

InspireMD, Inc.
Form PRE 14A
April 21, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934

Filed by the Registrant
Filed by a Party other than the Registrant
Check the appropriate box:
 Preliminary Proxy Statement
 Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
 Definitive Proxy Statement
 Definitive Additional Materials
 Soliciting Material Pursuant to §240.14a-12

INSPIREMD, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.
 Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

InspireMD, Inc.

321 Columbus Avenue

Boston, Massachusetts 02116

Telephone: (857) 453-6553

May 4, 2016

Dear Stockholder:

You are cordially invited to attend the annual meeting of stockholders of InspireMD, Inc. to be held at 11:30 a.m., New York time, on May 24, 2016 at the offices of Haynes and Boone, LLP, located at 30 Rockefeller Plaza, 26th Floor, New York, New York 10112.

Please note that in order to gain admission to the site of our annual meeting, all attendees will need to present a photo identification card and have their name previously provided to building security. As such, in order to facilitate your attendance at the annual meeting, we strongly encourage you to advise Craig Shore by email at craigs@inspiremd.com or phone at 972-3-6917691 if you plan to attend the meeting prior to 5:00 p.m., New York time, on May 23, 2016 so that we can timely provide your name to building security. In the event that you do not advise us ahead of time that you will be attending the annual meeting, we encourage you to arrive at the meeting no later than 11:00 a.m., New York time, in order to ensure that you are able to pass through security prior to the start of the meeting.

Your vote is very important, regardless of the number of shares of our voting securities that you own. I encourage you to vote by telephone, over the Internet, or by marking, signing, dating and returning your proxy card so that your shares will be represented and voted at the annual meeting, whether or not you plan to attend. If you attend the annual meeting, you will, of course, have the right to revoke the proxy and vote your shares in person.

If your shares are held in the name of a broker, trust, bank or other nominee, and you receive notice of the annual meeting through your broker or through another intermediary, please vote or return the materials in accordance with the instructions provided to you by such broker or other intermediary or contact your broker directly in order to obtain a proxy issued to you by your nominee holder to attend the meeting and vote in person. Failure to do so may result in your shares not being eligible to be voted by proxy at the meeting.

On behalf of the board of directors, I urge you to submit your proxy as soon as possible, even if you currently plan to attend the meeting in person.

Thank you for your support of our company. I look forward to seeing you at the annual meeting.

Sincerely,

/s/ Sol J. Barer, Ph.D.

Sol J. Barer, Ph.D.
Chairman

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON MAY 24, 2016:

Our official Notice of Annual Meeting of Stockholders, Proxy Statement, Proxy Card and Annual Report on Form 10-K to Stockholders are available at:

www.proxyvote.com

InspireMD, Inc.

321 Columbus Avenue

Boston, Massachusetts 02116

Telephone: (857) 453-6553

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held May 24, 2016

The 2016 Annual Meeting of Stockholders of InspireMD, Inc., a Delaware corporation (the “Company”), will be held at 11:30 a.m., New York time, on May 24, 2016 at the offices of Haynes and Boone, LLP, located at 30 Rockefeller Plaza, 26th Floor, New York, New York 10112. We will consider and act on the following items of business at the Annual Meeting:

- (1) Election of two Class 2 directors to serve on our board of directors for a term of three years or until their successors are elected and qualified, for which the following are nominees: Michael Berman and Campbell Rogers, M.D.

- (2) Approval of the Second Amendment to the InspireMD, Inc. 2013 Long-Term Incentive Plan to increase the number of shares of common stock available for issuance pursuant to awards under such plan by 10,000,000 shares, to a total of 10,970,000 shares of common stock.

- (3) Approval of an amendment to the Amended and Restated Certificate of Incorporation of the Company to increase the number of authorized shares of common stock from 50,000,000 to 150,000,000.

- (4) Ratification of the appointment of Kesselman & Kesselman, Certified Public Accountants, as our independent registered public accounting firm for the year ending December 31, 2016.

- (5) Such other business as may properly come before the Annual Meeting.

Stockholders are referred to the Proxy Statement accompanying this notice for more detailed information with respect to the matters to be considered at the Annual Meeting. After careful consideration, **the board of directors recommends a vote FOR the election of the nominees for director named above (Proposal 1), FOR the approval of the Second Amendment to the InspireMD, Inc. 2013 Long-Term Incentive Plan (Proposal 2), FOR the**

approval of the amendment to the Amended and Restated Certificate of Incorporation of the Company to increase the number of authorized shares (Proposal 3), and FOR the ratification of the appointment of Kesselman & Kesselman, Certified Public Accountants, as our independent registered public accounting firm for the year ending December 31, 2016 (Proposal 4).

The board of directors has fixed the close of business on April 27, 2016 as the record date (the “Record Date”). Only holders of record of shares of our common stock are entitled to receive notice of the Annual Meeting and to vote at the Annual Meeting or at any postponement(s) or adjournment(s) of the Annual Meeting. A complete list of registered stockholders entitled to vote at the Annual Meeting will be available for inspection at the office of the Company during regular business hours for the 10 calendar days prior to and during the Annual Meeting.

Please note that in order to gain admission to the site of our annual meeting, all attendees will need to present a photo identification card and have their name previously provided to building security. As such, in order to facilitate your attendance at the annual meeting, we strongly encourage you to advise Craig Shore by email at craigs@inspiremd.com or phone at 972-3-6917691 if you plan to attend the meeting prior to 5:00 p.m., New York time, on May 23, 2016 so that we can timely provide your name to building security. In the event that you do not advise us ahead of time that you will be attending the annual meeting, we encourage you to arrive at the meeting no later than 11:00 a.m., New York time, in order to ensure that you are able to pass through security prior to the start of the meeting.

YOUR VOTE AND PARTICIPATION IN THE COMPANY'S AFFAIRS ARE IMPORTANT.

If your shares are registered in your name, even if you plan to attend the Annual Meeting or any postponement or adjournment of the Annual Meeting in person, we request that you vote by telephone, over the Internet, or complete, sign and mail your proxy card to ensure that your shares will be represented at the Annual Meeting.

If your shares are held in the name of a broker, trust, bank or other nominee, and you receive notice of the Annual Meeting through your broker or through another intermediary, please vote or complete and return the materials in accordance with the instructions provided to you by such broker or other intermediary or contact your broker directly in order to obtain a proxy issued to you by your nominee holder to attend the Annual Meeting and vote in person. Failure to do so may result in your shares not being eligible to be voted by proxy at the Annual Meeting.

By Order of The Board of Directors,

/s/ Sol J. Barer

Sol J. Barer, Ph.D.
Chairman

May 4, 2016

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InspireMD, Inc.

321 Columbus Avenue

Boston, Massachusetts 02116

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PROXY STATEMENT

FOR

ANNUAL MEETING OF STOCKHOLDERS

To Be Held May 24, 2016

Unless the context otherwise requires, references in this Proxy Statement to “we,” “us,” “our,” the “Company,” or “InspireMD” refer to InspireMD, Inc., a Delaware corporation, and its direct and indirect subsidiaries. In addition, unless the context otherwise requires, references to “stockholders” are to the holders of our voting securities, which consist of our common stock, par value \$0.0001 per share.

All amounts set forth in this proxy statement are adjusted for the 1-for-10 reverse stock split of our common stock that occurred on October 1, 2015.

The accompanying proxy is solicited by the board of directors on behalf of InspireMD, Inc., a Delaware corporation, to be voted at the annual meeting of stockholders of the Company (the “Annual Meeting”) to be held on May 24, 2016, at the time and place and for the purposes set forth in the accompanying Notice of Annual Meeting of Stockholders (the “Notice”) and at any adjournment(s) or postponement(s) of the Annual Meeting. This Proxy Statement and accompanying form of proxy are expected to be first sent or given to stockholders on or about May 4, 2016.

The executive offices of the Company are located at, and the mailing address of the Company is, 321 Columbus Avenue, Boston, Massachusetts 02116.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON May 24, 2016:

Our official Notice of Annual Meeting of Stockholders, Proxy Statement and Annual Report on Form 10-K to Stockholders are available at:

www.proxyvote.com

ABOUT THE ANNUAL MEETING

What is a proxy?

A proxy is another person that you legally designate to vote your stock. If you designate someone as your proxy in a written document, that document is also called a “proxy” or a “proxy card.” If you are a street name holder, you must obtain a proxy from your broker or nominee in order to vote your shares in person at the Annual Meeting.

What is a proxy statement?

A proxy statement is a document that regulations of the Securities and Exchange Commission require that we give to you when we ask you to sign a proxy card to vote your stock at the Annual Meeting.

What is the purpose of the Annual Meeting?

At our Annual Meeting, stockholders will act upon the matters outlined in the Notice, including the following:

(1) Election of two Class 2 directors to serve on our board of directors for a term of three years or until their successors are elected and qualified, for which the following are nominees: Michael Berman and Campbell Rogers, M.D.

Approval of the Second Amendment to the InspireMD, Inc. 2013 Long-Term Incentive Plan (the “2013 Plan”) to
(2) increase the number of shares of common stock available for issuance pursuant to awards under such plan by 10,000,000 shares, to a total of 10,970,000 shares of common stock.

Approval of an amendment to the Amended and Restated Certificate of Incorporation of the Company (the
(3) “Certificate of Incorporation”) to increase the number of authorized shares of common stock from 50,000,000 to 150,000,000.

(4) Ratification of the appointment of Kesselman & Kesselman, Certified Public Accountants, as our independent registered public accounting firm for the year ending December 31, 2016.

- (5) Such other business as may properly come before the Annual Meeting.

What is “householding” and how does it affect me?

With respect to eligible stockholders who share a single address, we may send only one Proxy Statement to that address unless we receive instructions to the contrary from any stockholder at that address. This practice, known as “householding,” is designed to reduce our printing and postage costs. However, if a stockholder of record residing at such address wishes to receive a separate Proxy Statement in the future, he or she may contact InspireMD, Inc., 321 Columbus Avenue, Boston, Massachusetts 02116, Attn: Investor Relations or call (857) 453-6553 and ask for Investor Relations. Eligible stockholders of record receiving multiple copies of our Notice or Proxy Statement can request householding by contacting us in the same manner. Stockholders who own shares through a bank, broker or other nominee can request householding by contacting the nominee.

We hereby undertake to deliver promptly, upon written or oral request, a copy of the Notice or Proxy Statement to a stockholder at a shared address to which a single copy of the document was delivered. Requests should be directed to Investor Relations at the address or phone number set forth above.

What should I do if I receive more than one set of voting materials?

You may receive more than one set of voting materials, including multiple copies of the Notice or this Proxy Statement and multiple proxy cards or voting instruction cards. For example, if you hold your shares in more than one brokerage account, you may receive a separate notice or voting instruction card for each brokerage account in which you hold shares. Similarly, if you are a stockholder of record and hold shares in a brokerage account, you will receive a Notice for shares held in your name and a notice or voting instruction card for shares held in street name. Please follow the directions provided in the Notice and each additional notice or voting instruction card you receive to ensure that all your shares are voted.

What is the record date and what does it mean?

The record date to determine the stockholders entitled to notice of and to vote at the Annual Meeting is the close of business on April 27, 2016 (the “Record Date”). The Record Date is established by the board of directors as required by Delaware law. On the Record Date, [] shares of common stock were issued and outstanding.

Who is entitled to vote at the Annual Meeting?

Holders of common stock at the close of business on the Record Date may vote at the Annual Meeting.

What are the voting rights of the stockholders?

Each holder of common stock is entitled to one vote per share of common stock on all matters to be acted upon at the Annual Meeting.

The presence, in person or by proxy, of the holders of a majority of the shares of the stock entitled to vote at the Annual Meeting is necessary to constitute a quorum to transact business. If a quorum is not present or represented at the Annual Meeting, the stockholders entitled to vote at the Annual Meeting, present in person or by proxy, may adjourn the Annual Meeting from time to time without notice or other announcement until a quorum is present or represented.

What is the difference between a stockholder of record and a “street name” holder?

If your shares are registered directly in your name with Action Stock Transfer Corporation, our stock transfer agent, you are considered the stockholder of record with respect to those shares. The Notice has been sent directly to you by us.

If your shares are held in a stock brokerage account or by a bank or other nominee, the nominee is considered the record holder of those shares. You are considered the beneficial owner of those shares, and your shares are held in “street name.” A notice or Proxy Statement and voting instruction card have been forwarded to you by your nominee. As the beneficial owner, you have the right to direct your nominee concerning how to vote your shares by using the voting instructions they included in the mailing or by following their instructions for voting.

What is a broker non-vote?

A broker non-vote occurs when a broker holding shares for a beneficial owner does not vote on a particular proposal because the broker does not have discretionary voting power with respect to that item and has not received voting instructions from the beneficial owner. Your broker does not have discretionary authority to vote your shares with respect to the election of directors (Proposal 1) or the approval of the Second Amendment to the 2013 Plan (Proposal 2) in the absence of specific instructions from you.

With respect to the proposal to approve the amendment to our Certificate of Incorporation to increase the number of authorized shares of common stock (Proposal 3) and the ratification of the independent registered public accounting firm (Proposal 4), your broker will have the discretion to vote your shares and, therefore, will be able to vote your shares with respect to such proposals even if you do not provide your broker with instructions on those proposals.

