and excluding forward-looking statements identifying risks and uncertainties that are not historical facts contained in such SEC Reports) or the Disclosure Letter delivered by the Company to the Investor concurrently with the execution hereof (the "**Disclosure Letter**"), the Company hereby represents and warrants to the Investor as follows:

(a) Subsidiaries. The Company has no Subsidiaries other than those listed on Section 3.1(a) of the Disclosure Letter. Except as disclosed in Section 3.1(a) of the Disclosure Letter, the Company owns, directly or indirectly, all of the capital stock or comparable equity interests of each Subsidiary free and clear of any Lien and all the issued and outstanding shares of capital stock or comparable equity interest of each Subsidiary are validly issued and are fully paid, non-assessable and free of preemptive and similar rights.

(b) Organization and Qualification. Each of the Company and its Subsidiaries is an entity duly organized, validly existing and in good standing under the Applicable Laws of the jurisdiction of its incorporation or organization (as applicable), with the requisite legal authority to own or lease and use its properties and assets and to carry on its business as currently conducted. Neither the Company nor any Subsidiary is in violation of any of the provisions of its respective certificate or articles of incorporation or by-laws or other organizational or charter documents. Each of the Company and its Subsidiaries is duly qualified to do business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, has not had and would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(c) Authorization; Enforcement. The Company has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by each of the Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of each of the Transaction Documents by the Company and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action on the part of the Company and no further consent or action is required by the Company, its officers, the Board or its stockholders. The issuance of the Shares, the Warrants and the Warrant Shares do not require the approval of the stockholders of the Company. Each of the Transaction Documents has been (or upon delivery will be) duly executed by the Company and is, or when delivered in accordance with the terms hereof, will constitute, the valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as may be limited by (i) applicable bankruptcy, insolvency, reorganization or other Applicable Laws of general application relating to or affecting the enforcement of creditors rights generally; and (ii) the effect of rules of law governing the availability of specific performance and other equitable remedies.

(d) No Conflicts. The execution, delivery and performance by the Company of the Transaction Documents and the consummation by the Company of the transactions contemplated hereby and thereby do not and will not (i) conflict with or violate any provision of the Company's or any Subsidiary's certificate or articles of incorporation, by-laws or other organizational or charter documents; (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any agreement, credit facility, debt or other instrument (evidencing a Company or Subsidiary debt or otherwise) to which the Company or any Subsidiary is a party or by which any property or asset of the Company or any Subsidiary is bound or affected; or (iii) result in a violation of any Applicable Law, except, in the case of clause (ii) or (iii), to the extent that such conflict or violation has not had and would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(e) Filings, Consents and Approvals. The Company is not required to obtain any consent, waiver, authorization or order of, give notice to, or make any filing or registration with, any court or other federal, state, local or other governmental authority or other Person in connection with the execution, delivery and performance by the Company of the Transaction Documents or the consummation of the transactions contemplated hereby and thereby, other than (i) the filings required to comply with the Company's registration obligations hereunder, (ii) the application(s) to The Nasdaq Stock Market for the listing of the shares of Common Stock purchased pursuant to this Agreement and the Warrant Shares for trading thereon in the time and manner required thereby, and (iii) filings required under applicable U.S. federal and state securities laws.

(f) The Securities. The Securities are duly authorized and, when issued and paid for in accordance with the Transaction Documents, will be duly and validly issued, fully paid and nonassessable, free and clear of all Liens and will not be subject to preemptive rights, rights of first refusal, or similar rights of stockholders. The Company has reserved from its duly authorized capital stock the maximum number of shares of Common Stock issuable pursuant to this Agreement and upon exercise of the Warrants.

(g) Capitalization. As of November 3, 2016, the aggregate number of shares and type of all authorized, issued and outstanding classes of capital stock, options and other securities of the Company (whether or not presently convertible into or exercisable or exchangeable for shares of capital stock of the Company) consists of (i) 50,000,000 authorized shares of Common Stock, with 19,130,892 shares of Common Stock outstanding; (ii) 10,000,000 shares of Preferred Stock, none of which are outstanding; (iii) 1,683,462 shares of Common Stock, on a diluted basis, reserved for issuance upon the exercise of outstanding warrants; and (iv) 4,676,508 shares of Common Stock, reserved for issuance upon the exercise of outstanding employee stock options and/or restricted stock units. Since November 3, 2016, the Company has not issued or granted, as applicable, any capital stock, options or other securities of the Company (whether or not presently convertible into or exercisable or exchangeable for shares of capital stock of the Company). All outstanding shares of capital stock are duly authorized, validly issued, fully paid and nonassessable and have been issued in compliance with all applicable securities laws and regulations. Except as disclosed in this Section 3.1(g) or in Section 3.1(g) of the Disclosure Letter, the Company does not have outstanding any other options, warrants, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities, rights or obligations convertible into or exercisable or exchangeable for, or entered into any agreement giving any Person any right to subscribe for or acquire, any shares of Preferred Stock or Common Stock, or securities or rights convertible or exchangeable into shares of Preferred Stock or Common Stock. There are no anti-dilution or price adjustment provisions contained in any security issued by the Company (or in any agreement providing rights to security holders) and the issuance and sale of the Securities will not obligate the Company to issue shares of Common Stock or other securities to any Person (other than the Investor) and will not result in a right of any holder of securities to adjust the exercise, conversion, exchange or reset price under such securities. To the knowledge of the Company, based solely on an examination of Schedules 13D and Schedules 13G on file with the SEC, except pursuant to this Agreement, no Person or group of related Persons beneficially owns (as determined pursuant to Rule 13d-3 under the Exchange Act) or has the right to acquire, by agreement with or by obligation binding upon the Company, beneficial ownership of in excess of five percent (5%) of the outstanding Common Stock.

(h) SEC Reports; Financial Statements. The Company has filed all reports required to be filed by it under the Securities Act and the Exchange Act since March 27, 2014, including pursuant to Sections 13(a) or 15(d) of the Exchange Act, or has received a valid extension of such time of filing and has filed any such SEC Reports prior to the expiration of any such extension. Such reports required to be filed by the Company under the Securities Act and the Exchange Act, including pursuant to Section 13(a) or 15(d) of the Exchange Act, together with any materials filed or furnished by the Company under the Securities Act and the Exchange Act, whether or not any such reports were required being collectively referred to herein as the "**SEC Reports**" and, together with this Agreement and the Disclosure Letter, the "**Disclosure Materials**". As of their respective dates, the SEC Reports filed by the Company complied in all material respects with the requirements of the Securities Act and the Exchange Act, as applicable, and the rules and regulations of the SEC promulgated thereunder, and none of the SEC Reports, when filed by the Company, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The financial statements of the Company included in the SEC Reports comply in all material respects with applicable accounting requirements and the rules and regulations of the SEC with respect thereto as in effect at the time of filing. Such financial statements have been prepared in accordance with United States generally accepted accounting principles applied on a consistent basis during the periods involved ("**GAAP**"), except as may be otherwise specified in such financial statements or the notes thereto and except that unaudited financial statements may not contain all footnotes required by GAAP, and fairly present in all material respects the consolidated financial position of the Company and its consolidated Subsidiaries taken as a whole as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, immaterial, year-end audit adjustments. All material agreements to which the Company or any Subsidiary is a party or to which the property or assets of the Company or any Subsidiary are subject that are required to be filed with the SEC or identified on the SEC Reports are included as part of or identified in the SEC Reports. The Company is eligible to use Form S-3 to register the resale of the Registrable Securities. The Company has not received any comments from the SEC or the staff of the SEC Division of Corporation Finance on the Company's SEC Reports (or any Company filings with the SEC during the years ended December 31, 2014 and 2015) that remain unresolved.

(i) No Change. Except as otherwise disclosed in the SEC Reports, since March 27, 2014, (A) there has been no event, occurrence or development that, individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect, (B) the Company has not incurred any liabilities (contingent or otherwise) other than those arising from operations in the ordinary course of business consistent with past practice, and (C) the Company has not declared or made any dividend or distribution of cash or other property to its stockholders, or purchased, redeemed, or made any agreements to purchase or redeem any shares of its capital stock other than pursuant to the Company's stock repurchase plan described in the SEC Reports. The Company has not taken any steps to seek protection pursuant to any bankruptcy law nor does the Company believe that its creditors intend to initiate involuntary bankruptcy Proceedings or have any actual knowledge of any fact which would reasonably lead a creditor to do so. The Company is not Insolvent (as hereinafter defined) as of the date hereof, and will not be Insolvent after giving effect to the transactions contemplated hereby to occur at the applicable Closing. For purposes of this Section 3.1(i), "**Insolvent**" means (i) the present fair saleable value of the Company's assets is less than the amount required to pay the Company's total indebtedness, (ii) the Company is unable to pay its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured or (iii) the Company has unreasonably small capital with which to conduct the business in which it is engaged as such business is now conducted and is proposed to be conducted.

(j) Litigation. Except as disclosed in Section 3.1(j) of the Disclosure Letter or the SEC Reports, there is no Proceeding pending or, to the knowledge of the Company, threatened against the Company or any Subsidiary or any of its properties that has or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Neither the Company, nor, to the knowledge of the Company, any director or officer thereof, is or has been the subject of any Proceeding involving a claim of violation of or liability under federal or state securities laws or a claim of breach of fiduciary duty. There has not been, and to the knowledge of the Company, there is not pending or contemplated, any investigation involving the Company or, to the knowledge of the Company, any current or former director or officer of the Company. Except as disclosed in the Disclosure Letter, neither the Company nor any Subsidiary is a party or subject to the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality that has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. There is no Proceeding by the Company or any Subsidiary currently pending or which the Company or any Subsidiary intends to initiate that would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Since March 27, 2014, (i) the Common Stock has been designated for quotation on The Nasdaq Stock Market, (ii) trading in the Common Stock has not been suspended by the SEC or The Nasdaq Stock Market and (iii) the Company has received no communication, written or oral, from the SEC or The Nasdaq Stock Market regarding the suspension or delisting of the Common Stock.

(k) Key Employees. There are no currently effective employment contracts, offer letters containing economic terms, consulting agreements, deferred compensation arrangements, bonus plans, incentive plans, profit sharing plans, retirement agreements or other employee compensation plans or agreements ("**Company Plans**") containing terms and conditions that would result in the material payment to any employee or former employee of the Company or any of its Subsidiaries of any material money or other property or the acceleration, vesting or provision of any other material rights or benefits to any employee or former employee of the Company or any of its Subsidiaries by virtue of the issuance of the Securities pursuant to this Agreement (either alone or upon the occurrence of any other event).

(l) Registration Rights and Voting Rights. Except as required pursuant to Article VI of this Agreement, the Company is presently not under any obligation, and has not granted any rights, to register any of the Company's presently outstanding securities or any of its securities that may hereafter be issued that have not expired or been satisfied. To the knowledge of the Company, no stockholder of the Company has entered into any agreement with respect to the voting of equity securities of the Company.