How do I vote my shares?

Your vote is very important to us and we hope that you will attend the Annual Meeting. However, whether or not you plan to attend the Annual Meeting, please vote by proxy in accordance with the instructions on your proxy card or voting instruction card (from your broker or other intermediary). There are three convenient ways of submitting your vote:

By Telephone or Internet - All record holders can vote by touchtone telephone from the U.S. using the toll free telephone number on the proxy card, or over the Internet, using the procedures and instructions described on the proxy card. "Street name" holders may vote by telephone or Internet if their broker or other intermediary makes those methods available, in which case the broker or other intermediary will enclose the instructions with the proxy materials. The telephone and Internet voting procedures are designed to authenticate stockholders' identities, to allow stockholders to vote their shares, and to confirm that their instructions have been recorded properly.

In Person - All record holders may vote in person at the Annual Meeting. "Street name" holders may vote in person at the Annual Meeting if their broker or other intermediary has furnished a legal proxy. If you are a "street name" holder and would like to vote your shares by proxy, you will need to ask your broker or other intermediary to furnish you with a nominee issued proxy. You will need to bring the nominee issued proxy with you to the Annual Meeting and hand it in with a signed ballot that will be provided to you at the Annual Meeting. You will not be able to vote your shares without a nominee issued proxy. Note that a broker letter that identifies you as a stockholder is not the same as a nominee issued proxy.

By Written Proxy - All record holders can vote by written proxy card, if they have requested to receive printed proxy materials. If you are a "street name" holder and you request to receive printed proxy materials, you will receive a written proxy card and a voting instruction card from your broker or other intermediary.

The board of directors has appointed Craig Shore, chief financial officer, chief administrative officer, treasurer and secretary, and James Barry, Ph.D., executive vice president, chief operating officer and director, to serve as the proxies for the Annual Meeting.

If you complete all of the proxy card except one or more of the voting instructions, then the designated proxies will vote your shares as to which you provide no voting instructions in the manner described under "What if I do not specify how I want my shares voted?" below. We do not anticipate that any other matters will come before the Annual Meeting, but if any other matters properly come before the meeting, then the designated proxies will vote your shares in accordance with applicable law and their judgment.

If you hold your shares in “street name,” and complete the voting instruction card provided by your broker or other intermediary except with respect to one or more of the voting instructions, then your broker may be unable to vote your shares with respect to the proposal as to which you provide no voting instructions. See “What is a broker non-vote?”

Even if you currently plan to attend the Annual Meeting, we recommend that you vote by telephone or Internet or return your proxy card or voting instructions as described above so that your votes will be counted if you later decide not to attend the Annual Meeting or are unable to attend.

Who counts the votes?

All votes will be tabulated by James Barry, Ph.D., the inspector of election appointed for the Annual Meeting. Each proposal will be tabulated separately.

What are my choices when voting?

In the election of directors (Proposal 1), stockholders may vote for all director nominees or may withhold their votes as to one or more director nominees. With respect to the proposal to approve the Second Amendment to the 2013 Plan (Proposal 2), the proposal to approve the amendment to our Certificate of Incorporation to increase the number of authorized shares of common stock (Proposal 3) and the ratification of the independent registered public accounting firm (Proposal 4), stockholders may vote for the proposal, against the proposal, or abstain from voting on the proposal.

What are the board of directors' recommendations on how I should vote my shares?

The board of directors recommends that you vote your shares as follows:

Proposal 1—**FOR** the election of the nominees for director.

Proposal 2—**FOR** the approval of the Second Amendment to the 2013 Plan.

Proposal 3—**FOR** the approval of the amendment to our Certificate of Incorporation to increase the number of authorized shares of common stock.

Proposal 4—**FOR** the ratification of the appointment of the independent registered public accounting firm.

What if I do not specify how I want my shares voted?

If you are a record holder who returns a completed proxy card that does not specify how you want to vote your shares on one or more proposals, the proxies will vote your shares for each proposal as to which you provide no voting instructions, and such shares will be voted in the following manner:

Proposal 1—**FOR** the election of the nominees for director.

Proposal 2—**FOR** the approval of the Second Amendment to the 2013 Plan.

Proposal 3—**FOR** the approval of the amendment to our Certificate of Incorporation to increase the number of authorized shares of common stock.

Proposal 4—**FOR** the ratification of the appointment of the independent registered public accounting firm.

If you are a street name holder and do not provide voting instructions on one or more proposals, your bank, broker or other nominee may be unable to vote those shares. See “What is a broker non-vote?”

Can I change my vote?

Yes. If you are a record holder, you may revoke your proxy at any time by any of the following means:

Attending the Annual Meeting and voting in person. Your attendance at the Annual Meeting will not by itself revoke a proxy. You must vote your shares by ballot at the Annual Meeting to revoke your proxy.

Voting again by telephone or over the Internet (only your latest telephone or Internet vote submitted prior to the Annual Meeting will be counted).

Completing and submitting a new valid proxy bearing a later date.

Giving written notice of revocation to the Company addressed to Craig Shore, chief financial officer, chief administrative officer, treasurer and secretary, at the Company’s address above, which notice must be received before noon, New York time on May 23, 2016.

If you are a street name holder, your bank, broker or other nominee should provide instructions explaining how you may change or revoke your voting instructions.

What percentage of the vote is required to approve each proposal?

Assuming the presence of a quorum, the two director nominees who receive the most votes cast in the election of directors will be elected.

Assuming the presence of a quorum, the ratification of the independent registered public accounting firm (Proposal 4) will require the affirmative vote of the holders of a majority of the shares of our common stock represented in person or by proxy at the Annual Meeting entitled to vote on such proposal that voted for or against such proposal.

Pursuant to Section 711 of the NYSE MKT Company Guide, approval of the Second Amendment to the 2013 Plan (Proposal 2) will require approval by a majority of votes cast, including abstentions.

Approval of the amendment to our Certificate of Incorporation to increase the number of authorized shares of common stock (Proposal 3) will require the affirmative vote of the holders of a majority of the shares of our issued and outstanding common stock entitled to vote on such proposal at the Annual Meeting.

How are abstentions and broker non-votes treated?

Abstentions are included in the determination of the number of shares present at the Annual Meeting for determining a quorum at the meeting. Abstentions will have no effect with respect to the election of directors (Proposal 1) or the ratification of the independent registered public accounting firm (Proposal 4). However, abstentions will have the same effect as a vote against the Second Amendment to the 2013 Plan (Proposal 2) and the amendment to our Certificate of Incorporation to increase the number of authorized shares of common stock (Proposal 3).

Broker non-votes are included in the determination of the number of shares present at the Annual Meeting for determining a quorum at the meeting. Broker non-votes will have no effect upon the election of directors (Proposal 1) and the approval of the Second Amendment to the 2013 Plan (Proposal 2). With respect to the proposal to approve the amendment to our Certificate of Incorporation to increase the number of authorized shares of common stock (Proposal 3) and the ratification of the independent registered public accounting firm (Proposal 4), broker-non-votes are not applicable because such proposals are considered routine matters and therefore a broker holding shares for a beneficial owner will have discretionary authority to vote those shares for such proposals in the absence of voting instructions from the beneficial owner.

Do I have any dissenters' or appraisal rights with respect to any of the matters to be voted on at the Annual Meeting?

No. None of our stockholders has any dissenters' or appraisal rights with respect to the matters to be voted on at the Annual Meeting.

When will the next stockholder advisory vote on executive compensation occur?

At our 2012 Annual Meeting of Stockholders, we submitted to stockholders an advisory vote on whether an advisory vote on executive compensation should be held every one, two or three years. "Three years" was the frequency that received the highest number of votes. In light of such outcome, we intend to hold an advisory vote on executive compensation every three years. The last stockholder advisory vote on executive compensation was held at our 2015 Annual Meeting of Stockholders. Therefore, we anticipate that the next such vote will be held at our 2018 Annual Meeting of Stockholders.

What are the solicitation expenses and who pays the cost of this proxy solicitation?

Our board of directors is asking for your proxy and we will pay all of the costs of asking for stockholder proxies. We will reimburse brokerage houses and other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses for forwarding solicitation material to the beneficial owners of common stock and collecting voting instructions. We may use officers and employees of the Company, as well as a proxy solicitation firm hired by the Company, to ask for proxies, as described below.

Is this Proxy Statement the only way that proxies are being solicited?

No. In addition to the solicitation of proxies by use of the mail, officers and employees of the Company, as well as any proxy solicitation firm hired by the Company, may solicit the return of proxies, either by mail, telephone, fax, e-mail or through personal contact. These officers and employees will not receive additional compensation for their efforts but will be reimbursed for out-of-pocket expenses. Brokerage houses and other custodians, nominees and fiduciaries, in connection with shares of the common stock registered in their names, will be requested to forward solicitation material to the beneficial owners of shares of common stock.

Are there any other matters to be acted upon at the Annual Meeting?

Management does not intend to present any business at the Annual Meeting for a vote other than the matters set forth in the Notice and has no information that others will do so. If other matters requiring a vote of the stockholders properly come before the Annual Meeting, it is the intention of the persons named in the accompanying form of proxy to vote the shares represented by the proxies held by them in accordance with applicable law and their judgment on such matters.

Where can I find voting results?

The Company expects to publish the voting results in a Current Report on Form 8-K, which it expects to file with the Securities and Exchange Commission within four business days following the Annual Meeting.

Who can help answer my questions?

The information provided above in this “Question and Answer” format is for your convenience only and is merely a summary of the information contained in this Proxy Statement. We urge you to carefully read this entire Proxy Statement, including the documents we refer to in this Proxy Statement. If you have any questions, or need additional material, please feel free to contact Craig Shore by email at craigs@inspiremd.com or phone at 972-3-6917691.

CORPORATE GOVERNANCE AND BOARD OF DIRECTORS MATTERS

Director Independence

The board of directors has determined that Drs. Barer and Rogers and Messrs. Loughlin, Stuka, Berman and Blech satisfy the requirement for independence set out in Section 803 of the NYSE MKT rules and that each of these directors has no material relationship with us (other than being a director and/or a stockholder). In making its independence determinations, the board of directors sought to identify and analyze all of the facts and circumstances relating to any relationship between a director, his immediate family or affiliates and our company and our affiliates and did not rely on categorical standards other than those contained in the NYSE MKT rule referenced above.

Board Committees

Our board of directors has established an audit committee, a nominating and corporate governance committee and a compensation committee, each of which has the composition and responsibilities described below.

Audit Committee. Our audit committee is currently comprised of Messrs. Loughlin and Stuka and Dr. Barer, each of whom our board has determined to be financially literate and qualify as an independent director under Section 803(B)(2) of the NYSE MKT rules. Mr. Loughlin is the chairman of our audit committee and qualifies as a financial expert, as defined in Item 407(d)(5)(ii) of Regulation S-K. The audit committee's duties are to recommend to our board of directors the engagement of independent auditors to audit our financial statements and to review our accounting and auditing principles. The audit committee will review the scope, timing and fees for the annual audit and the results of audit examinations performed by the internal auditors and independent public accountants, including their recommendations to improve the system of accounting and internal controls. The audit committee held a total of six meetings during the twelve months ended December 31, 2015. The audit committee operates under a formal charter adopted by the board of directors that governs its duties and conduct. Copies of the charter can be obtained free of charge from the Company's web site, www.inspire-md.com, by contacting the Company at the address appearing on the first page of this Proxy Statement to the attention of Investor Relations, or by telephone at (857) 453-6553.

Nominating and Corporate Governance Committee. Our nominating and corporate governance committee is currently comprised of Messrs. Berman and Stuka and Dr. Barer, each of whom qualify as an independent director under Section 803(A) of the NYSE MKT rules. Mr. Berman is the chairman of our nominating and corporate governance committee. The nominating and corporate governance committee identifies and recommends to our board of directors individuals qualified to be director nominees. In addition, the nominating and corporate governance committee recommends to our board of directors the members and chairman of each board committee who will periodically review and assess our code of business conduct and ethics and our corporate governance guidelines. The nominating and corporate governance committee also makes recommendations for changes to our code of business conduct and ethics and our corporate governance guidelines to our board of directors, reviews any other matters related to our corporate governance and oversees the evaluation of our board of directors and our management. The nominating and corporate governance committee did not hold any meetings during the twelve months ended December 31, 2015. The nominating and corporate governance committee operates under a formal charter adopted by the board of directors that governs its duties and conduct. Copies of the charter can be obtained free of charge from the Company's web site, www.inspire-md.com, by contacting the Company at the address appearing on the first page of this Proxy Statement to the attention of Investor Relations, or by telephone at (857) 453-6553.

Compensation Committee. Our compensation committee is currently comprised of Messrs. Stuka and Loughlin and Dr. Barer, each of whom qualify as an independent director under Sections 803(A) and 805(c)(1) of the NYSE MKT rules. Mr. Stuka is the chairman of our compensation committee. The compensation committee reviews and approves our salary and benefits policies, including compensation of executive officers and directors. The compensation committee also administers our stock option plans and recommends and approves grants of stock options under such plans. The compensation committee reviews at least annually and determines the executive compensation packages for Mr. Milinazzo, including approving any grants of stock options. Mr. Milinazzo is responsible for making recommendations to the compensation committee with respect to the executive compensation packages for executive officers, including any grants of stock options. The compensation committee held a total of two meetings during the twelve months ended December 31, 2015. The compensation committee operates under a formal charter adopted by the board of directors that governs its duties and conduct. Copies of the charter can be obtained free of charge from the Company's web site, www.inspire-md.com, by contacting the Company at the address appearing on the first page of this Proxy Statement to the attention of Investor Relations, or by telephone at (857) 453-6553.

Meetings and Attendance

The board of directors held a total of 13 meetings during the twelve months ended December 31, 2015, and each director attended at least 75 percent of the aggregate number of all (i) board meetings held during the period for which he was a director and (ii) committee meetings held during the period for which he was a committee member. We do not have a policy requiring director attendance at stockholder meetings, but members of our board of directors are encouraged to attend. One of seven directors attended our 2015 Annual Meeting of Stockholders.

Board Leadership Structure

The board of directors is committed to promoting effective, independent governance of the Company. Our board believes it is in the best interests of the stockholders and the Company for the board to have the flexibility to select the best director to serve as chairman at any given time, regardless of whether that director is an independent director or the chief executive officer. Consequently, we do not have a policy governing whether the roles of chairman of the board and chief executive officer should be separate or combined. This decision is made by our board of directors, based on the best interests of the Company considering the circumstances at the time.

Currently, the offices of the chairman of the board and the chief executive officer are held by two different people. Sol J. Barer, Ph.D., is our independent, non-executive chairman of the board of directors and Alan Milinazzo is our chief executive officer. The chief executive officer is responsible for the day to day leadership and performance of the Company, while the chairman of the board of directors provides guidance to the chief executive officer and sets the agenda for board meetings and presides over meetings of the board. We believe that separation of the positions reinforces the independence of the board in its oversight of the business and affairs of the Company, and creates an environment that is more conducive to objective evaluation and oversight of management's performance, increasing management accountability and improving the ability of the board to monitor whether management's actions are in the best interests of the Company and its stockholders. Furthermore, we believe that Dr. Barer is especially suited to serve as our chairman of the board, in light of his significant scientific and executive leadership experience in the U.S. life sciences industry and his service on the board of directors of other publicly-held biopharmaceutical companies, which provide him with a unique perspective on the best methods of growth for a life sciences company.

Role in Risk Oversight

Our board of directors oversees an enterprise-wide approach to risk management, designed to support the achievement of business objectives, including organizational and strategic objectives, to improve long-term organizational performance and enhance stockholder value. The involvement of our board of directors in setting our business strategy is a key part of its assessment of management's plans for risk management and its determination of what constitutes an appropriate level of risk for the company. The participation of our board of directors in our risk oversight process includes receiving regular reports from members of senior management on areas of material risk to our company, including operational, financial, legal and regulatory, and strategic and reputational risks.

While our board of directors has the ultimate responsibility for the risk management process, senior management and various committees of our board of directors also have responsibility for certain areas of risk management.

Our senior management team is responsible for day-to-day risk management and regularly reports on risks to our full board of directors or a relevant committee. Our finance and regulatory personnel serve as the primary monitoring and evaluation function for company-wide policies and procedures, and manage the day-to-day oversight of the risk management strategy for our ongoing business. This oversight includes identifying, evaluating and addressing potential risks that may exist at the enterprise, strategic, financial, operational, compliance and reporting levels.

The audit committee focuses on monitoring and discussing our major financial risk exposures and the steps management has taken to monitor and control such exposures, including our risk assessment and risk management policies. As appropriate, the audit committee provides reports to and receives direction from the full board of directors regarding our risk management policies and guidelines, as well as the audit committee's risk oversight activities.

In addition, the compensation committee assesses our compensation policies to confirm that the compensation policies and practices do not encourage unnecessary risk taking. The compensation committee regularly reviews and discusses the relationship between risk management policies and practices, corporate strategy and senior executive compensation and, when appropriate, reports on the findings from the discussions with our board of directors. Our compensation committee intends to set performance metrics that will create incentives for our senior executives that encourage an appropriate level of risk-taking that is commensurate with our short-term and long-term strategies.

Code of Ethics

We have adopted a code of ethics and business conduct that applies to our officers, directors and employees, including our principal executive officer, principal financial officer and principal accounting officer, which is posted on our web site at www.inspire-md.com. We intend to disclose future amendments to certain provisions of the code of ethics, or waivers of such provisions granted to executive officers and directors, on this website within four business days following the date of such amendment or waiver.

Communications with the Board of Directors

A stockholder who wishes to communicate with our board of directors, any committee of our board of directors, the non-management directors or any particular director, may do so by writing to such director or directors in care of the Secretary, c/o InspireMD, Inc., 321 Columbus Avenue, Boston, Massachusetts 02116. Our secretary will forward such communication to the full board of directors, to the appropriate committee or to any individual director or directors to whom the communication is addressed, unless the communication is unrelated to the duties and responsibilities of our board of directors (such as spam, junk mail and mass mailings, ordinary course disputes over fees or services, personal employee complaints, business inquiries, new product or service suggestions, resumes and other forms of job inquiries, surveys, business solicitations or advertisements) or is unduly hostile, threatening, illegal, or harassing, in which case our secretary has the authority to discard the communication or take appropriate legal action regarding the communication.

Director Nomination Policies

We have a standing nominating and corporate governance committee consisting entirely of independent directors. Each director nominee was recommended to the board by the nominating and corporate governance committee for selection.

The nominating and corporate governance committee will consider all proposed nominees for the board of directors, including those properly put forward by stockholders. Stockholder nominations should be addressed to the nominating and corporate governance committee in care of the Secretary, c/o InspireMD, Inc., 321 Columbus Avenue, Boston, Massachusetts 02116, in accordance with the provisions of the Company's amended and restated bylaws. The nominating and corporate governance committee annually reviews with the board the applicable skills and characteristics required of board nominees in the context of current board composition and our circumstances. In making its recommendations to the board, the nominating and corporate governance committee considers all factors it considers appropriate, which may include experience, accomplishments, education, understanding of the business and the industry in which we operate, specific skills, general business acumen and the highest personal and professional integrity. Generally, the nominating and corporate governance committee will first consider current board members because they meet the criteria listed above and possess an in depth knowledge of us, our history, strengths, weaknesses, goals and objectives. This level of knowledge has proven very valuable to us. In determining whether to recommend a director for re-election, the nominating and corporate governance committee also considers the director's past attendance at meetings and participation in and contributions to the activities of the board.

The board and the nominating and corporate governance committee aim to assemble a diverse group of board members and believe that no single criterion such as gender or minority status is determinative in obtaining diversity on the board. The board defines diversity as differences of viewpoint, professional experience, education and skills

such as a candidate's range of experience serving on other public company boards, the balance of the business interest and experience of the candidate as compared to the incumbent or other nominated directors, and the need for any particular expertise on the board or one of its committees.

Certain Related Transactions and Relationships

We effected a 1-for-10 reverse stock split of our outstanding common stock on October 1, 2015. Unless otherwise indicated, the share numbers and prices described below have been adjusted to give effect to the reverse stock split.

On November 7, 2014, we closed a registered direct offering of approximately 626,000 shares of common stock and warrants to purchase up to approximately 313,000 million shares of common stock at a price of \$13.00 per share, for gross proceeds of \$8.1 million, before deducting placement agents' fees and estimated offering expenses. Each purchaser received a warrant to purchase 0.5 of a share of common stock for each share of common stock that it purchased in the offering. The warrants are non-exercisable for six months and have a term of exercise of 42 months from the date of issuance and an exercise price of \$17.50. The purchasers in the offering included Dr. Barer, the chairman of our board of directors, who purchased 19,231 shares of common stock and warrants to purchase 9,616 shares of common stock, for a purchase price of \$250,000, Mr. Milinazzo, our president and chief executive officer, and Dr. Barry, our executive vice president and chief operating officer, who each purchased 1,924 shares of common stock and warrants to purchase 962 shares of common stock, for a purchase price of \$25,000, and Rick Olson, our then-current vice president of global sales and operations of InspireMD Ltd, who purchased 11,539 shares of common stock and warrants to purchase 5,770 shares of common stock, for a purchase price of \$150,000.

On March 9, 2015, we closed a public offering of approximately 34.4 million shares of common stock and warrants to purchase up to approximately 34.4 million shares of common stock at a price of \$5.5 per share, for gross proceeds of \$13.7 million, before deducting placement agents' fees and estimated offering expenses. Each purchaser received a warrant to purchase one share of common stock for each share of common stock that it purchased in the offering. The warrants have a term of exercise of five years from the date of issuance and an exercise price of \$5.5. The purchasers in the offering included: Dr. Barer, the chairman of our board of directors, who purchased 250,000 shares of common stock and warrants to purchase 250,000 shares of common stock, for a purchase price of \$1,000,000, Osiris Investment Partners, L.P., of which Mr. Stuka, our director, is the principal and managing member, which purchased 62,500 shares of common stock and warrants to purchase 62,500 shares of common stock, for a purchase price of \$250,000 and Mr. Milinazzo, our president and chief executive officer, who purchased 12,500 shares of common stock and warrants to purchase 12,500 shares of common stock, for a purchase price of \$50,000.

On March 21, 2016, we sold 1,900,000 shares of our common stock and warrants to purchase 950,000 shares of our common stock in a public offering. Each purchaser received a warrant to purchase one half of one share of common stock for each share of common stock that it purchased in the offering. The warrants are exercisable immediately and have a term of exercise of 5 years from the date of issuance and an exercise price of \$0.59. The purchasers in the offering included Sabby Healthcare Master Fund, Ltd. and Sabby Volatility Warrant Master Fund, Ltd., for which Sabby Management LLC serves as the investment manager, who purchased an aggregate of 750,000 shares of common stock and warrants to purchase 375,000 shares of common stock, for a purchase price of \$442,500.

On March 21, 2016, we closed a private placement of 1,033,051 shares of our common stock and warrants to purchase up to 516,526 shares of our common stock with certain of our officers and directors. The purchasers in the private placement included: Dr. Barer, the chairman of our board of directors, who purchased 847,458 shares of common stock and warrants to purchase 423,729 shares of common stock, for a purchase price of \$500,000, Osiris Investment Partners, L.P., of which Mr. Stuka, our director, is the principal and managing member, which purchased 127,119 shares of common stock and warrants to purchase 63,560 shares of common stock, for a purchase price of \$75,000, Mr. Loughlin, our director, who purchased 50,000 shares of common stock and warrants to purchase 25,000 shares of common stock, for a purchase price of \$29,500 and Dr. Rogers, our director, who purchased 8,474 shares of common stock and warrants to purchase 4,237 shares of common stock, for a purchase price of \$5,000.

In accordance with our audit committee charter, the audit committee is required to approve all related party transactions. In general, the audit committee will review any proposed transaction that has been identified as a related party transaction under Item 404 of Regulation S-K, which means a transaction, arrangement or relationship in which we and any related party are participants in which the amount involved exceeds \$120,000. A related party includes (i) a director, director nominee or executive officer of us, (ii) a security holder known to be an owner of more than 5% of our voting securities, (iii) an immediate family member of the foregoing or (iv) a corporation or other entity in which any of the foregoing persons is an executive, principal or similar control person or in which such person has a 5% or greater beneficial ownership interest.

REPORT OF THE AUDIT COMMITTEE

The audit committee has reviewed and discussed the Company's audited financial statements and related footnotes for the year ended December 31, 2015, and the independent auditor's report on those financial statements, with management and with our independent auditor, Kesselman & Kesselman, Certified Public Accountants ("Kesselman"). The audit committee has also discussed with Kesselman the matters required to be discussed by the statement on Auditing Standards No. 61, as amended, as adopted by the Public Company Accounting Oversight Board in Rule 3200T. The audit committee has also received the written disclosures and the letter from Kesselman required by applicable requirements of the Public Company Accounting Oversight Board regarding Kesselman's communications with the audit committee concerning independence, and has discussed with Kesselman that firm's independence.

Based on the review and the discussions referred to in the preceding paragraph, the audit committee determined that the Company's audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2015 that was filed with the Securities and Exchange Commission.

The Audit Committee:

Sol J. Barer, Ph.D.
James J. Loughlin (Chairman)
Paul Stuka

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information with respect to the beneficial ownership of our common stock as of April 20, 2016 by:

each person known by us to beneficially own more than 5.0% of our common stock;

each of our directors;

each of the named executive officers; and

all of our directors and executive officers as a group.

The percentages of common stock beneficially owned are reported on the basis of regulations of the Securities and Exchange Commission governing the determination of beneficial ownership of securities. Under the rules of the Securities and Exchange Commission, a person is deemed to be a beneficial owner of a security if that person has or shares voting power, which includes the power to vote or to direct the voting of the security, or investment power, which includes the power to dispose of or to direct the disposition of the security. Except as indicated in the footnotes to this table, each beneficial owner named in the table below has sole voting and sole investment power with respect to all shares beneficially owned and each person's address is c/o InspireMD, Inc., 321 Columbus Avenue, Boston, MA 02116. As of April 20, 2016, we had 10,722,974 shares outstanding.