(m) Compliance with Laws; Permits. Neither the Company nor any of its Subsidiaries is, or since March 27, 2014 has been, in violation of any Applicable Law in respect of the conduct of its business or the ownership of its properties, which violation has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. The Company and its Subsidiaries possess all certificates, authorizations and permits issued by the appropriate federal, state, local or foreign regulatory authorities necessary to conduct their respective businesses as described in the SEC Reports ("**Material Permits**"), except where the failure to possess such permits has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, and neither the Company nor any Subsidiary has received any notice of Proceedings relating to the revocation or modification of any Material Permit, the revocation or modification of which has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(n) Foreign Assets Control Regulations, Etc.

(i) Neither the sale of the Securities by the Company hereunder nor its use of the proceeds thereof will violate the Trading with the Enemy Act, as amended, or any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto.

(ii) Neither the Company nor any Subsidiary (i) is a Person described or designated in the Specially Designated Nationals and Blocked Persons List of the Office of Foreign Assets Control or in Section 1 of the Anti-Terrorism Order or (ii) engages in any dealings or transactions with any such Person. The Company and its Subsidiaries are in compliance, in all material respects, with the USA Patriot Act.

(iii) No part of the proceeds from the sale of the Securities hereunder will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended, assuming in all cases that such Act applies to the Company.

(o) Status under Certain Statutes. Neither the Company nor any Subsidiary is subject to regulation under the Investment Company Act of 1940, as amended, the ICC Termination Act of 1995, as amended, or the Federal Power Act, as amended.

(p) Environmental Matters.

(i) Neither the Company nor any Subsidiary has knowledge of any claim or has received any notice of any claim, and no proceeding has been instituted raising any claim against the Company or any of its Subsidiaries or any of their respective real properties now or formerly owned, leased or operated by any of them or other assets, alleging any damage to the environment or violation of any Environmental Laws, except, in each case, such as could not reasonably be expected to result in a Material Adverse Effect.

(ii) Neither the Company nor any Subsidiary has knowledge of any facts which would give rise to any claim, public or private, of violation of Environmental Laws or damage to the environment emanating from, occurring on or in any way related to real properties now or formerly owned, leased or operated by any of them or to other assets or their use, except, in each case, such as could not reasonably be expected to result in a Material Adverse Effect.

(iii) Neither the Company nor any Subsidiary has stored any Hazardous Materials on real properties now or formerly owned, leased or operated by any of them and has not disposed of any Hazardous Materials in a manner contrary to any Environmental Laws in each case in any manner that could reasonably be expected to result in a Material Adverse Effect.

(iv) All buildings on all real properties now owned, leased or operated by the Company or any Subsidiary are in compliance with applicable Environmental Laws, except where failure to comply could not reasonably be expected to result in a Material Adverse Effect.

(q) Title to Property; Leases. The Company and its Subsidiaries have good and sufficient title to their respective properties that individually or in the aggregate are material, including all such properties reflected in the most recent audited balance sheet or purported to have been acquired by the Company or any Subsidiary after said date (except as sold or otherwise disposed of in the ordinary course of business), in each case free and clear of Liens. All leases that individually or in the aggregate are material are valid and subsisting and are in full force and effect in all material respects.

(r) Offering Valid. Assuming the accuracy of the representations and warranties of the Investor contained in Section 3.2 hereof, the offer, sale and issuance of the Common Stock, the Warrants, and the Warrant Shares will be exempt from the registration requirements of the Securities Act, and will have been registered or qualified (or are exempt from registration and qualification) under the registration, permit or qualification requirements of all applicable state securities laws.

(s) Private Placement. Neither the Company, nor any of its Affiliates, nor any Person acting on its or their behalf, has engaged in any form of general solicitation or general advertising (within the meaning of Regulation D) in connection with the offer or sale of the Securities. Neither the Company nor any of its Affiliates nor, any Person acting on the Company's behalf has, directly or indirectly, at any time within the past six (6) months, made any offer or sale of any security or solicitation of any offer to buy any security under circumstances that would (i) eliminate the availability of the exemption from registration under Regulation D in connection with the offer and sale by the Company of the Securities as contemplated hereby or (ii) cause the offering of the Securities pursuant to the Transaction Documents to be integrated with prior offerings by the Company for purposes of any Applicable Law or stockholder approval provisions, including, without limitation, under the rules and regulations of The Nasdaq Stock Market, in a manner which would require any stockholder approval.

(t) Transfer Taxes. On the Closing Date, all documentary, stamp, issue, stock transfer and other taxes (other than income taxes) required to be paid in connection with the sale and transfer of the shares of Common Stock to be sold to the Investor hereunder will be, or will have been, fully paid or provided for by the Company, and all Applicable Laws imposing such taxes will be or will have been complied with fully.

(u) Placement Agent's Fees. The Company has not employed any broker, investment banker, finder or other Person in a similar capacity and has not incurred any liability for any financial advisory fees, brokerage fees, commissions or finder's fees, and no broker, investment banker, finder or other Person in a similar capacity has acted, directly or indirectly, for the Company or any of its Subsidiaries, in connection with this Agreement or the transactions contemplated hereby. The Company shall pay, and hold the Investor harmless against, any liability, loss or expense (including, without limitation, reasonable attorney's fees and out-of-pocket expenses) arising in connection with any such claim for fees arising out of the issuance of the Securities pursuant to this Agreement and the Transaction Documents.

(v) Application of Takeover Protections. Except as described in Section 3.1(v) of the Disclosure Letter, there is no control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or other similar anti-takeover provision under the Company's charter documents or the Applicable Laws of its state of incorporation or otherwise, that is or could become applicable to the Investor as a result of the Investor and the Company fulfilling their obligations or exercising their rights under the Transaction Documents, including, without limitation, as a result of the Company's issuance of the Securities (including the issuance of the Warrant Shares) and the Investor's ownership of the Securities.

3.2 Representations, Warranties and Covenants of the Investor. The Investor hereby represents and warrants to the Company as follows:

(a) Organization; Authority. The Investor is an entity duly organized, validly existing and in good standing under the Applicable Laws of the jurisdiction of its organization with the requisite corporate, partnership or other power and authority to enter into and to consummate the transactions contemplated by the Transaction Documents and otherwise to carry out its obligations thereunder. The purchase by the Investor of the Securities hereunder has been duly authorized by all necessary corporate, partnership or other action on the part of the Investor. This Agreement has been duly executed and delivered by the Investor and constitutes the valid and binding obligation of the Investor, enforceable against it in accordance with its terms, except as may be limited by (i) applicable bankruptcy, insolvency, reorganization or other Applicable Laws of general application relating to or affecting the enforcement of creditors rights generally, and (ii) the effect of rules of law governing the availability of specific performance and other equitable remedies. The Investor is not required to obtain any consent, waiver, authorization or order of, give notice to, or make any filing or registration with, any court or other federal, state, local or other governmental authority or other Person in connection with the execution, delivery and performance by the Investor of the Transaction Documents or the consummation of the transactions contemplated hereby and thereby, other than filings required under applicable U.S. federal and state securities laws.

(b) No Public Sale or Distribution. The Investor is (i) acquiring the Common Stock and the Warrants and (ii) upon exercise of the Warrants will acquire the Warrant Shares issuable upon exercise thereof, not with a view towards, or for resale in connection with, the public sale or distribution thereof, except pursuant to sales registered under the Securities Act or under an exemption from such registration and in compliance with applicable federal and state securities laws, and the Investor does not have a present arrangement to effect any distribution of the Securities to or through any person or entity; provided, however, that by making the representations herein, the Investor does not agree to hold any of the Securities for any minimum or other specific term and reserves the right to dispose of the Securities at any time in accordance with or pursuant to a registration statement or an exemption under the Securities Act.

(c) Investor Status. At the time the Investor was offered the Securities, it was, and at the date hereof it is, an "accredited investor" as defined in Rule 501(a) under the Securities Act or a "qualified institutional buyer" as defined in Rule 144A(a) under the Securities Act.

(d) Experience of the Investor. The Investor, either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Securities, and has so evaluated the merits and risks of such investment. The Investor understands that it must bear the economic risk of this investment in the Securities, and is able to bear such risk and is able to afford a complete loss of such investment.

(e) Access to Information. The Investor acknowledges that it has had access to the Disclosure Materials and information about the Company and the Subsidiaries and their respective financial condition, results of operations, business, properties, management and prospects sufficient to enable it to evaluate its investment. No information, inquiry, or investigation conducted by or on behalf of the Investor or its representatives or counsel shall modify, amend or affect the Investor's right to rely on the truth, accuracy and completeness of the Disclosure Materials and the Company's representations and warranties contained in the Transaction Documents.

(f) Restricted Securities. The Investor understands that the Securities are characterized as "restricted securities" under the U.S. federal securities laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such securities may be resold without registration under the Securities Act only in certain limited circumstances. The Investor has been advised or is aware that it may be deemed to be an "affiliate" of the Company within the meaning of the Securities Act following the execution of this Agreement.

(g) Placement Agent's Fees . The Investor has not employed any broker, investment banker, finder or other Person in a similar capacity or incurred any liability for any financial advisory fees, brokerage fees, commissions or finder's fees, and no broker, investment banker, finder or other Person in a similar capacity has acted, directly or indirectly, for the Company or any of its Subsidiaries, in connection with this Agreement or the transactions contemplated hereby. The Investor shall pay, and hold the Company harmless against, any liability, loss or expense (including, without limitation, reasonable attorney's fees and out-of-pocket expenses) arising in connection with any such claim for any such fees described in the preceding sentence arising out of the purchase of the Securities pursuant to this Agreement.

(h) Litigation. There is no Proceeding pending or, to the Investor's knowledge, threatened against the Investor or any subsidiary or any of its properties which in any manner challenge or seek to prevent, enjoin, alter or materially delay the transactions contemplated by this Agreement.

(i) No Ownership of Company Securities. Except as set in disclosure provided to the Company, as of the date of this Agreement, neither the Investor, nor any Investor Controlled Entity or Affiliate of the Investor (other than any officer or director of the Investor) beneficially owns any shares of Common Stock, or any other equity securities of the Company, or any options, warrants or other rights to acquire equity securities of the Company or any other securities convertible into equity securities of the Company. Except as set in disclosure provided to the Company, since March 27, 2014, neither the Investor, nor any Investor Controlled Entity, or Affiliate of the Investor (other than any officer or director of the Investor), has purchased, sold, transferred, made any short sale of, granted any option for the purchase of, or entered into any hedging or similar transaction with the same economic effect as a sale of, any equity securities or any options, warrants or other rights to acquire equity securities of the Company.

ARTICLE IV
OTHER AGREEMENTS OF THE PARTIES

4.1 Transfer Restrictions.

(a) The Investor covenants that the Securities will only be disposed of pursuant to an effective registration statement under, and in compliance with the requirements of, the Securities Act, to the Company or pursuant to an available exemption from the registration requirements of the Securities Act, and in compliance with any applicable state securities laws. In connection with any transfer of Securities other than pursuant to an effective registration statement or to the Company, the Company may require the transferor to provide to the Company an opinion of counsel selected by the transferor, the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration under the Securities Act. Notwithstanding the foregoing, the Company hereby consents to and agrees to register on the books of the Company and with its Transfer Agent, without any such legal opinion, except to the extent that the Transfer Agent requests such legal opinion, any transfer of Securities by the Investor to an Affiliate of the Investor, provided, that (i) the transferee certifies to the Company that it is an "accredited investor," as defined in Rule 501(a) under the Securities Act and (ii) the transferee agrees in writing to be subject to the terms and conditions of this Agreement.

(b) The Investor agrees to the imprinting, so long as is required by this Section 4.1(b), of the following legends on any certificate evidencing any of the Securities:

THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE " **SECURITIES ACT**"), OR ANY APPLICABLE STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS OR BLUE SKY LAWS.

THESE SECURITIES ARE SUBJECT TO TRANSFER RESTRICTIONS AS SET FORTH IN A CERTAIN SECURITIES PURCHASE AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE ISSUER.

Certificates evidencing Securities shall not be required to contain the legends set forth above (i) following any sale of such Securities pursuant to a Registration Statement covering the resale of the Securities is effective under the Securities Act; (ii) following any sale of such Securities pursuant to Rule 144 if the holder provides the Company with a legal opinion reasonably acceptable to the Company to the effect that the Securities have been sold under Rule 144; (iii) if the Securities are eligible for sale under Rule 144(b)(1); or (iv) if the holder provides the Company with a legal opinion reasonably acceptable to the Company to the effect that the legend is not required under applicable requirements of the Securities Act (including controlling judicial interpretations and pronouncements issued by the staff of the SEC). The Company may not make any notation on its records or give instructions to the Transfer Agent that enlarge the restrictions on transfer set forth in this Section 4.1(b) unless required by Applicable Law.

(c) Notwithstanding the foregoing provisions of this Section 4.1, during the Voting Period, Investor agrees that it shall not sell, transfer or dispose of, directly or indirectly, any Securities, other than pursuant to an effective registration statement, pursuant to Rule 144, pursuant to another available exemption from the registration requirements of the Securities Act in an unregistered block trade executed on behalf of Investor, to the Company, in response to a Change of Control (or agreement related to a Change of Control), or a tender or exchange offer for the Common Stock, as part of a merger or other transaction in which all outstanding shares of Common Stock of the Company are converted into or exchanged for other consideration and is approved by the stockholders of the Company, or with prior Board approval, unless the transferee agrees in writing to be bound by and subject to the terms and conditions of this Agreement.

4.2 Furnishing of Information. During the time a Registration Statement is required to be effective, the Company covenants to timely file (or obtain extensions in respect thereof and file within the applicable grace period) all reports required to be filed by the Company after the date hereof pursuant to the Exchange Act. Upon the request of the Investor, the Company shall deliver to the Investor a written certification of a duly authorized officer as to whether it has complied with the preceding sentence. As long as the Investor owns Securities, if the Company is not required to file reports pursuant to the Exchange Act, it will prepare and furnish to the Investor and make publicly available in accordance with Rule 144(c) such information as is required for the Investor to sell the Securities under Rule 144. The Company further covenants that it will take such further action as the Investor may reasonably request, all to the extent necessary from time to time to enable such Person to sell such Securities without registration under the Securities Act within the limitation of the exemptions provided by Rule 144.

4.3 Integration. The Company shall not, and shall use its commercially reasonably efforts to ensure that no Affiliate thereof shall, sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in Section 2 of the Securities Act) that would be integrated with the offer or sale of the Securities in a manner that would require the registration under the Securities Act of the sale of the Securities to the Investor or that would be integrated with the offer or sale of the Securities such that approval of the stockholders of the Company would be required pursuant to the rules and regulations of The Nasdaq Stock Market or a comparable securities trading market.

4.4 Reservation of Securities. The Company shall maintain a reserve from its duly authorized shares of Common Stock for issuance pursuant to the Transaction Documents in such amount as may be required to fulfill its obligations to issue Warrant Shares under the Transaction Documents. In the event that at any time the then authorized shares of Common Stock are insufficient for the Company to satisfy its obligations to issue such Warrant Shares under the Transaction Documents, the Company shall promptly take such actions as may be required to increase the number of authorized shares.

4.5 Listing of Common Stock. The Company hereby agrees to use best efforts to maintain the listing of the Common Stock on The Nasdaq Stock Market or a comparable securities trading market, and promptly following the Closing (but not later than the 30 day anniversary of the Closing) to list the Shares and Warrant Shares on The Nasdaq Stock Market. The Company further agrees, if the Company applies to have the Common Stock traded on any other securities trading market, it will include in such application the Shares and the Warrant Shares, and will take such other action as is necessary or desirable in the reasonable opinion of the Investor to cause the Shares and Warrant Shares to be listed on such other securities trading market as promptly as possible. The Company will take all action reasonably necessary to continue the listing and trading of its Common Stock on The Nasdaq Stock Market or comparable securities trading market and will comply in all material respects with the Company's reporting, filing and other obligations under the by-laws or rules of such market.

4.6 Anti-Takeover Provisions. If any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or other similar anti-takeover provision under the Company's charter documents or the Applicable Laws of its state of incorporation or otherwise, that is or would reasonably be expected to become applicable to the Investor as a result of the Investor and the Company fulfilling their obligations or exercising their rights under the Transaction Documents, including, without limitation, as a result of the Company's issuance of the Securities and/or Investor's exercise of Warrants and the Investor's ownership of the Securities, shall become applicable to the transactions contemplated by the Transaction Documents, the Company and the Board shall use best efforts to grant such approvals and take such actions as are necessary so that the transactions contemplated by the Transaction Documents may be consummated as promptly as practicable on the terms contemplated hereby and otherwise act to minimize the effects of any such statute or regulation on the transactions contemplated hereby.

4.7 Notice of Transactions. Notwithstanding anything to the contrary herein, including Section 4.9, the Company agrees that until the effective date of the termination of the Strategic Alliance Agreement, [***].

* Confidential Treatment Requested

4.8 Voting Agreement.

(a) During the Voting Period, each of the Investor, any Investor Controlled Entity or any Affiliate of the Investor (other than any officer or director of the Investor) (the "**Investor Group**") shall:

(i) vote all Common Stock of the Company they hold in each vote of the Company's stockholders in the manner recommended by the Board; provided that this Section 4.8(a) shall not apply to proposals (i) seeking approvals of the Company's stockholders with respect to amendments to the Company's Certificate of Incorporation or by-laws that directly conflict with the rights of the Investor under this Agreement, (ii) that directly affect the Investor by naming the Investor specifically in such amendment or (iii) that seek approval of, or are otherwise made in connection with, any transaction, offer or proposal that would, if consummated, result in a Change of Control of the Company; and

(ii) with respect to votes of the Company's stockholders relating to the election of members of the Board, vote all Common Stock of the Company they hold in favor of individuals recommended by the Board for election to the Board.

(b) During the Voting Period, the Investor shall take such actions as may be reasonably necessary to ensure that any Common Stock held by any member of the Investor Group are present for any vote of the Company's stockholders for purposes of establishing a quorum with respect to such vote.

4.9 Standstill.

(a) The Investor agrees that during the Voting Period, no member of the Investor Group shall directly or indirectly:

(i) act, alone or in concert with others, to seek to control the management, Board or policies of the Company;

(ii) enter into any joint venture, securities lending or option agreement, put or call, guarantee of loans, guarantee of profits or division of losses or profits, contract, arrangement or understanding with any Person with respect to any securities of the Company or any Subsidiary of the Company;

(iii) acquire additional shares of Voting Stock without the consent of the Board, except for the Warrant Shares;

(iv) solicit or participate in the solicitation of proxies with respect to any Voting Stock, or seek to advise or influence any person with respect to the voting of any Voting Stock (other than as otherwise provided or contemplated by this Agreement);

(v) deposit any Voting Stock in a voting trust or, except as otherwise provided or contemplated herein, subject any Voting Stock to any arrangement or agreement with any third party with respect to the voting of such Voting Stock;

(vi) join a 13D Group (other than a group comprising solely of the Investor and its Affiliates) for the purpose of acquiring, holding, voting or disposing of Voting Stock or Non-Voting Convertible Securities;

(vii) take any action which would reasonably be expected to require the Company to make a public announcement regarding the possibility of a business combination or merger involving the Company or any of its Subsidiaries;

(viii) publically disclose any intention, plan or arrangement inconsistent with the foregoing;

(ix) knowingly advise, assist or encourage any other Persons in connection with any of the foregoing; or

(x) request that the Company (or its respective directors, officers, affiliates, employees or agents), directly or indirectly, amend or waive any provision of this Section 4.9(a) in a manner that requires public disclosure of such request.

Notwithstanding anything to the contrary in this Agreement, (i) the prohibitions in this Article IV shall not affect the Investor's ability to hold the Shares, the Warrants and the Warrant Shares, (ii) the provisions of Section 4.8 and this Section 4.9 shall not prohibit any member of the Investor Group from making or disclosing any offer or proposal on a confidential basis to the Board (and, if the Board rejects that offer or proposal or fails to enter onto a binding agreement with respect to such offer or proposal within 30 days, making a public announcement regarding such offer or proposal) in connection with a potential business combination or merger transaction with Investor that would result in a Change of Control of the Company, (iii) if a Change of Control of the Company has occurred, then the provisions of Section 4.7, Section 4.8 and this Section 4.9 shall immediately terminate without further force or effect and the Company and the Investor shall be released from compliance therewith, (iv) if (x) the Company has entered into any agreement to effect a Change of Control of the Company or (y) a third party has made a public offer or proposal (including a tender or exchange offer) or publicly announced an intention to make any such offer or proposal that would, if consummated, result in a Change of Control of the Company, then, in each case in this clause (iv), the Company and the Investor shall be released from the provisions of Section 4.7, Section 4.8 and this Section 4.9 for the pendency of such agreement, offer or proposal, and (v) the provisions of Section 4.8 and this Section 4.9 shall not prohibit the Investor from disclosing the acquisition of the Shares, Warrants and Warrant Shares hereunder on Form 13D or Form 13G, provided that the Investor shall give the Company prior notice of such filing.

4.10 Lock-Up. The Investor hereby agrees not to sell, transfer or otherwise dispose of, directly or indirectly, any Shares or Warrant Shares or enter into any swap or other arrangement that transfers to another Person any of the economic consequences of ownership of Shares or Warrant Shares until the six month anniversary of the Closing, except (i) to the Company, (ii) in response to a Change of Control (or agreement related to a Change of Control), or a tender or exchange offer for the Common Stock (other than a tender or exchange offer by any member of the Investor Group), (iii) as part of a merger or other transaction in which all outstanding shares of Common Stock of the Company are converted into or exchanged for other consideration and is approved by the stockholders of the Company, (iv) a transfer to an Affiliate of the Investor, provided such Affiliate agrees in writing to be bound by the terms of Section 4.1, Section 4.8, Section 4.9, and this Section 4.10, or (v) with prior Board approval. From and after the six month anniversary of the Closing Date through the end of the Voting Period, the Investor hereby agrees not to sell, transfer or otherwise dispose of Shares or Warrant Shares in any calendar week in an amount in excess of 1% of the total outstanding shares of the Company, other than (i) in any transaction provided for in clauses (i) – (v) of the immediately preceding sentence or (ii) pursuant to an underwritten offering or a block trade executed on behalf of Investor.