Name of Beneficial Owner	Number of Shares Beneficially Owned ⁽¹⁾		Percentage Beneficially Owned ⁽¹⁾	
5% Owners				
Sabby Management LLC. ⁽²⁾	1,878,871	(3)	16.39	%
Officers and Directors				
Alan W. Milinazzo	172,180	(4)	1.6	%
Craig Shore	15,437	(5)	*	
Sol J. Barer, Ph.D.	2,085,046	(6)	18.14	%
James Barry, Ph.D.	23,605	(7)	*	
Michael Berman	19,011	(8)	*	
James J. Loughlin	97,014	(9)	*	
Campbell Rogers, M.D.	26,221	(10)	*	
Paul Stuka	412,632	(11)	3.80	%
Isaac Blech	-		*	

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All directors and executive officers as a group (9 persons)	2,851,145	24.29	%
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*Represents ownership of less than one percent.

Shares of common stock beneficially owned and the respective percentages of beneficial ownership of common stock assumes the exercise of all options, warrants and other securities convertible into common stock beneficially owned by such person or entity currently exercisable or exercisable within 60 days of April 20, 2016. Shares (1) issuable pursuant to the exercise of stock options and warrants exercisable within 60 days are deemed outstanding and held by the holder of such options or warrants for computing the percentage of outstanding common stock beneficially owned by such person, but are not deemed outstanding for computing the percentage of outstanding common stock beneficially owned by any other person.

(2) Sabby Management LLC's address is 10 Mountainview Road, Suite 205, Upper Saddle River, New Jersey 07458

- Based on our knowledge, including Amendment No. 1 to Schedule 13G filed with the Securities and Exchange Commission on January 12, 2016, comprised of (i) 1,045,698 shares of common stock owned directly by Sabby Healthcare Master Fund, Ltd., (ii) 92,787 shares of common stock owned directly by Sabby Volatility Warrant Master Fund, Ltd., (iii) warrants to purchase 57,693 shares of common stock that are currently exercisable or exercisable within 60 days of April 20, 2016 owned directly by Sabby Healthcare Volatility Master Fund, Ltd., (iv) warrants to purchase 370,193 shares of common stock that are currently exercisable or exercisable within 60 days of April 20, 2016 owned directly by Sabby Volatility Warrant Master Fund, Ltd. and (v) warrants to purchase 312,500 shares of common stock that are currently exercisable or exercisable within 60 days of April 20, 2016 owned directly by Sabby Healthcare Master Fund, Ltd. Sabby Management, LLC serves as the investment manager of Sabby Healthcare Master Fund, Ltd. and Sabby Volatility Warrant Master Fund, Ltd. Hal Mintz serves as manager of Sabby Management, LLC. As such, Sabby Management, LLC and Hal Mintz may be deemed to beneficially own these securities.
- (3)
- (4) Includes warrants to purchase 13,462 shares of common stock that are currently exercisable or exercisable within 60 days of April 20, 2016.
- (5) Includes warrants to purchase 75 shares of common stock that are currently exercisable or exercisable within 60 days of April 20, 2016.
- (6) Includes options to purchase 90,011 shares of common stock and warrants to purchase 683,345 shares of common stock that are currently exercisable or exercisable within 60 days of April 20, 2016.
- (7) Includes warrants to purchase 962 shares of common stock that are currently exercisable or exercisable within 60 days of April 20, 2016.
- (8) Includes options to purchase 16,010 shares of common stock that are currently exercisable or exercisable within 60 days of April 20, 2016.
- (9) Includes options to purchase 20,513 shares of common stock and warrants to purchase 25,000 shares of common stock that are currently exercisable or exercisable within 60 days of April 20, 2016.
- (10) Includes options to purchase 13,509 shares of common stock and warrants to purchase 4,237 shares of common stock that are currently exercisable or exercisable within 60 days of April 20, 2016.
- (11) Paul Stuka is the principal and managing member of Osiris Investment Partners, L.P., and, as such, has beneficial ownership of the (i) 267,060 shares of common stock and (ii) currently exercisable warrants to purchase 63,560 shares of common stock held by Osiris Investment Partners, L.P., in addition to personally holding options to purchase 19,512 shares of common stock that are currently exercisable or exercisable within 60 days of April 20, 2016 and warrants to purchase 62,500 shares of common stock that are currently exercisable or exercisable within

60 days of April 20, 2016.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our directors and officers, and persons who own more than ten percent of our common stock, to file with the Securities and Exchange Commission initial reports of ownership and reports of changes in ownership of our common stock. Directors, officers and persons who own more than ten percent of our common stock are required by Securities and Exchange Commission regulations to furnish us with copies of all Section 16(a) forms they file. During the last year, we undertook a review of the Section 16(a) reports filed on behalf of each individual who served as our director or executive officer during the fiscal year ended December 31, 2015, to determine whether all of their reportable transactions in our common stock were timely reported and to ensure proper reporting of all of their beneficial holdings. The review revealed that there were a number of transactions that were not timely reported and, as these transactions were identified, we undertook to file corrected forms throughout the year. None of these cases involved purchase or sale, but rather non-market transactions such as shares withheld for payment of tax liability incident to the receipt, exercise or vesting of a security, grant or cancellation of restricted stock awards or stock options, amendment to include previously reported indirectly held shares that were inadvertently omitted and adjustment to reflect the one-for-ten reversed stock split of our common stock effected on October 1, 2015.

The following is the number of late reports filed since the beginning of the fiscal year ended December 31, 2015, under Section 16(a) and the number of transactions reflected therein as not reported on a timely basis during such fiscal year or prior fiscal years by such executive officers and directors:

Mr. Milinazzo filed four late reports, two with respect to one transaction, one with respect to two transactions and one with respect to five transactions

· Dr. Rogers filed three late reports, each with respect to one transaction

· Mr. Loughlin filed two late reports, each with respect to one transaction

· Mr. Shore filed one late report, each with respect to two transactions

· Eli Bar filed one late report, each with respect to two transactions

· Dr. Barer filed two late reports, each with respect to one transaction. In addition, one Form 4 filed in 2014 and one Form 4 filed in 2015 by Dr. Barer inadvertently omitted previously reported indirectly held shares of common stock, which was subsequently reported in an amendment to Form 4 originally filed on January 28, 2016.

· Mr. Berman filed two late reports, each with respect to one transaction

· Dr. Barry filed three late reports, one with respect to three transactions, one with respect to one transaction and one with respect to one transaction

· Mr. Stuka filed two late reports, each with respect to one transaction. In addition, Mr. Stuka filed a Form 4 on March 7, 2016 with respect to three transactions which had not been previously reported (i) one of which involved issuance of shares of common stock in 2013 as a penalty for failure to effect the listing of our common stock on a national securities exchange by December 31, 2012 to purchasers party to that certain securities purchase agreement, dated as of March 31, 2011, (ii) two of which involved issuance of ratchet shares issued in 2013 and 2014 in connection with our granting of certain options to purchase shares of common stock, pursuant to that certain securities purchase agreement, dated as of March 31, 2011.

PROPOSAL 1: ELECTION OF CLASS 2 DIRECTORS

The board of directors currently consists of eight members and is classified into three classes. The term of one class of directors expires each year. The term of our Class 2 directors, James J. Loughlin and Michael Berman, will expire at the Annual Meeting. The board of directors has nominated Mr. Berman and Campbell Rogers, M.D., who currently serves as one of our Class 3 directors, for election at the Annual Meeting. Dr. Rogers will resign as a Class 3 director immediately prior to the Annual Meeting. Mr. Loughlin will not stand for re-election. The board of directors has reduced the size of the board to seven members, effective immediately following the Annual Meeting.

Each of Mr. Berman and Dr. Rogers has been nominated to serve for a term of office to expire at the Annual Meeting of Stockholders in 2019, to hold office until his successor has been duly elected and qualified. Stockholders will be unable to vote for more than two persons. Assuming the presence of a quorum, the two director nominees who receive the most votes cast in the election of directors will be elected. Should any of the director nominees become unable or unwilling to accept nomination or election, the proxy holders may vote the proxies for the election, in his stead, of any other person the board of directors may nominate or designate. Each of the director nominees has expressed his intention to serve the entire term for which election is sought.

Directors and Nominees

The following table and text set forth the name, age and positions of the director nominees and each director currently serving on our board of directors:

Name	Age	Director Class	Position	Term Expiration
Alan Milinazzo	56	Class 1	President, Chief Executive Officer and Director	2018 Annual Meeting
Sol J. Barer, Ph.D.	68	Class 1	Chairman of the Board of Directors	2018 Annual Meeting
Paul Stuka	61	Class 1	Director	2018 Annual Meeting
Michael Berman	58	Class 2	Director	2016 Annual Meeting
James J. Loughlin	73	Class 2	Director	2016 Annual Meeting
Isaac Blech	66	Class 3	Vice Chairman of the Board of Directors	2017 Annual Meeting
Campbell Rogers, M.D.	54	Class 3 ⁽¹⁾	Director	2017 Annual Meeting
James Barry, Ph.D.	56	Class 3	Executive Vice President, Chief Operating Officer and Director	2017 Annual Meeting

(1) As described above, Dr. Rogers will resign as a Class 3 director immediately prior to the Annual Meeting and has been nominated to serve as a Class 2 director.

Biographies

Alan Milinazzo has served as our president, chief executive officer and director since January 3, 2013. Mr. Milinazzo served as president and chief executive officer of Orthofix International N.V., a Nasdaq-listed medical device company, until August 2011, a position he was promoted to in 2006 after being hired a year earlier as chief operating officer. He also served as a director of Orthofix International N.V. from December 2006 until June 2012, and currently serves as a director of Flexion Therapeutics (NSDQ: FLXN) and the Musculoskeletal Transplant Foundation. From 2002 to 2005, Mr. Milinazzo was the general manager of Medtronic, Inc.'s coronary and peripheral vascular businesses. Mr. Milinazzo also spent 12 years as an executive with Boston Scientific Corporation in numerous roles, including vice president of marketing for SCIMED Europe. Mr. Milinazzo has over 20 years of experience in management and marketing, including positions with Aspect Medical Systems and American Hospital Supply. As chief executive officer, Mr. Milinazzo's position on the board ensures a unity of vision between the broader goals of

our company and our day-to-day operations.

Mr. Milinazzo is a party to an agreement related to his service as president, chief executive officer and director described under “Executive Compensation – Agreements with Executive Officers.”

Sol J. Barer, Ph.D. has served as a director since July 11, 2011 and has served as our chairman since November 16, 2011. Dr. Barer has over 25 years of experience with publicly traded life science companies. In 1980, when Dr. Barer was with Celanese Research Company, he formed the group that was subsequently spun out to form Celgene Corporation. Dr. Barer spent 18 years leading Celgene Corporation as president, chief operating officer and chief executive officer, culminating with his tenure as Celgene Corporation’s executive chairman and chairman beginning in May 2006 until his retirement in June 2011. Dr. Barer is also a director of Cerecor, Inc., Edge Therapeutics, Inc., Medgenics, Inc., Centrexion Corporation, RestorGenex Corporation, ContraFect Corporation, Amicus Therapeutics, Inc., Aegerion Pharmaceuticals, Inc. and Teva Pharmaceutical Industries Limited and serves as a senior advisor to a number of other life science companies. Dr. Barer received a Ph.D. in organic chemistry from Rutgers University. Dr. Barer brings to the board significant scientific and executive leadership experience in the U.S. life sciences industry and prior service on the board of directors of other publicly-held life science companies, as well as a unique perspective on the best methods of growth for a life science company.

Paul Stuka has served as a director since August 8, 2011. Mr. Stuka has served as the managing member of Osiris Partners, LLC, an investment fund, since 2000. Prior to forming Osiris Partners, LLC, Mr. Stuka, with 35 years of experience in the investment industry, was a managing director of Longwood Partners, managing small cap institutional accounts. In 1995, Mr. Stuka joined State Street Research and Management as manager of its Market Neutral and Mid Cap Growth Funds. From 1986 to 1994, Mr. Stuka served as the general partner of Stuka Associates, where he managed a U.S.-based investment partnership. Mr. Stuka began his career in 1980 as an analyst at Fidelity Management and Research. As an analyst, Mr. Stuka followed a wide array of industries including healthcare, energy, transportation, and lodging and gaming. Early in his career he became the assistant portfolio manager for three Fidelity Funds, including the Select Healthcare Fund which was recognized as the top performing fund in the U.S. for the five-year period ending December 31, 1985. Mr. Stuka has served as a director of Caliber Imaging & Diagnostics, Inc. (formerly Lucid, Inc.) since June 2013. Mr. Stuka’s qualifications to serve on the board include his significant strategic and business insight from his years of experience investing in the healthcare industry.

Michael Berman has served as our director since February 7, 2013. Mr. Berman is a medical device entrepreneur who works with high-potential development and early-stage commercial companies. From 2005 to 2012, when the company was sold to Boston Scientific, Mr. Berman was a co-founder and the chairman of BridgePoint Medical, Inc., which developed technology to treat coronary and peripheral vascular chronic total occlusions. Mr. Berman was also a member of the board of Lutonix, Inc. from 2007 until 2011, when the company was sold to C.R. Bard, Inc. Mr. Berman has served (i) since 2003 as co-founder and a director of Aetherworks II, a medical device incubator, (ii) since 2004 as a co-founder and director of Benechill, Inc., a company developing a therapeutic hypothermia system for the treatment of cardiac arrest, (iii) since 2011 as an advisor to, and since 2012 as a director of, Cardiosonic, Inc., a company developing a system for hypertension reduction via renal denervation, (iv) since 2005 as a director of PharmaCentra, LLC, which creates customizable marketing programs that help pharmaceutical companies communicate with physicians and patients, (v) since 2011 as a co-founder and director of Rebiotix Inc., a company developing an innovative treatment for C Diff colitis, (vi) since 2011 as a director of AngioSlide Ltd., a medical device company that has developed an embolic capture angioplasty device, (vii) since 2011 as a director of InterValve, Inc., a medical device company developing an aortic valvuloplasty balloon for treatment of calcific aortic stenosis, (viii) since 2013 as a Director of ClearCut Inc., a medical device company that has developed an MRI system for tumor margin assessment, (ix) since 2013 as a director of PulmOne Ltd., a medical device company developing an innovative Pulmonary Function Testing system, (x) since 2014 as a director of Mazor Robotics, Inc., a publicly held company that has developed and markets an innovative system for robotic surgery, (xi) since 2014 as a director of SoniVie, a medical device company and (xii) since 2014 as a venture partner at RiverVest Ventures. Mr. Berman was a member of the Data Sciences International, Inc. board from 2001 until 2012. Mr. Berman brings to the board his extensive executive and entrepreneurial experiences in the field of medical devices and interventional cardiology, which should assist in strengthening and advancing our strategic focus.

James J. Loughlin has served as our director since September 19, 2012. Mr. Loughlin served as the national director of the pharmaceuticals practice at KPMG LLP, and a five-year term as member of the board of directors of KPMG LLP. Additionally, Mr. Loughlin served as chairman of the pension and investment committee of the KPMG LLP board from 1995 through 2001. He also served as partner in charge of human resources, chairman of the personnel and professional development committee, secretary and trustee of the Peat Marwick Foundation and a member of the pension, operating and strategic planning committees. In addition, Mr. Loughlin has served as a member of the board of directors of Celgene Corporation, a global biopharmaceutical company focused on novel therapies for the treatment of cancer and inflammatory diseases, since 2006, including as chairman of the audit committee since June 2008 and a member of the compensation committee since June 2008. Mr. Loughlin served as a member of the board of directors of Alfacell Corporation, a biopharmaceutical company primarily focused on therapeutic drugs for the treatment of cancer and other pathological conditions, until 2008 and Datascope Corp., a medical device company engaged in the interventional cardiology and radiology, cardiovascular and vascular surgery, and critical care fields, until January 2009. Mr. Loughlin serves on the board of directors at Edge Therapeutics Inc. since November of 2011 and is the current chair of the audit committee. Mr. Loughlin brings to the board his valuable experiences as national director of the pharmaceuticals practice at KPMG LLP, an extensive background in accounting and financial reporting, qualifying him as an audit committee financial expert, and prior service on the board of directors of other publicly-held biopharmaceutical companies.

Isaac Blech has served as a director and our vice chairman since January 22, 2016. Mr. Blech is a renowned biotechnology entrepreneur and investor, who, over the past 32 years, has founded and served on the board of

companies which have produced major advances in a broad array of diseases, including the diagnosis of chlamydia, herpes, syphilis and HIV, and the treatment of cystic fibrosis, sexual dysfunction, multiple myeloma and brain cancer. The companies he established include Celgene Corporation (NASDAQ: CELG), ICOS Corporation, Nova Pharmaceutical Corporation, Pathogenesis Corporation and Genetics Systems Corporation. Mr. Blech's current roles include director and founder of Cerecor, Inc. (NASDAQ: CERC), a public company developing new treatments for central nervous system disorders, director of ContraFect Corporation (NASDAQ: CFRX), a public infectious disease company, director of Medgenics, Inc. (NYSE: MDGN), a public company creating new treatments for rare diseases, and vice chairman of Edge Therapeutics, Inc. (NASDAQ: EDGE), a public company that treats life-threatening neurological conditions. He is vice chairman of Centrexion Corporation, a private company which is developing new modalities of pain control, vice chairman of Regeneration, Inc., a private company developing new ways to regenerate human tissue, vice chairman of X4 Pharmaceuticals, a private cancer immunology company, vice chairman of Sapience Therapeutics, a private oncology company and vice chairman of Aridis Pharmaceuticals, a private company with a product to treat pneumonia. He also serves as vice chairman of WaveGuide Corporation, a private company developing the world's smallest NMR machine, vice chairman of root9B Technologies, Inc. (OTC: RTNB), a public cyber security company, and vice chairman of The SpendSmart Payments Company (OTC: SSPC), a public electronic rewards company. Mr. Blech's qualification to serve on the board include his broad experiences as a founder, director and major investor in numerous biotechnology companies.

Campbell Rogers, M.D. has served as a director since September 3, 2013. Dr. Rogers has served as chief medical officer of HeartFlow, Inc., a cardiovascular diagnostics company, since March 2012. Prior to joining HeartFlow, Inc., he was the chief scientific officer and global head of research and development at Cordis Corporation, Johnson & Johnson, where he was responsible for leading investments and research in cardiovascular devices, from July 2006 to March 2012. Prior to that, he was associate professor of medicine at Harvard Medical School and the Harvard-M.I.T. Division of Health Sciences and Technology and director of the cardiac catheterization and experimental cardiovascular interventional laboratories at Brigham and Women's Hospital. He served as principal investigator for numerous interventional cardiology device, diagnostic, and pharmacology trials, is the author of numerous journal articles, chapters, and books in the area of coronary artery and other cardiovascular diseases and was the recipient of research grant awards from the National Institute of Health and the American Heart Association. He received his A.B. from Harvard College and his M.D. from Harvard Medical School. Dr. Rogers' qualifications to serve on the board include his significant experience in cardiovascular devices, as well as his familiarity with the operations of medical device companies.

James Barry, Ph.D. has served as a director since January 30, 2012 and as our executive vice president and chief operating officer since July 14, 2014. Dr. Barry served as president and chief executive officer at Arsenal Medical Inc., a medical device company focused on local therapy, from November 2012 until December 2013 and as executive vice president and chief operating officer from September 2011 until November 2012. Dr. Barry also heads his own consulting firm, Convergent Biomedical Group LLC, advising medtech companies on product development, strategy, regulatory challenges and fund raising. Until June 2010, he was senior vice president, corporate technology development at Boston Scientific Corporation, where he was in charge of the corporate research and development and pre-clinical sciences functions. Dr. Barry joined Boston Scientific in 1992 and oversaw its efforts in the identification and development of drug, device and biological systems for applications with implantable and catheter-based delivery systems. He currently serves on a number of advisory boards including the College of Biomedical Engineering at Yale University, the College of Sciences at University of Massachusetts-Lowell and the Massachusetts Life Science Center and as a director of pSivida Corp (NASDAQ: PSDV). Dr. Barry received his Ph.D. in Biochemistry from the University of Massachusetts-Lowell and holds a B.A. degree in Chemistry from Saint Anselm College. Dr. Barry brings to the board over 20 years of experience in leadership roles in the medical device industry and significant medical technology experience, in particular with respect to interventional cardiology products.

Dr. Barry is a party to an agreement related to his service as executive vice president and chief operating officer described under "Executive Compensation – Agreements with Executive Officers."

Family Relationships

We have no family relationships amongst our directors and executive officers.

Vote Required

The two director nominees who receive the most votes cast in the election of directors will be elected.

The board of directors recommends a vote *FOR* the director nominees.

EXECUTIVE OFFICERS

In addition to Alan Milinazzo and James Barry, Ph.D., whose information is set forth above under the caption “Proposal 1: Election of Class 2 Directors – Directors and Nominees” and “– Biographies,” below is certain information with respect to our other executive officers.

Name	Age	Position(s)
Craig Shore	55	Chief Financial Officer, Chief Administrative Officer, Secretary and Treasurer

Our officers hold office until the earlier of their death, resignation or removal by our board of directors or until their successors have been selected. They serve at the pleasure of our board of directors.

Craig Shore has served as our chief financial officer, secretary and treasurer since March 31, 2011 and as our chief administrative officer since May 3, 2013. In addition, from November 10, 2010 through March 31, 2011, Mr. Shore served as InspireMD Ltd.’s vice president of business development. From February 2008 through June 2009, Mr. Shore served as chief financial officer of World Group Capital Ltd. and Nepco Star Ltd., both publicly traded companies on the Tel Aviv Stock Exchange, based in Tel Aviv, Israel. From March 2006 until February 2008, Mr. Shore served as the chief financial officer of Cellnets Solutions Ltd., a provider of advanced cellular public telephony solutions for low to middle income populations of developing countries based in Azur, Israel. Mr. Shore has over 25 years of experience in financial management in the U.S., Europe and Israel. His experience includes raising capital both in the private and public markets. Mr. Shore graduated with honors and received a B.Sc. in Finance from Pennsylvania State University and an M.B.A. from George Washington University.

Mr. Shore is a party to an agreement related to his service as chief financial officer described under “Executive Compensation – Agreements with Executive Officers.”

EXECUTIVE COMPENSATION

Compensation Philosophy and Process

The responsibility for establishing, administering and interpreting our policies governing the compensation and benefits for our executive officers lies with our compensation committee and our board of directors. During the review

of named executive officer compensation for 2015, the compensation committee did not retain the services of any compensation consultants.

The goals of our compensation policy are to ensure that executive compensation rewards management for helping us achieve our financial goals (increased sales, profitability, etc.) and meet our clinical trial milestones and aligns management's overall goals and objectives with those of our stockholders. In 2015, we designed our executive compensation program to achieve the following objectives:

- provide a competitive compensation package that enables us to attract and retain superior management personnel;
- provide incentives that reward the achievement of performance goals that directly correlate to the enhancement of stockholder value and facilitate executive retention;
- reward our officers fairly for their role in our achievements; and
- align executives' interests with those of stockholders through long-term incentives linked to specific performance.

We have determined that in order to best meet these objectives, our executive compensation program should balance fixed and bonus compensation, as well as cash and equity compensation. Historically, there has been no pre-established policy or target for the allocation between either cash and non-cash or short-term and long-term incentive compensation for our executive officers.

Summary Compensation Table

The table below sets forth the compensation earned by our named executive officers for the twelve month period ended December 31, 2015 and 2014.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Restricted Stock Awards (\$)(1)	Option Awards(\$)(1)	All Other Compensation (\$)	Total (\$)
Alan Milinazzo <i>President and Chief Executive Officer (2)</i>	2015	225,000(3)	45,833(4)	428,826 (3)	131,221	20,462 (5)	851,342
	2014	450,000	69,105(6)	553,916	736,482	20,460 (5)	1,829,963
Craig Shore <i>Chief Financial Officer, Secretary and Treasurer</i>	2015	224,481(7)	17,349(4)(7)	33,750	33,479	74,318 (7)(8)	383,377 (7)
	2014	214,525	22,331(6)	327,013	322,817	59,276 (8)	945,962
James Barry, Ph.D. <i>Executive Vice President and Chief Operating Officer</i>	2015	300,333(9)	37,500(4)	127,167 (10)	16,740	19,936 (11)	532,093
	2014	183,812(12)	25,914(6)	391,500	802,545 (13)	123,748 (14)	1,527,519

(1) The amounts reflect the dollar amounts recognized for financial statement reporting purposes with respect to the twelve month periods ended December 31, 2015 and 2014 in accordance with FASB ASC Topic 718. Fair value is based on the Black-Scholes option pricing model using the fair value of the underlying shares at the measurement date. For additional discussion of the valuation assumptions used in determining stock-based compensation and the grant date fair value for stock options, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Policies - Share-based compensation” and Note 2-“Significant Accounting Policies” and Note 10-“Equity” of the Notes to the Consolidated Financial Statements for the Twelve Months Ended December 31, 2015 included herein.

(2) Mr. Milinazzo served as our director during the twelve months ended December 31, 2015 and 2014, but did not receive any additional compensation for his services as director.

Pursuant to amendments to employment agreement with Mr. Milinazzo, dated January 5, 2016, and June 29, 2015, Mr. Milinazzo received 50% of his base salary for January 2015 through December 31, 2015, or \$225,000, in (3)31,250 shares of restricted common stock, which was issued on January 26, 2015, and 63,825 shares of restricted common stock, which was issued on December 31, 2015. See “—Agreements with Executive Officers—Alan Milinazzo.”

- (4) Bonuses for the 2015 calendar year were approved by the Compensation Committee in July 2015.
- (5) Mr. Milinazzo’s other compensation consisted solely of benefits related to health insurance.
- (6) Bonuses for the 2014 calendar year were approved by the Compensation Committee in January 2015.

The change in salary from 2014 to 2015 is exclusively due to the difference in the exchange rate for the applicable period. Compensation amounts received in non-U.S. currency have been converted into U.S. dollars using the average exchange rate for the applicable period, except for bonus amounts which have been converted into U.S. dollars using 3.769 NIS per dollar and 3.889 NIS per dollar, which were the exchange rates as of June 30, 2015 and December 31, 2014. The average exchange rate for the twelve month period ended December 31, 2015 and 2014 were 3.884 NIS per dollar and 3.58 NIS per dollar, respectively.