4.11 Press Releases. No later than the Trading Day immediately following the execution of this Agreement, the Company will issue a press release disclosing the transactions contemplated by the Agreement, and the Company shall file a Form 8-K relating to the Transaction Documents. The Company shall provide the Investor with a reasonable opportunity to review and provide comments on the drafts of such press release and Form 8-K. The Company and the Investor shall consult with each other in issuing any subsequent press releases with respect to the transactions contemplated hereby, and the Company and the Investor shall not issue any such subsequent press release or otherwise make any such public statement without the prior consent of the other party, which consent shall not be unreasonably withheld, conditioned or delayed, except if such disclosure is required by Applicable Law, in which case the disclosing party shall if possible promptly provide the other party with prior notice of such public statement or communication.

4.12 Antitrust Filings. If the exercise of the Warrants requires any antitrust filings under Applicable Law, then the Investor and the Company agree to make any such required filings and to cooperate with each other in making any such filings.

4.13 Information Rights. Until such time that Investor has sold, transferred or otherwise disposed of, directly or indirectly, more than 381,776 Shares, the Company will furnish, or cause to be furnished, to the Investor such additional information regarding the Investor's investment in the Company as the Investor may reasonably request, including such information as is necessary or appropriate to permit the Investor Group to comply on a timely basis with their financial reporting obligations in respect of the Investor's investment in the Company. Any such information will be subject to the provisions of, and treated as "Confidential Information" under, that certain strategic alliance agreement, dated as of November 6, 2016, between the Company and Investor.

ARTICLE V
CONDITIONS PRECEDENT

5.1 Conditions Precedent to the Obligations of the Investor. The obligation of the Investor to acquire Securities at the Closing is subject to the satisfaction or waiver by the Investor, at the Closing, of each of the following conditions:

(a) Representations and Warranties. The representations and warranties of the Company contained herein shall be true and correct in all material respects (other than those representations and warranties that are qualified by materiality or Material Adverse Effect qualifiers, which shall be true and correct in all respects) as of the date when made and as of the Closing as though made on and as of such date.

(b) Performance. The Company shall have performed, satisfied and complied in all material respects with all covenants, agreements and conditions required by the Transaction Documents to be performed, satisfied or complied with by it at or prior to the Closing.

(c) No Stockholder Approval Required. No approval on the part of the stockholders of the Company shall be required in connection with the execution and delivery by the Company of this Agreement and the other Transaction Documents and the consummation of the transactions to be performed by the Company contemplated by the Transaction Documents.

(d) Regulatory Approvals. All material approvals, authorizations and consents of any governmental entity or Person required to consummate the transactions contemplated by this Agreement and the other Transaction Documents (including any such approvals, authorizations and consents under applicable foreign antitrust laws) shall have been obtained and remain in full force and effect, and all statutory waiting periods relating to such approvals, authorizations and consents shall have expired or been terminated.

(e) Qualification Under State Securities Laws. All registrations, qualifications, permits and approvals, if any, required to be obtained prior to the Closing under applicable state securities laws shall have been obtained for the lawful execution, delivery and performance of this Agreement and the other Transaction Documents, including, without limitation, the offer and sale of the Securities.

(f) No Litigation. No litigation, order, writ, injunction, judgment, decree or other claim shall be pending or, to the knowledge of the Investor, threatened that questions the validity of this Agreement or the other Transaction Documents or the right of the Company or the Investor to enter into such agreements or to consummate the transactions contemplated hereby and thereby.

(g) No Violation. No statute, rule, regulation, order, or interpretation shall have been enacted, entered or deemed applicable by any domestic or foreign government or governmental or administrative agency or court which would make the transactions contemplated by the Agreement or the other Transaction Documents illegal.

5.2 Conditions Precedent to the Obligations of the Company. The obligation of the Company to sell the Securities at the Closing is subject to the satisfaction or waiver by the Company, at the Closing, of each of the following conditions:

(a) Representations and Warranties. The representations and warranties of the Investor contained herein shall be true and correct in all material respects as of the date when made and as of the Closing Date as though made on and as of such date.

(b) Performance. The Investor shall have performed, satisfied and complied in all material respects with all covenants, agreements and conditions required by this Agreement and the other Transaction Documents to be performed, satisfied or complied with by the Investor at or prior to the Closing.

(c) Regulatory Approvals. All material approvals, authorizations and consents of any governmental entity or Person required to consummate the transactions contemplated by this Agreement and the other Transaction Documents (including any such approvals, authorizations and consents under applicable foreign antitrust laws) shall have been obtained and remain in full force and effect, and all statutory waiting periods relating to such approvals, authorizations and consents shall have expired or been terminated.

(d) Qualification Under State Securities Laws. All registrations, qualifications, permits and approvals, if any, required to be obtained prior to the Closing under applicable state securities laws shall have been obtained for the lawful execution, delivery and performance of this Agreement and the other Transaction Documents, including, without limitation, the offer and sale of the Securities.

(e) No Litigation. No litigation, order, writ, injunction, judgment, decree or other claim shall be pending or, to the knowledge of the Company, threatened that questions the validity of this Agreement or the other Transaction Documents or the right of the Company or the Investor to enter into such agreements or to consummate the transactions contemplated hereby and thereby.

(f) No Violation. No statute, rule, regulation, order, or interpretation shall have been enacted, entered or deemed applicable by any domestic or foreign government or governmental or administrative agency or court which would make the transactions contemplated by this Agreement or the other Transaction Documents illegal.

ARTICLE VI
REGISTRATION RIGHTS

6.1 Registration Statement.

(a) Until such time as the date that all Registrable Securities covered by such Registration Statement have been sold or can be sold publicly under Rule 144 without volume limitation, upon written request by the Investor, the Company shall, as soon as reasonably practicable following Investor's request, prepare and file with the SEC a Registration Statement covering the resale of such portion of the Registrable Securities requested by the Investor for an offering to be made on a continuous basis pursuant to Rule 415. Each Registration Statement shall be on Form S-3 or any successor form thereto (except if the Company is not then eligible to register for resale the Registrable Securities on Form S-3 or any successor form thereto, in which case such registration shall be on another appropriate form in accordance with the Securities Act and the Exchange Act). The Company shall not be obligated to file and have declared effective more than two (2) Registration Statements per year pursuant to this Article VI and each registration hereunder shall include Registrable Securities consisting of not less than 100,000 shares of Common Stock (as adjusted by any stock split, dividend or other distribution, recapitalization or similar event).

(b) The Company shall use its best efforts to cause each Registration Statement to be declared effective by the SEC as promptly as practical after the filing thereof (but in no event sooner than six (6) months after the Closing Date of this Agreement), and, subject to Section 6.1(e), shall use its best efforts to keep each Registration Statement continuously effective under the Securities Act for all Registrable Securities for a period up to the earlier of seventy five (75) days or until the date that all Registrable Securities covered by such Registration Statement have been sold or can be sold publicly under Rule 144 on a single day (the "Effectiveness Period").

(c) The Company shall notify the Investor in writing promptly (and in any event within two (2) Trading Days) after receiving notification from the SEC that a Registration Statement has been declared effective.

(d) The Company may require the Investor to provide such information regarding the Investor as may be required under the Securities Act to effect the registration contemplated hereunder.

(e) If at any time after a Registration Statement has become effective, the Company is engaged in any plan, proposal or agreement with respect to any financing, acquisition, recapitalization, reorganization or other material transaction or development the public disclosure of which would be detrimental to the Company, then the Company may direct that such request be delayed or that use of the Prospectus contained in such Registration Statement be suspended, as applicable, for a period of up to forty-five (45) days. The Company will notify the Investor of the delay or suspension. In the case of notice suspending an effective Registration Statement, the Investor will immediately discontinue any sales of Registrable Securities pursuant to such Registration Statement until the Investor has received copies of a supplemented or amended Prospectus or until the Investor is advised in writing by the Company that the then-current Prospectus may be used and has received copies of any additional or supplemental filings that are incorporated or deemed incorporated by reference in such Prospectus. The Company may exercise the rights provided by this Section 6.1(e) for an aggregate of ninety (90) days within any 365-day period.

(f) The Company will use its best efforts to cooperate with the Investor in the disposition of the Registrable Securities covered by a Registration Statement.

6.2 Registration Procedures. In connection with the Company's registration obligations hereunder, the Company shall:

(a) (i) Prepare and file with the SEC such amendments, including post-effective amendments, to each Registration Statement and the Prospectus used in connection therewith as may be necessary to keep each Registration Statement continuously effective, as to the applicable Registrable Securities for the Effectiveness Period and prepare and file with the SEC such additional Registration Statements in order to register for resale under the Securities Act all of the Registrable Securities during the Effectiveness Period; (ii) cause the related Prospectus to be amended or supplemented by any required Prospectus supplement, and as so supplemented or amended to be filed pursuant to Rule 424; (iii) respond as promptly as reasonably practical, to any comments received from the SEC with respect to each Registration Statement or any amendment thereto; and (iv) comply in all material respects with the provisions of the Securities Act and the Exchange Act applicable to the Company with respect to the disposition of all Registrable Securities covered by a Registration Statement during the applicable period in accordance with the intended methods of disposition by the Investor thereof set forth in a Registration Statement as so amended or in such Prospectus as so supplemented.

(b) Notify the Investor as promptly as reasonably practical, and confirm such notice in writing no later than two (2) Trading Days thereafter, of any of the following events: (i) any Registration Statement or any post-effective amendment is declared effective; (ii) the Company becomes aware that the SEC has issued any stop order suspending the effectiveness of any Registration Statement or initiates any Proceedings for that purpose; (iii) the Company receives notice of any suspension of the qualification or exemption from qualification of any Registrable Securities for sale in any jurisdiction, or the initiation or threat of any Proceeding for such purpose; or (iv) the financial statements included in any Registration Statement become ineligible for inclusion therein or any Registration Statement or Prospectus or other document contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(c) Use its best efforts to avoid the issuance of or, if issued, obtain the withdrawal of (i) any order suspending the effectiveness of any Registration Statement, or (ii) any suspension of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any jurisdiction, as soon as possible.

(d) If requested by the Investor, promptly provide the Investor, without charge, at least one conformed copy of each Registration Statement and each amendment thereto, including financial statements and schedules, and all exhibits to the extent requested by the Investor (including those previously furnished or incorporated by reference) promptly after the filing of such documents with the SEC.