Mr. Shore's other compensation consisted solely of benefits in the twelve months ended December 31, 2015 and 2014. In each of the periods reported, Mr. Shore's benefits included our contributions to his severance, pension, vocational studies and disability funds, an annual recreation payment, a company car or car allowance and cell phone, and a daily food allowance.

Includes \$26,583 of salary forgone at the election of Dr. Barry, representing 50% of his salary from March 10, 2015 through April 30, 2015 in exchange for 3,692 shares of restricted common stock. See "—Agreements with Executive Officers—James Barry."

Includes 4,757 shares of restricted common stock we issued to Dr. Barry in lieu of 50% of his base salary pursuant to amendments to employment agreement with Dr. Barry, dated January 5, 2016, and dated February 22, 2015. See "—Agreements with Executive Officers—James Barry."

(11) Dr. Barry's other compensation consisted solely of benefits related to health insurance.

Dr. Barry's salary compensation includes \$15,000 of fees earned as a director during the twelve months ended December 31, 2014.

Includes the fair value of options granted to Dr. Barry as a director of \$94,909 during the twelve months ended December 31, 2014.

Dr. Barry's other compensation in the twelve months ended December 31, 2014 consisted of \$115,000 of consulting fees and \$8,748 of benefits related to health insurance

Agreements with Executive Officers

Alan Milinazzo

On January 3, 2013, we entered into an employment agreement with Alan Milinazzo to serve as our president, chief executive officer and a director, which was first amended on April 24, 2013, and further amended on January 5, 2015, June 29, 2015, and January 21, 2016. The employment agreement, as amended, will continue until the earlier of June 30, 2016 or the date upon which a new president and/or chief executive officer (or executive performing a similar role) commences employment with us (or, if such individual is promoted internally, the date such individual is promoted to the position of president and/or chief executive officer).

Under the employment agreement, as amended, Mr. Milinazzo is entitled to an annual base salary of at least \$450,000. Such amount may be reduced only as part of an overall cost reduction program that affects all of our senior executives and does not disproportionately affect Mr. Milinazzo, so long as such reductions do not reduce the base salary to a rate that is less than 90% of the amount set forth above (or 90% of the amount to which it has been increased). The base salary will be reviewed annually by the board for increase as part of its annual compensation review. Mr. Milinazzo is

also eligible to receive an annual bonus of at least \$275,000 upon the achievement of reasonable target objectives and performance goals, to be determined by the board of directors in consultation with Mr. Milinazzo on or before the end of the first quarter of the fiscal year to which the bonus relates and, in the event actual performance exceeds the goals, the board may, in its sole discretion, pay Mr. Milinazzo bonus compensation of more than \$275,000. The annual bonus amount will be less than \$275,000 if the target objectives and performance goals are not met. In addition, Mr. Milinazzo is eligible to receive such additional bonus or incentive compensation as the board may establish from time to time in its sole discretion.

On January 5, 2015, we amended Mr. Milinazzo's employment agreement to provide that, for a limited period of time to be mutually agreed to by us and Mr. Milinazzo, Mr. Milinazzo will receive 50% of his base salary in cash payments, with the remaining 50% to be paid in an equivalent amount of shares of restricted common stock, payable and granted in equal installments in accordance with our normal payroll practices. These shares of restricted stock were to vest immediately and be valued as of the closing price of our common stock on the date of grant. Notwithstanding the foregoing agreement, at Mr. Milinazzo's request, no shares of restricted common stock were granted to Mr. Milinazzo pursuant to this amendment. Rather, we and Mr. Milinazzo determined that it would be in our mutual best interest to make a single grant of shares of restricted common stock to Mr. Milinazzo having a fair market value, as of the date of grant, equal to 50% of his annual base salary, with such shares vesting on the first anniversary of the date of grant, as opposed to making bi-weekly grants of restricted common stock to Mr. Milinazzo. As such, on January 26, 2015, we issued 31,250 shares of restricted common stock valued at \$7.20 per share, representing the fair market value of our common stock as of the market close on January 26, 2015, in lieu of 50% of his base salary for his employment in 2015, to vest on January 26, 2016.

On June 29, 2015, we further amended Mr. Milinazzo's employment agreement to memorialize the payroll adjustment that was made to Mr. Milinazzo's manner of salary payment on January 26, 2015 and to provide certain additional changes. Specifically, this amendment provided that, until we raise an aggregate of \$5 million from investors, Mr. Milinazzo will receive (A) with respect to his employment in 2015, 50% of his base salary in cash payments, with the remaining 50% having been paid to Mr. Milinazzo on January 26, 2015, through the issuance of 31,250 shares of restricted common stock as discussed above, which will be subsequently adjusted based upon the volume-weighted average price of our common stock during the calendar year ended December 31, 2015 (or during the period from January 2, 2015 through his termination date if Mr. Milinazzo's employment is terminated upon his death or disability, by Mr. Milinazzo for good reason, or by us without cause prior to December 31, 2015) to represent the equivalent of 50% of Mr. Milinazzo's base salary in 2015. On December 31, 2015, we issued an additional 63,825 shares of restricted common stock as an adjustment pursuant to such amendment, as the value of our common stock declined following the grant to Mr. Milinazzo on January 26, 2015.

On January 21, 2016, we further amended Mr. Milinazzo's employment agreement to provide that, during the remaining term of his employment, Mr. Milinazzo will receive (A) 50% of his base salary in cash payments, for all days that Mr. Milinazzo works during the remaining term of his employment, at the monthly rate of \$18,750, payable in accordance with our regular payroll practices, and (B) a lump-sum payment equivalent to 50% of Mr. Milinazzo's base salary through June 30, 2016, at the monthly rate of \$18,750, payable within 20 business days from the earlier of (x) us raising an aggregate of \$5 million from investors, or (y) June 30, 2016.

In accordance with Mr. Milinazzo's employment agreement, on January 3, 2013, we granted Mr. Milinazzo a nonqualified stock option to purchase 52,593 shares of our common stock, made pursuant to a nonqualified stock option agreement, an incentive stock option to purchase 7,408 shares of our common stock, made pursuant to an incentive stock option agreement, and 40,000 shares of restricted stock, which are subject to forfeiture until the vesting of such shares, made pursuant to a restricted stock award agreement. The options have an exercise price of \$40.50, which was the fair market value of our common stock on the date of grant. The options are subject to a three-year vesting period subject to Mr. Milinazzo's continued service with us, with one-thirty-sixth (1/36th) of such awards vesting each month. The shares of restricted stock initially vested monthly over thirty-six months, with 1/36 vesting on February 3, 2013, March 3, 2013 and April 3, 2013. The grant was then amended to vest annually over three years, with 9/36 vesting on January 3, 2014, and one-third vesting on January 3, 2015 and January 3, 2016. On or before December 31 of each calendar year, Mr. Milinazzo will be eligible to receive an additional grant of equity awards equal, in the aggregate, to up to 0.5% of actual outstanding shares of our common stock on the date of grant, provided that the actual amount of the grant will be based on his achievement of certain performance objectives as established by the board, in its reasonable discretion, for each such calendar year. Each additional grant will, with respect to any awards that are options, have an exercise price equal to the fair market value of our common stock, and will be subject to a three-year vesting period subject to Mr. Milinazzo's continued service with us, with one-third of each additional grant vesting equally on the first, second, and third anniversary of the date of grant for such awards.

In connection with the equity compensation related to 2013 achievements, on January 29, 2014, Mr. Milinazzo was granted stock options to purchase 8,633 shares of common stock and 8,633 restricted shares. In connection with the equity compensation related to 2014 achievements, on January 26, 2015, Mr. Milinazzo was granted stock options to purchase 5,300 shares of common stock and 5,300 restricted shares.

Mr. Milinazzo's employment agreement, as amended, also contains certain noncompetition, no solicitation, confidentiality, and assignment of inventions requirements for Mr. Milinazzo.

Pursuant to Mr. Milinazzo's employment agreement, as amended, if Mr. Milinazzo's employment is terminated upon his death or disability, by Mr. Milinazzo for good reason (as such term is defined in Mr. Milinazzo's employment agreement, as amended), or by us without cause (as such term is defined in Mr. Milinazzo's employment agreement, as amended), Mr. Milinazzo will be entitled to receive, in addition to other unpaid amounts owed to him (e.g., for base salary and accrued vacation): (i) any unpaid incentive compensation (as such term is defined in the employment agreement, as amended) actually earned or owing as of the termination date; (ii) vesting of 100% of all unvested stock options, restricted stock, stock appreciation rights or similar stock based rights granted to Mr. Milinazzo, and lapse of any forfeiture included in such restricted or other stock grants; (iii) an extension of the exercise period of any outstanding stock options or stock appreciation rights until the earlier of (a) two (2) years from the date of termination, or (b) the latest date that each stock option or stock appreciation right would otherwise expire by its original terms; and (v) to the fullest extent permitted by our then-current benefit plans, continuation of benefits coverage for the lesser of 12 months after termination or until Mr. Milinazzo obtains coverage from a new employer. If, during the term of the employment agreement, as amended, we terminate Mr. Milinazzo's employment for cause or Mr. Milinazzo voluntarily terminates his employment, Mr. Milinazzo will only be entitled to unpaid amounts owed to him and whatever rights, if any, are available to him pursuant to our stock-based compensation plans or any award documents related to any stock-based compensation.

Mr. Milinazzo has no specific right to terminate the employment agreement or right to any severance payments or other benefits solely as a result of a change in control. However, if within 24 months following a change in control, (a) Mr. Milinazzo terminates his employment for good reason, or (b) we terminate his employment without cause, the lump sum severance payment to which he is entitled will be equal to 200% of his base salary, and all stock options, restricted stock, stock appreciation rights or similar stock-based rights granted to him will vest in full and be immediately exercisable and any risk of forfeiture included in restricted or other stock grants previously made to him will immediately lapse.

Pursuant to an option cancellation and release agreement, dated January 26, 2016, between us and Mr. Milinazzo, Mr. Milinazzo agreed to cancel options to purchase 160,488 shares of our common stock at exercise prices ranging from \$7.20 to \$40.50 previously granted to him. In exchange for the cancellation of Mr. Milinazzo's options, we granted to Mr. Milinazzo, pursuant to the InspireMD, Inc. 2013 Long-Term Incentive Plan and the 2013 Employee Stock Incentive Plan, which is a sub-plan to the InspireMD, Inc. 2013 Long-Term Incentive Plan, one share of our common stock as of January 26, 2016.

Craig Shore

We have been a party to an employment agreement with Craig Shore since November 28, 2010. Pursuant to the employment agreement, Mr. Shore was initially entitled to a monthly gross salary of \$8,750, which amount had increased to \$10,620 by 2012. In addition, Mr. Shore's annual base salary was increased to \$175,000 on April 22, 2013, retroactive to January 1, 2013. On May 5, 2014, we entered into an amended and restated employment agreement with Mr. Shore. The employment agreement, as amended, has an initial term that ends on April 20, 2017

and will automatically renew for additional one-year periods on April 21, 2017 and on each April 21st thereafter unless either party gives the other party written notice of its election not to extend such employment at least six months prior to the next April 21st renewal date. If a change in control occurs when less than two full years remain in the initial term or during any renewal term, the employment agreement will automatically be extended for two years from the change in control date and will terminate on the second anniversary of the change in control date. Under the terms of the employment agreement, Mr. Shore is entitled to an annual base salary of at least \$220,000, retroactive to January 1, 2014. Such amount may be reduced only as part of an overall cost reduction program that affects all of our senior executives and does not disproportionately affect Mr. Shore, so long as such reduction does not reduce the base salary to a rate that is less than 90% of the amount set forth above (or 90% of the amount to which it has been increased). The base salary will be reviewed annually by our chief executive officer for increase (but not decrease, except as permitted as part of an overall cost reduction program) as part of our annual compensation review. Mr. Shore is also eligible to receive an annual bonus in an amount equal to 45% of his then-annual salary upon the achievement of reasonable target objectives and performance goals, to be determined by the board of directors in consultation with Mr. Shore and based on the percentages set forth in his employment agreement. On January 5, 2015, we amended Mr. Shore's amended and restated employment agreement to remove from the amended and restated employment agreement the provision disallowing payment of annual bonus compensation if Mr. Shore achieved less than 70% of the target objectives and performance goals determined by our board of directors in consultation with him. Pursuant to such amendment, Mr. Shore is eligible to receive the percentage of his annual bonus corresponding to the percentage of his achievement of such target objectives and performance goals. The annual bonus will be reviewed annually by our chief executive officer for increase in the amount of the percentage of his then-base salary (but not decrease), as well as the criteria and corresponding percentages for the goals, as part of our annual compensation review. In addition, Mr. Shore is eligible to receive such additional bonus or incentive compensation as the board may establish from time to time in its sole discretion. Mr. Shore will also be considered for grants of equity awards each year as part of the board's annual compensation review, which will be made at the sole discretion of the board of directors. Each grant will, with respect to any awards that are options, have an exercise price equal to the fair market value of our common stock as of the date of grant, and will be subject to a three-year vesting period subject to Mr. Shore's continued service with us, with one-third of each additional grant vesting equally on the first, second, and third anniversary of the date of grant for such awards.