(e) Promptly deliver to the Investor, without charge, as many copies of the Prospectus or Prospectuses (including each form of prospectus) and each amendment or supplement thereto as the Investor may reasonably request. The Company hereby consents to the use of such Prospectus and each amendment or supplement thereto by the Investor in connection with the offering and sale of the Registrable Securities covered by such Prospectus and any amendment or supplement thereto to the extent permitted by federal and state securities laws and regulations.

(f) Prior to any public offering of Registrable Securities, use its best efforts to register or qualify or cooperate with the Investor in connection with the registration or qualification (or exemption from such registration or qualification) of such Registrable Securities for offer and sale under the securities or Blue Sky laws of such jurisdictions within the United States as the Investor requests in writing, to keep each such registration or qualification (or exemption therefrom) effective for so long as required, but not to exceed the duration of the Effectiveness Period, and to do any and all other acts or things reasonably necessary or advisable to enable the disposition in such jurisdictions of the Registrable Securities covered by a Registration Statement; provided, however, that the Company shall not be obligated to file any general consent to service of process or to qualify as a foreign corporation or as a dealer in securities in any jurisdiction in which it would not otherwise be required to qualify but for this Section 6.2(f) or to subject itself to taxation in respect of doing business in any jurisdiction in which it is not otherwise so subject.

(g) Upon sale of such Registrable Securities pursuant to an effective Registration Statement, cooperate with the Investor to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be delivered to a transferee, which certificates shall be free, to the extent permitted by this Agreement and under Applicable Law, of all restrictive legends, and to enable such Registrable Securities to be in such denominations and registered in such names as any the Investor may reasonably request.

(h) Promptly upon the occurrence of any event described in Section 6.2(b)(iv), prepare a supplement or amendment, including a post-effective amendment, to a Registration Statement or a supplement to the related Prospectus or any document incorporated or deemed to be incorporated therein by reference, and file any other required document so that, as thereafter delivered, neither such Registration Statement nor such Prospectus will contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(i) Comply with all rules and regulations of the SEC applicable to the Company in connection with the registration of the Securities.

(j) The Company shall comply with all applicable rules and regulations of the SEC under the Securities Act and the Exchange Act, including, without limitation, Rule 172 under the Securities Act, file any final Prospectus, including any supplement or amendment thereof, with the SEC pursuant to Rule 424 under the Securities Act, promptly inform the holders in writing if, at any time during the Effectiveness Period, the Company does not satisfy the conditions specified in Rule 172 and, as a result thereof, the holders are required to make available a Prospectus in connection with any disposition of Registrable Securities and take such other actions as may be reasonably necessary to facilitate the registration of the Registrable Securities hereunder.

6.3 Registration Expenses. The Company shall pay all fees and expenses incident to the performance of or compliance with Article VI of this Agreement, including, without limitation, (a) all registration and filing fees and expenses, including without limitation those related to filings with the SEC, The Nasdaq Stock Market or comparable securities trading market and in connection with applicable state securities or Blue Sky laws, (b) printing expenses (including without limitation expenses of printing certificates for Registrable Securities), (c) messenger, telephone and delivery expenses incurred by the Company, (d) fees and disbursements of counsel for the Company, (e) fees and expenses of all other Persons retained by the Company in connection with the consummation of the transactions contemplated by this Agreement, (f) reasonable fees and expenses of one special counsel for the Investor (not to exceed $25,000 per registration or $100,000 in the aggregate for all registrations pursuant to this Agreement); and (g) all listing fees to be paid by the Company to The Nasdaq Stock Market or comparable securities trading market; provided, however, that the Company shall not be responsible for underwriting discounts and commissions of the Investor.

6.4 Indemnification.

(a) Indemnification by the Company. The Company shall, notwithstanding any termination of this Agreement, indemnify and hold harmless the Investor, the officers, directors, partners, members, agents and employees of each of them, each Person who controls the Investor (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and the officers, directors, partners, members, agents and employees of each such controlling Person, to the fullest extent permitted by Applicable Law, from and against all Losses arising out of or relating to any untrue or alleged untrue statement of a material fact contained in any Registration Statement, any Prospectus or any form of Company prospectus or in any amendment or supplement thereto or in any Company preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or form of prospectus or supplement thereto, in the light of the circumstances under which they were made) not misleading, provided, however, that the Company shall not be liable in any such case to the extent that such Losses arise out of, or are based upon, an untrue statement or omission or alleged untrue statement or omission made in such Registration Statement in reliance upon and in conformity with information that relates solely to the Investor or the Investor's proposed method of distribution of Registrable Securities and was provided by the Investor in writing for use in such Registration Statement, such Prospectus or such form of Prospectus or in any amendment or supplement thereto.

(b) Indemnification by the Investor. The Investor shall, notwithstanding any termination of this Agreement, indemnify and hold harmless the Company, its officers, directors, partners, members, agents and employees of each of them, each Person who controls the Company (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the officers, directors, partners, members, agents and employees of each such controlling Person, to the fullest extent permitted by Applicable Law, from and against all Losses arising out of any untrue statement of a material fact contained in any Registration Statement, any Prospectus or any form of Company prospectus or in any amendment or supplement thereto or in any Company preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or form of prospectus or supplement thereto, in the light of the circumstances under which they were made) not misleading, in each case, on the effective date thereof, but only to the extent that such untrue statement or omission is based solely upon information regarding the Investor furnished to the Company by the Investor in writing expressly for use therein, or to the extent that such information solely relates to the Investor or the Investor's proposed method of distribution of Registrable Securities and was provided by the Investor for use in such Registration Statement, such Prospectus or such form of Prospectus or in any amendment or supplement thereto. In no event shall the liability of the Investor under this Article VI be greater in amount than the dollar amount of the net proceeds received by the Investor upon the sale of the Registrable Securities giving rise to such indemnification obligation.

(c) Conduct of Indemnification Proceedings. If any Proceeding shall be brought or asserted against any Person entitled to indemnity hereunder (an "**Indemnified Party**"), such Indemnified Party shall promptly notify the Person from whom indemnity is sought (the "**Indemnifying Party**") in writing, and the Indemnifying Party shall assume the defense thereof, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of all reasonable fees and expenses incurred in connection with defense thereof; provided, that the failure of any Indemnified Party to give such notice shall not relieve the Indemnifying Party of its obligations or liabilities pursuant to this Agreement, except (and only) to the extent that such failure shall have materially and adversely prejudiced the Indemnifying Party. An Indemnified Party shall have the right to employ separate counsel in any such Proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Parties unless: (i) the Indemnifying Party has agreed in writing to pay such fees and expenses; (ii) the Indemnifying Party shall have failed promptly to assume the defense of such Proceeding; or (iii) the named parties to any such Proceeding (including any impleaded parties) include both such Indemnified Party and the Indemnifying Party, and such Indemnified Party shall have been advised by counsel that a conflict of interest is likely to exist if the same counsel were to represent such Indemnified Party and the Indemnifying Party or that additional or different defenses may be available to the Indemnified Party (in which case, if such Indemnified Party notifies the Indemnifying Party in writing that it elects to employ separate counsel at the expense of the Indemnifying Party, the Indemnifying Party shall not have the right to assume the defense thereof and the reasonable fees and expenses of separate counsel shall be at the expense of the Indemnifying Party), it being understood, however, that the Indemnifying Party shall not, in connection with any one such Proceeding (including separate Proceedings that have been or will be consolidated before a single judge) be liable for the fees and expenses of more than one separate firm of attorneys at any time for all Indemnified Parties. The Indemnifying Party shall not be liable for any settlement of any such Proceeding effected without its written consent, unless such consent is unreasonably withheld or delayed. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending Proceeding in respect of which any Indemnified Party is a party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such Proceeding. All reasonable fees and expenses of the Indemnified Party (including reasonable fees and expenses to the extent incurred in connection with investigating or preparing to defend such Proceeding in a manner not inconsistent with this Section 6.4(c)) shall be paid to the Indemnified Party, as incurred, within twenty (20) Trading Days of written notice thereof to the Indemnifying Party (regardless of whether it is ultimately determined that an Indemnified Party is not entitled to indemnification hereunder; provided, that the Indemnifying Party shall reimburse all such fees and expenses to the extent it is finally judicially determined that such Indemnified Party is not entitled to indemnification hereunder).

(d) Contribution. If a claim for indemnification under Section 6.4(a) or (b) is unavailable to an Indemnified Party (by reason of public policy or otherwise), then each Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Losses, in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and Indemnified Party in connection with the actions, statements or omissions that resulted in such Losses as well as any other relevant equitable considerations. The relative fault of such Indemnifying Party and Indemnified Party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission of a material fact, has been taken or made by, or relates to information supplied by, such Indemnifying Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action, statement or omission. The amount paid or payable by a party as a result of any Losses shall be deemed to include, subject to the limitations set forth in Section 6.4(c), any reasonable attorneys' or other reasonable fees or expenses incurred by such party in connection with any Proceeding to the extent such party would have been indemnified for such fees or expenses if the indemnification provided for in this Section 6.4(d) was available to such party in accordance with its terms. The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 6.4(d) were determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this Section 6.4(d), the Investor shall not be required to contribute, in the aggregate, any amount in excess of the amount by which the net proceeds actually received by the Investor from the sale of the Registrable Securities subject to the Proceeding exceeds the amount of any damages that the Investor has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

6 . 5 Dispositions. The Investor agrees that it will comply with the prospectus delivery requirements of the Securities Act as applicable to it in connection with sales of Registrable Securities pursuant to a Registration Statement and shall sell its Registrable Securities in accordance with the Plan of Distribution set forth in the Prospectus. The Investor further agrees that, upon receipt of a notice from the Company of the occurrence of any event of the kind described in Sections 6.2(b)(ii), (iii) or (iv), the Investor will use best efforts to discontinue disposition of Registrable Securities under a Registration Statement until the Investor is advised in writing by the Company that the use of the Prospectus, or amended Prospectus, as applicable, may be used. The Investor acknowledges and agrees that the provisions of Section 4.9 of this Agreement shall apply with respect to any proposed disposition pursuant to a Registration Statement filed pursuant to this Article VI. The Company may provide appropriate stop orders to enforce the provisions of this paragraph.

6.6 [Reserved.]

6 . 7 Assignment of Registration Rights. The registration rights under this Article VI of this Agreement with respect to applicable shares transferred by Investor pursuant to this agreement shall be automatically transferred to any transferee of all or any portion of Investor's Registrable Securities, to the extent of such shares transferred, if (a) Investor agrees in writing with the transferee or assignee to assign such rights and a copy of such agreement is furnished to the Company within a reasonable time after such assignment; (b) the Company is furnished with written notice of (i) the name and address of such transferee and (ii) the securities with respect to which such registration rights are being transferred; (c) following such transfer or assignment, the further disposition of such securities by the transferee is restricted under this Agreement, the Securities Act and applicable state securities laws; (d) at or before the time the Company receives the written notice contemplated by clause (b) of this sentence the transferee agrees in writing to be bound by all of the provisions of this Agreement; and (e) such transfer shall have been made in accordance with the applicable requirements of this Agreement.

ARTICLE VII
MISCELLANEOUS

7 . 1 Termination. This Agreement may be terminated by the Company or the Investor, by written notice to the other, if the Closing has not been consummated by the third Business Day following the date of this Agreement; provided, that no such termination will affect the right of any party to sue for any breach by the other party (or parties).

7 . 2 Fees and Expenses. The Company shall pay all Transfer Agent fees, documentary, stamp, issue and transfer taxes and other taxes and duties levied in connection with the sale, issuance and transfer of the Securities.

7 . 3 Entire Agreement. The Transaction Documents, the Strategic Alliance Agreement and the non-disclosure agreement dated April 9, 2014 between the Company and the Investor, together with the exhibits and schedules thereto, contain the entire understanding of the parties with respect to the subject matter hereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits and schedules.

7 . 4 Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of (a) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number specified in this Section 7.4 prior to 6:30 p.m. (New York City time) on a Trading Day, (b) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number specified in this Section 7.4 on a day that is not a Trading Day or later than 6:30 p.m. (New York City time) on any Trading Day, (c) the Trading Day following the date of deposit with a nationally recognized overnight courier service, or (d) upon actual receipt by the party to whom such notice is required to be given. The addresses, facsimile numbers for such notices and communications are as follows:

Notices for the Company:

Energous Corporation, Inc.
3590 North First Street, Suite 210
San Jose, CA 95134
Attention: Brian Sereda
Telephone No.: (408) 963-0200

With a copy to:

Fenwick & West LLP
801 California Street
Mountain View, CA 94041
Attention: Mark Leahy and Horace Nash
Telephone No.: (650) 988-8500
Facsimile No.: (650) 938-5200

Notices for the Investor:

Dialog Semiconductor plc
100 Longwater Avenue
Green Park
Reading, RG2 6GP
Attn: Legal Department
Telephone No.: +44 (0) 1793 757700

7.5 Amendments; Waivers. No provision of this Agreement may be waived or amended except in a written instrument signed, in the case of an amendment, by the Company and the Investor or in the case of a waiver, by the party against whom the waiver is to be effective. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of either party to exercise any right hereunder in any manner impair the exercise of any such right.

7.6 Construction. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party.

7.7 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns. The Company shall not assign this Agreement or any rights or obligations hereunder without the prior written consent of the Investor. Notwithstanding the foregoing, nothing in this Section 7.7 shall prevent any assignment of this Agreement by the Company or the Investor that is deemed to occur in connection with a Change of Control of the Company. The Investor may assign some or all of its rights hereunder in connection with transfer of any of its Securities without the consent of the Company, in which event such assignee shall be deemed to be an Investor hereunder with respect to such assigned rights.

7.8 No Third-Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other Person, except that each Indemnified Party is an intended third party beneficiary of Section 6.4 and (in each case) may enforce the provisions of such Section 6.4 directly against the parties with obligations thereunder.

7.9 Governing Law; Venue; Service of Process; Waiver of Jury Trial. ALL QUESTIONS CONCERNING THE CONSTRUCTION, VALIDITY, ENFORCEMENT AND INTERPRETATION OF THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THAT BODY OF LAWS PERTAINING TO CONFLICT OF LAWS. EACH PARTY HEREBY IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS SITTING IN THE CITY OF NEW YORK, BOROUGH OF MANHATTAN, FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION HEREWITH OR WITH ANY TRANSACTION CONTEMPLATED HEREBY OR DISCUSSED HEREIN (INCLUDING WITH RESPECT TO THE ENFORCEMENT OF ANY OF THE TRANSACTION DOCUMENTS), AND HEREBY IRREVOCABLY WAIVES, AND AGREES NOT TO ASSERT IN ANY SUIT, ACTION OR PROCEEDING, ANY CLAIM THAT IT IS NOT PERSONALLY SUBJECT TO THE JURISDICTION OF ANY SUCH COURT AND THAT SUCH SUIT, ACTION OR PROCEEDING IS IMPROPER. EACH PARTY HEREBY IRREVOCABLY WAIVES PERSONAL SERVICE OF PROCESS AND CONSENTS TO PROCESS BEING SERVED IN ANY SUCH SUIT, ACTION OR PROCEEDING BY MAILING A COPY THEREOF VIA REGISTERED OR CERTIFIED MAIL OR OVERNIGHT DELIVERY (WITH EVIDENCE OF DELIVERY) TO SUCH PARTY AT THE ADDRESS IN EFFECT FOR NOTICES TO IT UNDER THIS AGREEMENT AND AGREES THAT SUCH SERVICE SHALL CONSTITUTE GOOD AND SUFFICIENT SERVICE OF PROCESS AND NOTICE THEREOF. NOTHING CONTAINED HEREIN SHALL BE DEEMED TO LIMIT IN ANY WAY ANY RIGHT TO SERVE PROCESS IN ANY MANNER PERMITTED BY LAW. THE COMPANY AND INVESTOR HEREBY WAIVE ALL RIGHTS TO A TRIAL BY JURY.

7.10 Survival. The representations and warranties contained herein shall survive the Closing. The agreements and covenants contained herein shall survive the Closing in accordance with their respective terms.

7.11 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or email attachment, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or email-attached signature page were an original thereof.

7.12 Severability. If any provision of this Agreement is held to be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Agreement shall not in any way be affected or impaired thereby and the parties will attempt to agree upon a valid and enforceable provision that is a reasonable substitute therefor, and upon so agreeing, shall incorporate such substitute provision in this Agreement.

7.13 Replacement of Securities. If any certificate or instrument evidencing any Securities is mutilated, lost, stolen or destroyed, the Company shall promptly issue or cause to be issued in exchange and substitution for and upon cancellation thereof, or in lieu of and substitution therefor, a new certificate or instrument, and the Investor will pay only those costs and expenses that are customarily charged by or on behalf the Company or the Transfer Agent to any stockholder of the Company in connection therewith. The Company may require the execution by the holder thereof of a customary lost certificate affidavit of that fact and a customary agreement to indemnify and hold harmless the Company (and Transfer Agent, if applicable) for any losses in connection therewith.

7.14 Remedies. In addition to being entitled to exercise all rights provided herein or granted by Applicable Law, including recovery of damages, the Investor and the Company will be entitled to seek specific performance under the Transaction Documents. The parties agree that monetary damages may not be adequate compensation for any loss incurred by reason of any breach of obligations described in the foregoing sentence and hereby agrees to waive in any action for specific performance of any such obligation (other than in connection with any action for temporary restraining order) the defense that a remedy at law would be adequate.

7.15 Adjustments in Share Numbers and Prices. In the event of any stock split, subdivision, dividend or distribution payable in shares of Common Stock (or other securities or rights convertible into, or entitling the holder thereof to receive directly or indirectly shares of Common Stock), combination or other similar recapitalization or event occurring after the date hereof and prior to the Closing, each reference in any Transaction Document to a number of shares or a price per share shall be amended to appropriately account for such event.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

COMPANY:

ENERGOUS CORPORATION, INC.

By: /s/ Stephen R. Rizzone

Name: Stephen R. Rizzone

Title: President and Chief Executive Officer

INVESTOR:

DIALOG SEMICONDUCTOR PLC

By: /s/ Mark Tyndall

Name: Mark Tyndall

Title: SVP Corporate Development and Strategy

Exhibits:

A	Securities Purchased
B	Form of Warrant
C	Form of Secretary’s Certificate - Company

EXHIBIT A
SECURITIES PURCHASED

Investor	Common Stock	Warrants	Purchase Price
Dialog Semiconductor plc.	763,552	763,552	$ 10,000,011.48

Exhibit B
FORM OF WARRANT

NEITHER THESE SECURITIES NOR THE SECURITIES FOR WHICH THESE SECURITIES ARE EXERCISABLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. THESE SECURITIES AND THE SECURITIES ISSUABLE UPON EXERCISE OF THESE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES IN ACCORDANCE WITH THE PURCHASE AGREEMENT (AS DEFINED BELOW).

ENERGOUS CORPORATION

WARRANT

Warrant No. 002 Dated: November [__], 2016

Energous Corporation, a Delaware corporation (the "**Company**"), hereby certifies that, for value received, Dialog Semiconductor plc., a public limited company organized under the laws of England and Wales ("**Dialog**"), or its successors or assigns (the "**Holder**"), is entitled to purchase from the Company up to a total of 763,552 shares of common stock, $.00001 par value per share (the "**Common Stock**"), of the Company (each such share, a "**Warrant Share**" and all such shares, the "**Warrant Shares**") at an exercise price initially equal to $17.0257 per share (as adjusted from time to time as provided in Section 9, the "**Exercise Price**"), at any time on or after date which is six months and one day after the date hereof (the "**Earliest Exercise Date**") and through and including November [__], 2019 (the "**Expiration Date**"), subject to the following terms and conditions. This Warrant (this "**Warrant**") is issued pursuant to that certain Securities Purchase Agreement, dated as of the date hereof, by and among the Company and the Investor named therein (as amended from time to time, the "**Purchase Agreement**") and that certain Strategic Alliance Agreement, dated as of the date hereof, by and among the Company and Dialog Semiconductor (UK) Ltd. (the "**Strategic Alliance Agreement**").

1 . Definitions. In addition to the terms defined elsewhere in this Warrant, capitalized terms that are not otherwise defined herein have the meanings given to such terms in the Purchase Agreement.

2. Registration of Warrant. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the "**Warrant Register**"), in the name of the Holder of record hereof. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary. The Warrant Shares shall be afforded the registration rights set forth in Article VI of the Purchase Agreement.

3. Exercise and Duration of Warrant.

(a) This Warrant shall be exercisable by the Holder at any time and from time to time on or after the Earliest Exercise Date to and including the Expiration Date. At 6:30 P.M., New York City time, on the Expiration Date, the portion of this Warrant not exercised prior thereto shall be and become void and of no value.

(b) The Holder may exercise this Warrant by delivering to the Company an exercise notice, in the form attached hereto (the "**Exercise Notice**"), appropriately completed and duly signed, and the date such items are delivered to the Company (as determined in accordance with the notice provisions hereof) is an "**Exercise Date**." The Holder shall be required to deliver the original Warrant in order to effect an exercise hereunder unless the Holder shall deliver an affidavit of loss or such other documentation reasonably requested by the Company in lieu of such original Warrant in connection with any such exercise. Execution and delivery of the Exercise Notice in respect of less than all the Warrant Shares issuable upon exercise of this Warrant shall have the same effect as cancellation of the original Warrant and issuance of a new warrant to purchase Common Stock, in substantially the form of this Warrant (any such new warrant, a "**New Warrant**"), evidencing the right to purchase the remaining number of Warrant Shares.