If during the term of the employment agreement, Mr. Shore's employment is terminated upon his death or disability or by us without cause (as such term is defined in Mr. Shore's employment agreement), Mr. Shore will be entitled to receive, in addition to any amounts he is entitled to receive under the manager's insurance policy: (i) any unpaid base salary and accrued unpaid vacation or earned incentive compensation and the pro rata amount of any bonus plan incentive compensation for the fiscal year of such termination (based on the number of business days he was actually employed by us during the fiscal year of such termination and based on the percentage of the goals that he actually achieved under the bonus plan) that he would have received had his employment not been terminated; (ii) a one-time lump sum severance payment equal to 100% of his base salary, provided that he executes a release relating to employment matters and the circumstances surrounding his termination in favor of us, our subsidiaries and our officers, directors and related parties and agents, in a form reasonably acceptable to us at the time of such termination; (iii) vesting of 50% of all unvested stock options granted to him; (iv) an extension of the exercise period of all vested stock options granted to Mr. Shore until the earlier of (a) two years from the date of termination or (b) the latest date that each stock option would otherwise expire by its original terms; (v) to the fullest extent permitted by our then-current benefit plans, continuation of health, dental, vision and life insurance coverage for the lesser of 12 months after termination or until Mr. Shore obtains coverage from a new employer; and (vi) reimbursement of up to \$30,000 for executive outplacement services, subject to certain restrictions. The severance payment described in (ii) of the foregoing sentence upon Mr. Shore's death or disability will be reduced by any payments received by Mr. Shore pursuant to any of our employee welfare benefit plans providing for payments in the event of death or disability. If, during or after the term of his employment agreement, Mr. Shore's employment is terminated by us for cause or by Mr. Shore voluntarily, Mr. Shore will only be entitled to unpaid amounts owed to him (e.g., base salary, accrued vacation and earned incentive compensation through the date of such termination) and whatever rights, if any, are available to him pursuant to our stock-based compensation plan or any award documents related to any stock-based compensation.

Mr. Shore has no specific right to terminate the employment agreement or right to any severance payments or other benefits solely as a result of a change in control. However, if within 24 months following a change in control, (a) Mr. Shore terminates his employment for good reason, or (b) we terminate Mr. Shore's employment without cause, he is entitled to receive the full lump sum severance payment equal to 100% of his base salary and all stock options, stock appreciation rights or similar stock-based rights granted to him will vest in full and be immediately exercisable and any risk of forfeiture included in restricted or other stock grants previously made to him will immediately lapse. Furthermore, pursuant to terms contained in Mr. Shore's stock option and restricted stock award agreements, in the event of a change of control of our company, the stock options and restricted stock granted to Mr. Shore that were unvested will vest immediately upon such change of control, in the case of stock options, if such stock options are not assumed or substituted by the surviving company. We have also agreed orally that, upon Mr. Shore's termination of service as a result of death, disability, resignation for "good reason" or termination by us without "cause," Mr. Shore will also be entitled to receive: (a) 50% vesting of all unvested stock options, restricted stock, restricted stock units, stock appreciation rights or similar stock based rights outstanding at the time of termination of service; and (b) the right to exercise any outstanding stock options or stock appreciation rights for a period equal to the lesser of (x) two years from the date of termination of service, or (y) the period remaining until the original expiration date of any such outstanding stock options or stock appreciation rights.

If we terminate Mr. Shore's employment without cause, Mr. Shore will be entitled, under Israeli law, to severance payments equal to his last month's salary multiplied by the number of years Mr. Shore has been employed with us. In order to finance this obligation, we make monthly contributions equal to 8.33% of Mr. Shore's salary to a severance

payment fund. The total amount accumulated in Mr. Shore's severance payment fund as of December 31, 2014 was \$51,615, as adjusted for conversion from New Israeli Shekels to U.S. Dollars. However, if Mr. Shore's employment is terminated without cause, on account of a disability or upon his death, as of December 31, 2014, Mr. Shore would have been entitled to receive \$67,564 in severance under Israeli law, thereby requiring us to pay Mr. Shore \$15,949, in addition to releasing the \$51,615 in Mr. Shore's severance payment fund. On the other hand, pursuant to his employment agreement, Mr. Shore is entitled to the total amount contributed to and accumulated in his severance payment fund in the event of the termination of his employment as a result of his voluntary resignation. In addition, Mr. Shore would be entitled to receive his full severance payment under Israeli law, including the total amount contributed to and accumulated in his severance payment fund, if he retires from our company at or after age 67.

We are entitled to terminate Mr. Shore's employment immediately at any time for "cause" (as such term is defined in the agreement and the Israeli Severance Payment Act 1963), upon which, after meeting certain requirements under the applicable law and recent Israeli Labor court requirements, we believe we will have no further obligation to compensate Mr. Shore.

Also, upon termination of Mr. Shore's employment for any reason, we will compensate him for all unused vacation days accrued.

The employment agreement also contains certain standard noncompetition, no solicitation, confidentiality, and assignment of inventions requirements for Mr. Shore.

Mr. Shore is also entitled to participate in or receive benefits under our social insurance and benefits plans, including but not limited to our manager's insurance policy and education fund, which are customary benefits provided to executive employees in Israel. A management insurance policy is a combination of severance savings (in accordance with Israeli law), defined contribution tax-qualified pension savings and disability pension payments. An education fund is a savings fund of pre-tax contributions to be used after a specified period of time for advanced educational training and other permitted purposes, as set forth in the by-laws of the education fund. We will make periodic contributions to these insurance and social benefits plans based on certain percentages of Mr. Shore's base salary, including (i) 7.5% to the education fund and (ii) 15.83% to the manager's insurance policy, of which 8.33% will be allocated to severance pay, 5% to pension fund payments and 2.5% to disability pension payments. Upon the termination of Mr. Shore's employment for any reason other than for cause, Mr. Shore will be entitled to receive the total amount contributed to and accumulated in his manager insurance policy fund.

Pursuant to an option cancellation and release agreement, dated January 26, 2016, between us and Mr. Shore, Mr. Shore agreed to cancel options to purchase 44,350 shares of our common stock at exercise prices ranging from \$7.20 to \$49.29 previously granted to him. In exchange for the cancellation of Mr. Shore's options, we granted to Mr. Shore, pursuant to the InspireMD, Inc. 2013 Long-Term Incentive Plan and the 2013 Employee Stock Incentive Plan, which is a sub-plan to the InspireMD, Inc. 2013 Long-Term Incentive Plan, one share of our common stock as of January 26, 2016.

James Barry

On July 14, 2014, we entered into an employment agreement with James Barry to serve as our executive vice president and chief operating officer, which was first amended on January 5, 2015, and further amended on February 22, 2015 and on March 28, 2016. Dr. Barry was previously a director and continues his role as a director. The

employment agreement has an initial term that ends on July 14, 2017 and will automatically renew for additional one-year periods on July 17, 2017 and on each July 17 thereafter unless either party gives the other party written notice of its election not to extend such employment at least six months prior to the next July 17 renewal date. If a change in control occurs when less than two full years remain in the initial term or during any renewal term, the employment agreement will automatically be extended for two years from the change in control date and will terminate on the second anniversary of the change in control date.

Under the employment agreement, as amended, Dr. Barry is entitled to an annual base salary of at least \$365,000. Such amount may be reduced only as part of an overall cost reduction program that affects all of our senior executives and does not disproportionately affect Dr. Barry, so long as such reductions do not reduce the base salary to a rate that is less than 90% of the amount set forth above (or 90% of the amount to which it has been increased). The base salary will be reviewed annually by the board for increase as part of its annual compensation review. Dr. Barry is also eligible to receive an annual bonus of \$225,000 upon the achievement of reasonable target objectives and performance goals, to be determined by the board of directors in consultation with Dr. Barry on or before the end of the first quarter of the fiscal year to which the bonus relates and, in the event actual performance exceeds the goals, the board may, in its sole discretion, pay Dr. Barry bonus compensation of more than \$225,000. In addition, Dr. Barry is eligible to receive such additional bonus or incentive compensation as the board may establish from time to time in its sole discretion.

On January 5, 2015, we amended Dr. Barry's employment agreement to provide that, for a limited period of time to be mutually agreed to by us and Dr. Barry, Dr. Barry will receive 50% of his base salary in cash payments, with the remaining 50% to be paid in an equivalent amount of shares of restricted common stock, payable and granted in equal installments in accordance with our normal payroll practices. These shares of restricted stock were to vest immediately and be valued as of the closing price of our common stock on the date of grant. Notwithstanding the foregoing agreement, at Dr. Barry's request, no shares of restricted common stock were granted to Dr. Barry pursuant to this amendment. Rather, we and Dr. Barry determined that it would be in our mutual best interest to make a single grant of shares of restricted common stock to Dr. Barry having a fair market value, as of the date of grant, equal to 50% of his annual base salary, with such shares vesting on the first anniversary of the date of grant, as opposed to making bi-weekly grants of restricted common stock to Dr. Barry. As such, , on January 26, 2015, we issued 19,011 shares of restricted common stock valued at \$7.20 per share, representing the fair market value of our common stock as of the market close on January 26, 2015, in lieu of 50% of his base salary for his employment in 2015, to vest on January 26, 2016.

On February 22, 2015, we further amended Dr. Barry's employment agreement to memorialize the payroll adjustment that was made to Dr. Barry's manner of salary payment on January 26, 2015 and to provide certain additional changes. Specifically, this amendment provided that, until the earlier of (1) September 30, 2015 and (2) we raise an aggregate of \$5 million from investors, Dr. Barry shall receive 50% of his base salary in cash payments, with the remaining 50% having been paid to Dr. Barry on January 26, 2015, through the issuance of 19,011 shares of restricted stock as discussed above. Notwithstanding the foregoing, with Dr. Barry's consent, Dr. Barry continued to receive only 50% of his base salary in cash from March 9, 2015, the date of the closing of our offering from which we received gross proceeds of approximately \$13.7 million, until April 30, 2015. As we commenced full cash payment of Dr. Barry's salary on April 30, 2015, Dr. Barry forfeited 10,562 shares of restricted stock on May 1, 2015, which represented the shares of restricted common stock previously granted to Dr. Barry to cover 50% of his base salary from May 1, 2015 through December 31, 2015. The remaining such shares of restricted stock issued to Dr. Barry on January 26, 2015 in lieu of cash base salary fully vested on January 26, 2016.

In November 2015, due to our efforts to preserve cash, Dr. Barry agreed to temporarily forego, in exchange for a corresponding reduced time commitment to us, 50% of his base salary. We formalized such voluntarily agreement by entering into an amendment to Dr. Barry's employment agreement, dated March 28, 2016. The foregoing amendment to Dr. Barry's employment agreement provides that, until the earlier of (1) the end of the term of his employment, and (2) we raise an aggregate of \$5 million from investors, Dr. Barry Dr. Barry shall receive 50% of his base salary and shall be eligible for 50% of any annual bonus or other incentive compensation, during which period Dr. Barry shall devote 50% less business time than he ordinarily has devoted or would devote to us for the performance of his services under his employment agreement.

Pursuant to Dr. Barry's employment agreement, if Dr. Barry's employment is terminated upon his death or disability, by Dr. Barry for good reason (as such term is defined in Dr. Barry's employment agreement), or by us without cause (as such term is defined in Dr. Barry's employment agreement), Dr. Barry will be entitled to receive, in addition to other unpaid amounts owed to him (e.g., for base salary and accrued vacation): (i) the pro rata amount of any bonus for the fiscal year of such termination (assuming full achievement of all applicable goals under the bonus plan) that he

would have received had his employment not been terminated; (ii) a one-time lump sum severance payment equal to 150% of his base salary, provided that he executes a release relating to employment matters and the circumstances surrounding his termination in favor of us, our subsidiaries and our officers, directors and related parties and agents, in a form reasonably acceptable to us at the time of such termination; (iii) vesting of 50% of all unvested stock options, restricted stock, stock appreciation rights or similar stock based rights granted to Dr. Barry, and lapse of any forfeiture included in such restricted or other stock grants; (iv) an extension of the term of any outstanding stock options or stock appreciation rights until the earlier of (a) eighteen months from the date of termination, or (b) the latest date that each stock option or stock appreciation right would otherwise expire by its original terms; (v) to the fullest extent permitted by our then-current benefit plans, continuation of health, dental, vision and life insurance coverage for the lesser of 18 months after termination or until Dr. Barry obtains coverage from a new employer; and (vi) a cash payment of \$25,000, which Dr. Barry may use for executive outplacement services or an education program. The payments described above will be reduced by any payments received by Dr. Barry pursuant to any of our employee welfare benefit plans providing for payments in the event of death or disability. If Dr. Barry continues to be employed by us after the term of his employment agreement, unless otherwise agreed by the parties in writing, and Dr. Barry's employment is terminated upon his death or disability, by Dr. Barry for good reason, or by us without cause, Dr. Barry will be entitled to receive, in addition to other unpaid amounts owed to him, the payments set forth in (i), (ii) and (iv) above. If, during the term of his employment agreement, we terminate Dr. Barry's employment for cause, Dr. Barry will only be entitled to unpaid amounts owed to him and whatever rights, if any, are available to him pursuant to our stock-based compensation plans or any award documents related to any stock-based compensation.