(c) This Warrant shall not be exercisable through the making of a cash payment of the Exercise Price, but instead the Holder may only exercise this Warrant by converting this Warrant into shares of Common Stock, in which event the Company will issue to the Holder the number of shares of Common Stock equal to the amount resulting from the following equation:

$$X = \frac{(A - B) \times C}{A}$$ where:

X = the number of shares of Common Stock issuable upon exercise pursuant to this Section 3(d);

A = the Current Market Price Per Common Share (as defined in Section 10) on the date on which the Holder delivers an Exercise Notice to the Company pursuant to Section 3(b);

B = the Exercise Price; and

C = the number of shares of Common Stock as to which this Warrant is being exercised pursuant to Section 3(b).

If the foregoing calculation results in zero or a negative number, then no shares of Common Stock shall be issued upon exercise pursuant to this Section 3(d).

4. Delivery of Warrant Shares.

(a) Upon exercise of this Warrant, the Company shall promptly issue or cause to be issued and cause to be delivered to or upon the written order of the Holder and in such name or names as the Holder may designate, a certificate for the Warrant Shares issuable upon such exercise (i) free of restrictive legends if (x) sold under a registration statement covering the resale of the Warrant Shares and naming the Holder as a selling stockholder or (y) if such shares are freely transferable without volume restrictions pursuant to Rule 144 under the Securities Act, or (ii) if such shares are not freely transferable without volume restrictions pursuant to Rule 144 under the Securities Act, such certificate will bear the legends set forth in Section 4.1(b) of the Purchase Agreement. The Holder, or any Person so designated by the Holder to receive Warrant Shares, shall be deemed to have become the holder of record of such Warrant Shares as of the Exercise Date. The Company shall, upon request of the Holder, use best efforts to deliver, or to cause its transfer agent to deliver, Warrant Shares hereunder electronically through The Depository Trust Company or another established clearing corporation performing similar functions.

(b) This Warrant is exercisable, either in its entirety or, from time to time, for a portion of the number of Warrant Shares. Upon surrender of this Warrant following one or more partial exercises, the Company shall issue or cause to be issued, at its expense, a New Warrant evidencing the right to purchase the remaining number of Warrant Shares.

(c) The Company's obligations to issue and deliver Warrant Shares in accordance with the terms hereof are absolute and unconditional, irrespective of any action or inaction by the Holder to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any Person or any action to enforce the same, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by the Holder or any other Person of any obligation to the Company or any violation or alleged violation of law by the Holder or any other Person, and irrespective of any other circumstance which might otherwise limit such obligation of the Company to the Holder in connection with the issuance of Warrant Shares. Nothing herein shall limit the Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver certificates representing shares of Common Stock upon exercise of this Warrant as required pursuant to the terms hereof.

5. Exchange, Transfer or Assignment of Warrant.

(a) Each taker and holder of this Warrant, by taking or holding the same, consents and agrees that the registered holder hereof may be treated by the Company and all other Persons dealing with this Warrant as the absolute owner hereof for any purpose and as the Person entitled to exercise the rights represented hereby.

(b) Subject to compliance with applicable securities laws and the Purchase Agreement, the Holder shall be entitled, without obtaining the consent of the Company, to assign and transfer this Warrant, at any time in whole or from time to time in part, to an Affiliate of the Holder, provided such Affiliate agrees in writing to be bound by the terms of Section 4.1, Section 4.8, Section 4.9, and Section 4.10 of the Purchase Agreement. The Holder may not otherwise sell, assign or transfer this Warrant, in whole or part. Subject to the preceding sentence, upon surrender of this Warrant to the Company, together with the form of warrant assignment attached hereto (the "**Warrant Assignment**") duly executed, the Company shall, as promptly as practicable and without charge, execute and deliver a new Warrant in the name of the assignee or assignees named in such Warrant Assignment and, if the Holder's entire interest is not being assigned, in the name of the Holder and this Warrant shall promptly be canceled.

6 . Charges, Taxes and Expenses. The Company shall pay any and all documentary, stamp, issue, transfer and other similar taxes that may be payable upon the initial issuance of the Warrants hereunder. Issuance and delivery of certificates for shares of Common Stock upon exercise of this Warrant shall be made without charge to the Holder for any documentary, stamp, issue, transfer and other similar tax, withholding tax, transfer agent fee or other incidental tax or expense in respect of the issuance of such certificates upon the exercise of the Warrants hereunder, all of which taxes and expenses shall be paid by the Company; provided, however, that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance, delivery or registration of any certificates for Warrant Shares or Warrant in a name other than that of the Holder.

7 . Replacement of Warrant. If this Warrant is mutilated, lost, stolen or destroyed, the Company, at no cost to Holder, shall issue or cause to be issued in exchange and substitution for and upon cancellation hereof, or in lieu of and substitution for this Warrant, a New Warrant, but only upon receipt of an affidavit of such loss, theft or destruction and customary indemnity, if requested.

8 . Reservation of Warrant Shares. The Company covenants that it will at all times reserve and keep available out of the aggregate of its authorized but unissued and otherwise unreserved Common Stock, solely for the purpose of enabling it to issue Warrant Shares upon exercise of this Warrant as herein provided, the number of Warrant Shares which are then issuable and deliverable upon the exercise of this entire Warrant, free from preemptive rights or any other contingent purchase rights of persons other than the Holder (after giving effect to the adjustments and restrictions of Section 9, if any). The Company covenants that all Warrant Shares so issuable and deliverable shall, upon issuance and the payment of the applicable Exercise Price in accordance with the terms hereof, be duly and validly authorized, issued, fully paid and nonassessable and free and clear of all liens, security interests, charges and other encumbrances or restrictions on sale, except to the extent created by the Holder. The Company will use reasonable commercial efforts to take all such action to assure that such shares of Common Stock may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of any securities exchange or automated quotation system upon which the Common Stock may be listed, in each case, applicable to the Company.

9. Certain Adjustments. The Exercise Price and number of Warrant Shares issuable upon exercise of this Warrant are subject to adjustment from time to time as set forth in this Section 9.

(a) Stock Dividends, Splits and Combinations. If the Company, at any time while this Warrant is outstanding, (i) pays a stock dividend on its Common Stock or otherwise makes a distribution on its Common Stock that is payable in shares of Common Stock, (ii) subdivides outstanding shares of Common Stock into a larger number of shares, or (iii) combines outstanding shares of Common Stock into a smaller number of shares, then in each such case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event. Any adjustment made pursuant to clause (i) of this paragraph shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution, and any adjustment pursuant to clause (ii) or (iii) of this paragraph shall become effective immediately after the effective date of such dividend, distribution, subdivision or combination.

(b) Fundamental Transactions. If any capital reorganization, reclassification of the capital stock of the Company, consolidation or merger of the Company with another corporation, or sale, transfer or other disposition of all or substantially all of the Company's assets to another corporation shall be effected (all such transactions being hereinafter referred to as a "**Fundamental Transaction**"), then the Company shall ensure that lawful and adequate provision shall be made whereby the Holder shall thereafter have the right to purchase and receive upon the basis and upon the terms and conditions herein specified and in lieu of the Warrant Shares immediately theretofore issuable upon exercise of this Warrant, such shares of stock, securities or assets as would have been issuable or payable with respect to or in exchange for a number of Warrant Shares equal to the number of Warrant Shares immediately theretofore issuable upon exercise of this Warrant, had such reorganization, reclassification, consolidation, merger, sale, transfer or other disposition not taken place, and in any such case appropriate provision shall be made with respect to the rights and interests of the Holder to the end that the provisions hereof (including, without limitation, provision for adjustment of the Exercise Price) shall thereafter be applicable, as nearly equivalent as may be practicable in relation to any share of stock, securities or assets thereafter deliverable upon the exercise thereof. The Company shall not effect any such consolidation, merger, sale, transfer or other disposition unless prior to or simultaneously with the consummation thereof the successor corporation (if other than the Company) resulting from such consolidation or merger, or the corporation purchasing or otherwise acquiring such assets or other appropriate corporation or entity shall assume the obligation to deliver to the Holder, at the last address of the Holder appearing on the books of the Company, such shares of stock, securities or assets as, in accordance with the foregoing provisions, the Holder may be entitled to purchase, and the other obligations under this Warrant. The provisions of this Section 9(b) shall similarly apply to successive reorganizations, reclassifications, consolidations, mergers, sales, transfers or other dispositions, each of which transactions shall also constitute a Fundamental Transaction.

(c) Number of Warrant Shares. Simultaneously with any adjustment to the Exercise Price pursuant to this Section 9, the number of Warrant Shares that may be purchased upon exercise of this Warrant shall be increased or decreased (as the case may be), proportionately, so that after such adjustment the aggregate Exercise Price payable hereunder for the decreased or increased (as the case may be) number of Warrant Shares shall be the same as the aggregate Exercise Price in effect immediately prior to such adjustment.

(d) Calculations. All calculations under this Section 9 shall be made to the nearest cent or the nearest 1/100th of a share, as applicable. The number of shares of Common Stock outstanding at any given time shall not include shares owned or held by or for the account of the Company, and the disposition of any such shares shall be considered an issue or sale of Common Stock. No adjustment in the Exercise Price or the number of Warrant Shares issuable upon exercise of the Warrant, as the case may be, shall be required if the amount of such adjustment would be less than 1/10th of a cent or 1/100th of a share, as the case may be; provided, however, that any adjustments which by reason of this Section 9(d) are not required to be made shall be carried forward and taken into account in any subsequent adjustment.

(e) Notice of Adjustments. Upon the occurrence of each adjustment pursuant to this Section 9, the Company at its expense will promptly compute such adjustment in accordance with the terms of this Warrant and prepare a certificate setting forth such adjustment, including a statement of the adjusted Exercise Price and adjusted number or type of Warrant Shares or other securities issuable upon exercise of this Warrant (as applicable), describing the transactions giving rise to such adjustments and showing in detail the facts upon which such adjustment is based. Upon any such occurrence and/or otherwise upon written request by or on behalf of the Holder, the Company will promptly deliver a copy of each such certificate to the Holder and to the Transfer Agent.

(f) Notice of Corporate Events. If the Company (i) declares a dividend or any other distribution of cash, securities or other property in respect of its Common Stock, including without limitation any granting of rights or warrants to subscribe for or purchase any capital stock of the Company, (ii) enters into any agreement contemplating, or solicits stockholder approval for, any Fundamental Transaction or Change of Control or (iii) authorizes the voluntary dissolution, liquidation or winding up of the affairs of the Company, then the Company shall deliver to the Holder a notice describing the material terms and conditions of such transaction, including the effect on the Exercise Price and the number, kind or class of securities or other property issuable upon exercise of this Warrant, at least fifteen calendar days prior to the applicable record or effective date on which a Person would need to hold Common Stock in order to participate in or vote with respect to such transaction, and the Company will take all steps reasonably necessary to facilitate the exercise of the Warrant pursuant to Section 3(b) (which exercise may be conditioned upon the occurrence of such event); provided, however, that the failure to deliver such notice or any defect therein shall not affect the validity of the corporate action required to be described in such notice.

10. Fractional Shares. The Company shall not be required to issue or cause to be issued fractional Warrant Shares on the exercise of this Warrant. If any fraction of a Warrant Share would, except for the provisions of this Section 10, be issuable upon exercise of this Warrant, then the number of Warrant Shares to be issued will be rounded down to the nearest whole share.

11. Notices. Any and all notices or other communications or deliveries hereunder (including without limitation any Exercise Notice) shall be in writing and shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number specified in the Purchase Agreement prior to 6:30 p.m. (New York City time) on a Trading Day, (ii) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number specified in the Purchase Agreement on a day that is not a Trading Day or later than 6:30 p.m. (New York City time) on any Trading Day, (iii) the Trading Day following the date of delivery to the courier service, if sent by nationally recognized overnight courier service, or (iv) upon actual receipt by the party to whom such notice is required to be given. The address for such notices or communications shall be as set forth in the Purchase Agreement.

12. Warrant Agent. The Company shall serve as warrant agent under this Warrant. Upon thirty (30) days' notice to the Holder, the Company may appoint a new warrant agent. Any corporation into which the Company or any new warrant agent may be merged or any corporation resulting from any consolidation to which the Company or any new warrant agent shall be a party or any corporation to which the Company or any new warrant agent transfers substantially all of its corporate trust or stockholder services business shall be a successor warrant agent under this Warrant without any further act. Any such successor warrant agent shall promptly cause notice of its succession as warrant agent to be mailed (by first class mail, postage prepaid) to the Holder at the Holder's last address as shown on the Warrant Register.

13. Miscellaneous.

(a) The Company shall not, by amendment of its Certificate of Incorporation or Bylaws, or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, and will at all times in good faith carry out all the provisions of this Warrant. Without limiting the generality of the foregoing, the Company (i) will not increase the par value of any Warrant Shares above the amount payable therefor on such exercise and (ii) will not, and will not permit its transfer agent to, close its stockholder books or records in any manner which interferes with the timely exercise of this Warrant.

(b) GOVERNING LAW; VENUE; SERVICE OF PROCESS; WAIVER OF JURY TRIAL. ALL QUESTIONS CONCERNING THE CONSTRUCTION, VALIDITY, ENFORCEMENT AND INTERPRETATION OF THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THAT BODY OF LAWS PERTAINING TO CONFLICT OF LAWS. EACH PARTY HEREBY IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS SITTING IN THE CITY OF NEW YORK, BOROUGH OF MANHATTAN, FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION HEREWITH OR WITH ANY TRANSACTION CONTEMPLATED HEREBY OR DISCUSSED HEREIN (INCLUDING WITH RESPECT TO THE ENFORCEMENT OF ANY OF THE TRANSACTION DOCUMENTS), AND HEREBY IRREVOCABLY WAIVES, AND AGREES NOT TO ASSERT IN ANY SUIT, ACTION OR PROCEEDING, ANY CLAIM THAT IT IS NOT PERSONALLY SUBJECT TO THE JURISDICTION OF ANY SUCH COURT AND THAT SUCH SUIT, ACTION OR PROCEEDING IS IMPROPER. EACH PARTY HEREBY IRREVOCABLY WAIVES PERSONAL SERVICE OF PROCESS AND CONSENTS TO PROCESS BEING SERVED IN ANY SUCH SUIT, ACTION OR PROCEEDING BY MAILING A COPY THEREOF VIA REGISTERED OR CERTIFIED MAIL OR OVERNIGHT DELIVERY (WITH EVIDENCE OF DELIVERY) TO SUCH PARTY AT THE ADDRESS IN EFFECT FOR NOTICES TO IT UNDER THIS AGREEMENT AND AGREES THAT SUCH SERVICE SHALL CONSTITUTE GOOD AND SUFFICIENT SERVICE OF PROCESS AND NOTICE THEREOF. NOTHING CONTAINED HEREIN SHALL BE DEEMED TO LIMIT IN ANY WAY ANY RIGHT TO SERVE PROCESS IN ANY MANNER PERMITTED BY LAW. EACH OF THE COMPANY AND THE HOLDER HEREBY WAIVES ALL RIGHTS TO A TRIAL BY JURY.

(c) The headings herein are for convenience only, do not constitute a part of this Warrant and shall not be deemed to limit or affect any of the provisions hereof.

(d) In case any one or more of the provisions of this Warrant shall be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Warrant shall not in any way be affected or impaired thereby and the parties will attempt in good faith to agree upon a valid and enforceable provision which shall be a commercially reasonable substitute therefor, and upon so agreeing, shall incorporate such substitute provision in this Warrant.

(e) No course of dealing or any delay or failure to exercise any right hereunder on the part of the Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies, notwithstanding all rights hereunder terminate on the Expiration Date.

(f) No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant or purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

(g) The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive the defense in any action for specific performance that a remedy at law would be adequate.

(h) Any term of this Warrant may be amended and the observance of any term of this Warrant may be waived with the written consent of the Company and the Holder.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed by its authorized officer as of the date first indicated above.

ENERGOUS CORPORATION

By: _____
Name:
Title:

FORM OF EXERCISE NOTICE

(To be executed by the Holder to exercise the right to purchase shares of Common Stock under the foregoing Warrant)

To: Energous Corporation

The undersigned is the Holder of Warrant No. _____ (the "**Warrant**") issued by Energous Corporation, a Delaware corporation (the "**Company**"). Capitalized terms used herein and not otherwise defined herein have the respective meanings set forth in the Warrant.

1. The Warrant is currently exercisable to purchase a total of _____ Warrant Shares.

2. The undersigned Holder hereby exercises its right to purchase _____ Warrant Shares pursuant to the Warrant.

3. Following this exercise, the Warrant shall be exercisable to purchase a total of _____ Warrant Shares.

Dated: _____, _____

Name of Holder:

(Print) _____

By: _____
Name: _____
Title: _____

(Signature must conform in all respects to name of holder as specified on the face of the Warrant)

FORM OF WARRANT ASSIGNMENT

Dated _____, _____

FOR VALUE RECEIVED, _____ hereby sells, assigns and

transfers unto _____ (the "**Assignee**"),

(please type or print in block letters)

_____

(insert address)

its right to purchase up to _____ shares of Common Stock represented by this Warrant and does hereby irrevocably constitute and appoint _____ Attorney, to transfer the same on the books of the Company, with full power of substitution in the premises.

Signature: _____

EXHIBIT C
FORM OF SECRETARY'S CERTIFICATE - COMPANY

Energous Corporation
Secretary's Certificate

I, Brian Sereda, certify that I am the Secretary of Energous Corporation, a Delaware corporation (the "**Company**"), and that, as such, I am authorized to execute this certificate on behalf of the Company and in connection with that certain Securities Purchase Agreement, dated as of November 6, 2016 (the "**Purchase Agreement**"), by and among the Company and the Investor named therein (the "**Investor**"), and do hereby further certify that:

1. Attached hereto as Exhibit A is a true and complete copy of the Second Amended and Restated Certificate of Incorporation of the Company filed with the Secretary of State of the State of Delaware (the "**Certificate of Incorporation**"), as amended by that Certificate of Amendment dated March 26, 2016; no other amendments to the Certificate of Incorporation have been adopted, the Company has not filed any amendments to the Certificate of Incorporation with the Secretary of State of the State of Delaware, and no action has been taken by the Company, its shareholders, directors or officers in contemplation of the filing of any such amendment or other document; the Certificate of Incorporation remains in full force and effect on the date hereof;

2. Attached hereto as Exhibit B is a certificate of good standing certified by the Secretary of State of the State of Delaware;

3. Attached hereto as Exhibit C is a certificate of foreign qualification certified by the Secretary of State of the State of California;

4. Attached hereto as Exhibit D is a true and complete copy of the By-laws of the Company; such By-laws have not been amended and are in full force and effect as of the date hereof;

5. Attached hereto as Exhibit E are true and complete copies of the resolutions adopted by the Board of Directors of the Company, either at a meeting or meetings properly held or by the unanimous written consent of the Board of Directors, relating to the issuance, offering and sale of the shares of the Company's common stock (the "**Common Stock**") and the warrants to purchase shares of Common Stock (the "**Warrants**") pursuant to the Purchase Agreement; all of such resolutions were duly adopted, have not been amended, modified or rescinded and remain in full force and effect; and such resolutions are the only resolutions adopted by the Board of Directors with respect to the issuance, offering and sale of the Common Stock and Warrants pursuant to the Purchase Agreement;

6. Attached hereto as Exhibit F is a true and complete copy of an incumbency certificate of the Company's officers.

[Signature page follows]

In witness whereof, I have hereunto signed my name this _____ day of November, 2016.

By: _____
Brian Sereda, Secretary

Exhibit A
Certificate of Incorporation

Exhibit B
Delaware Good Standing

Exhibit C
Foreign Qualification

Exhibit D
By-laws

Exhibit E
Board of Director Resolutions

Exhibit F
Incumbency Certificate

The undersigned individuals of Energous Corporation, a Delaware corporation (the "Corporation"), are designated as appropriate parties with the power and authority to enter into contracts, agreements and to provide written directions pertaining to services associated with stock transfer and registrar needs:

Name	Title	Signature
Stephen R. Rizzone	President and Chief Executive Officer	
Brian Sereda	Chief Financial Officer and Secretary	

IN WITNESS WHEREOF I have hereunto set my hand and the Corporate Seal of the Corporation this __ day of November, 2016.

Name: Brian Sereda
Title: Secretary

EXHIBIT 21.1

Subsidiaries of Energous Corporation

None.

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statements of Energous Corporation on Form S-3 (No. 333-203622) and Forms S-8 (No. 333-196360, 333-203152, 333-204690, 333-210239 and 333-214785) of our report dated March 16, 2017, with respect to our audits of the financial statements of Energous Corporation as of December 31, 2016 and 2015 and for the years ended December 31, 2016, 2015 and 2014, which report is included in this Annual Report on Form 10-K of Energous Corporation for the year ended December 31, 2016.

/s/ Marcum LLP
Marcum LLP
Melville, New York
March 16, 2017

EXHIBIT 31.1

CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Stephen R. Rizzone, certify that:

1. I have reviewed this Annual Report on Form 10-K of Energous Corporation;

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

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; 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: March 16, 2017

/s/ Stephen R. Rizzone
Name: Stephen R. Rizzone
Title: President, Chief Executive Officer and Director

EXHIBIT 31.2

CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Brian Sereda, certify that:

1. I have reviewed this Annual Report on Form 10-K of Energous Corporation;

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

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; 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: March 16, 2017

/s/ Brian Sereda
Name: Brian Sereda
Title: Vice President and Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Energous Corporation (the "Company") on Form 10-K for the year ended December 31, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, Stephen R. Rizzone, President and Chief Executive Officer of the Company, and Brian Sereda, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to Energous Corporation and will be retained by Energous Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ Stephen R. Rizzone
Name: Stephen R. Rizzone
Title: President, Chief Executive Officer and Director
Date: March 16, 2017

/s/ Brian Sereda
Name: Brian Sereda
Title: Vice President and Chief Financial Officer
Date: March 16, 2017