Dr. Barry has no specific right to terminate the employment agreement or right to any severance payments or other benefits solely as a result of a change in control. However, if within 24 months following a change in control, (a) Dr. Barry terminates his employment for good reason, or (b) we terminate his employment without cause, the lump sum severance payment to which he is entitled will be increased from 150% of his base salary to 250% of his base salary and all stock options, restricted stock units, stock appreciation rights or similar stock-based rights granted to him will vest in full and be immediately exercisable and any risk of forfeiture included in restricted or other stock grants previously made to him will immediately lapse.

Dr. Barry's employment agreement also contains certain noncompetition, no solicitation, confidentiality, and assignment of inventions requirements for Dr. Barry.

Pursuant to an option cancellation and release agreement, dated January 26, 2016, between us and Dr. Barry, Dr. Barry agreed to cancel options to purchase 67,677 shares of our common stock at exercise prices ranging from \$7.20 to \$78.00 previously granted to him. In exchange for the cancellation of Dr. Barry's options, we granted to Dr. Barry, pursuant to the InspireMD, Inc. 2013 Long-Term Incentive Plan and the 2013 Employee Stock Incentive Plan, which is a sub-plan to the InspireMD, Inc. 2013 Long-Term Incentive Plan, one share of our common stock as of January 26, 2016.

2015 Grants of Plan-Based Awards

Name	Grant Date	All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#) (1)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (\$)
Alan Milinazzo <i>President and Chief Executive Officer</i>	01/26/2015	15,209			109,500
	01/26/2015	5,300			38,159
	01/26/2015	31,250			225,000
	01/26/2015		5,300	7.2	22,599
	01/26/2015		25,474	7.2	108,622
	12/31/2015	63,825			56,166
Craig Shore <i>Chief Financial Officer, Secretary and Treasurer</i>	01/26/2015	4,688			33,750
	01/26/2015		7,852	7.2	33,479

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James Barry, Ph.D.	01/26/2015		3,926	7.2	16,740
<i>Executive Vice President and Chief</i>	01/26/2015	10,793			77,708
<i>Operating Officer</i>					

On January 26, 2016, we entered into an option cancellation and release agreement with each of the named executive officers included in the table above, pursuant to which the parties agreed to cancel options which their (1) exercise prices is ranging from \$7.20 to \$78.00 previously granted to each of the named executive officers included in the table above.

Outstanding Equity Awards at December 31, 2015

The following table shows information concerning unexercised options and unvested restricted shares outstanding as of December 31, 2015 for each of our named executive officers.

Name	Option Awards					Stock Awards	
	Number of securities underlying unexercised options (#)	Number of securities underlying exercised options (#)	Number of securities underlying unexercisable options (15)	Option exercise price (\$)	Option expiration date	Number of shares of stock that have vested (#)	Market value of shares of stock that have not vested (\$)
Alan Milinazzo	58,334	1,667	(1)	40.5	1/3/2023	13,330(2)	11,730
	19,830	9,915	(3)	20.5	4/23/2023	5,995 (4)	5,276
	2,878	5,755	(5)	31.0	1/27/2024	5,755 (6)	5,064
	10,445	20,890	(7)	29.7	1/29/2024	6,426 (8)	5,655
	-	30,774	(9)	7.2	1/25/2025	15,209(10)	13,384
						5,300 (10)	4,664
						31,250(11)	27,500
Craig Shore	9,131	-		49.285	2/27/2021		
	7,500	-		32.0	5/24/2022		
	1,667	833	(13)	29.5	5/7/2023		
	2,567	5,133	(5)	31.0	1/27/2024	5,133 (6)	4,517
	3,222	6,445	(7)	29.7	1/29/2024	1,982 (8)	1,744
	-	7,852	(9)	7.2	1/25/2025	4,688 (10)	4,125
James Barry	2,500	-		78.0	1/30/2022		
	1,250	-		31.6	6/17/2022		
	6,667	3,333	(12)	27.5	5/7/2023		
	1,667	3,333	(5)	31.0	1/27/2024	10,000(13)	8,800
	15,000	30,001	(14)	26.1	7/11/2024		
	-	3,926	(9)	7.2	1/25/2025	2,344 (10)	2,063

- (1) These options will vest on January 3, 2016.
- (2) These restricted shares will vest on January 3, 2016.
- (3) These options will vest on April 25, 2016.
- (4) These restricted shares will vest on April 25, 2016.
- (5) These options vest annually, with one-half vesting on each of January 29, 2016 and January 29, 2017.
- (6) These restricted shares vest annually, with one-half vesting on each of January 29, 2016 and January 29, 2017.
- (7) These options vest annually, with one-half vesting on each of January 31, 2016 and January 31, 2017.
- (8) These restricted shares vest annually, with one-half vesting on each of January 31, 2016 and January 31, 2017.
- (9) These options vest annually, with one-third vesting on each of January 26, 2016, January 26, 2017 and January 26, 2018.
- (10) These restricted shares vest annually, with one-third vesting on each of January 26, 2016, January 26, 2017 and January 26, 2018.
- (11) These restricted shares will vest on January 26, 2016.
- (12) These restricted shares will vest on May 9, 2016.
- (13) These restricted shares vest annually, with one-half vesting on each of July 14, 2016 and July 14, 2017.
- (14) These options vest annually, with one-half vesting on each of July 14, 2016 and July 14, 2017.
- (15) On January 26, 2016, we entered into an option cancellation and release agreement with each of the named executive officers included in the table above, pursuant to which the parties agreed to cancel options which their exercise prices is ranging from \$7.20 to \$78.00 previously granted to each of the named executive officers included in the table above.

Option Exercises and Stock Vested

There were no stock options exercised by our named executive officers during the twelve months ended December 31, 2015.

2011 UMBRELLA Option Plan

On March 28, 2011, our board of directors and stockholders adopted and approved the InspireMD, Inc. 2011 UMBRELLA Option Plan, which was subsequently amended on October 31, 2011 and December 21, 2012. Under the InspireMD, Inc. 2011 UMBRELLA Option Plan, we have reserved 500,000 shares of our common stock as awards to the employees, consultants, and service providers to InspireMD, Inc. and its subsidiaries and affiliates worldwide.

The InspireMD, Inc. 2011 UMBRELLA Option Plan currently consists of three components, the primary plan document that governs all awards granted under the InspireMD, Inc. 2011 UMBRELLA Option Plan, and two appendices: (i) Appendix A, designated for the purpose of grants of stock options and restricted stock awards to Israeli employees, consultants, officers and other service providers and other non-U.S. employees, consultants, and service

providers, and (ii) Appendix B, which is the 2011 U.S. Equity Incentive Plan, designated for the purpose of grants of stock options and restricted stock awards to U.S. employees, consultants, and service providers who are subject to the U.S. income tax. On December 21, 2012, the stockholders approved the awarding of “incentive stock options” pursuant to the U.S. portion of the plan.

The purpose of the InspireMD, Inc. 2011 UMBRELLA Option Plan is to provide an incentive to attract and retain employees, officers, consultants, directors, and service providers whose services are considered valuable, to encourage a sense of proprietorship and to stimulate an active interest of such persons in our development and financial success. The InspireMD, Inc. 2011 UMBRELLA Option Plan is administered by our compensation committee. Unless terminated earlier by the board of directors, the InspireMD, Inc. 2011 UMBRELLA Option Plan will expire on March 27, 2021.

2013 Long-Term Incentive Plan

On December 16, 2013, our stockholders approved the 2013 Plan, which was adopted by our board of directors on October 25, 2013. On September 9, 2015, our stockholders approved an amendment to the 2013 Plan to increase the number of shares of common stock available for issuance pursuant to awards under the 2013 Plan by 470,000 shares of common stock, to a total of 970,000 shares of common stock (as adjusted to reflect the one-for-ten reversed stock split of our common stock effected on October 1, 2015).

The purpose of the 2013 Plan is to provide an incentive to attract and retain employees, officers, consultants, directors, and service providers whose services are considered valuable, to encourage a sense of proprietorship and to stimulate an active interest of such persons in our development and financial success. The 2013 Plan provides for the granting of incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock, restricted stock units, performance awards, dividend equivalent rights, and other awards, which may be granted singly, in combination, or in tandem. The 2013 Plan is administered by our compensation committee. A total of 970,000 shares of common stock are reserved for awards under the 2013 Plan, of which 439,930 were available for future issuance as of December 31, 2015.

The 2013 Plan is intended serve as an “umbrella” plan for us and our subsidiaries worldwide. Therefore, if so required, appendices may be added to the 2013 Plan in order to accommodate local regulations that do not correspond to the scope of the 2013 Plan. Attached as Appendix A to the 2013 Plan, for the purpose of making grants of stock options, restricted stock, and other stock incentive awards pursuant to Sections 102 and 3(i) of the Israeli Income Tax Ordinance (New Version), 1961 to Israeli employees and officers and any other service providers or control holders of us who are subject to Israeli Income Tax.

On April 18, 2016, our board of directors approved an amendment to the 2013 Plan to increase the total number of shares available for future issuance pursuant to awards under the 2013 Plan by 10,000,000 shares of common stock, to be adopted upon receipt of stockholder approval at the Annual Meeting. See “Proposal 2: Approval of the Second Amendment to the InspireMD, Inc. 2013 Long-Term Incentive Plan.”

Equity Compensation Plan Information

The following table provides certain information as of December 31, 2015 with respect to our equity compensation plans under which our equity securities are authorized for issuance:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	677,762	24.2	458,533
Equity compensation plans not approved by security holders	87,722	(1) 68.42	-
Total	765,484	29.26	

(1) Comprised of awards made to individuals outside the InspireMD, Inc. 2011 UMBRELLA Option Plan and 2013 Long Term Incentive Plan, as described below:

In April 2008, we issued options to purchase 147 shares of common stock to a provider of finder services who assisted InspireMD Ltd. in raising funds in 2008. The exercise price of these options is \$49.285 per share. These options are fully vested and expire in June 2016.

Options issued to current director: in November 2011, we issued options to purchase an aggregate of 72,500 shares of common stock to Dr. Barer, the chairman of our board of directors. The exercise price of these options is \$78 per share. An option to purchase 18,125 shares of common stock vested on April 11, 2013, when our common stock was first listed on a national securities exchange. An option to purchase 18,125 shares of common stock vested on May 10, 2013, after we received research coverage from a second investment bank that ranked in the top twenty investment banks in terms of life science underwritings. The option to purchase 36,250 shares of common stock vests in substantially equal monthly installments (with any fractional shares vesting on the last vesting date) on the last business day of each calendar month over a two year period from the date of grant, with the first installment vesting on November 30, 2011, provided that Dr. Barer is still providing services to us in some capacity as of each such vesting date.

Warrant issued to current officer: in March 2011, for work performed in connection with the share exchange transactions and as bonus compensation, we issued Mr. Shore, our chief financial officer, secretary and treasurer, a five-year warrant to purchase up to 75 shares of common stock at an exercise price of \$72 per share.

Options issued to current vice president of global marketing and strategy: in September 2013, we issued options to purchase 15,000 shares of common stock to David Blossom. The exercise price of these options was \$22.3 per share. The options vest annually with one-third vesting on September 16, 2014, September 16, 2015 and September 16, 2016. The options expire on September 16, 2023.

Change of Control Agreements

We do not currently have any plans providing for the payment of retirement benefits to our officers or directors, other than as described under “Agreements with Executive Officers” above.

We do not currently have any change-of-control or severance agreements with any of our executive officers or directors, other than as described under “Agreements with Executive Officers” above. In the event of the termination of employment of the named executive officers, any and all unexercised stock options shall expire and no longer be exercisable after a specified time following the date of the termination, other than as described under “Agreements with Executive Officers” above.

Director Compensation

The following table shows information concerning our directors, other than Alan Milinazzo and James Barry, Ph.D., during the twelve months ended December 31, 2015.

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)	Option Awards ⁽¹⁾ (\$)	All Other Compensation (\$)	Total (\$)
Sol J. Barer, Ph.D.	8,750	—	80,629	—	89,379
Paul Stuka	9,750	—	69,385	—	79,134
James J. Loughlin	10,250	—	71,760	—	82,010
Michael Berman	8,000	—	61,070	—	69,070
Campbell Rogers, M.D.	6,750	—	55,132	—	61,882

The amounts in this column reflect the dollar amounts recognized for financial statement reporting purposes with respect to the twelve months ended December 31, 2015, in accordance with FASB ASC Topic 718. Fair value is based on the Black-Scholes option pricing model using the fair value of the underlying shares at the measurement date. For additional discussion of the valuation assumptions used in determining stock-based compensation and the grant date fair value for stock options, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Policies - Share-based compensation” and Note 2-“Significant Accounting Policies” and Note 9-“Equity” of the Notes to the Consolidated Financial Statements for the Year Ended December 31, 2015 included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015.

Name	Shares Subject to Options	Grant Date	Exercise Price	Vesting Schedule	Expiration	Fair Market Value on Grant Date
Sol J. Barer, Ph.D.	4,162	(1)(6) January 5, 2015	\$ 7.8	Fully vested as of grant date	January 5, 2025	\$ 17,380
	9,161	(2)(6) January 26, 2015	\$ 7.2	One-third annually in 2016, 2017 and 2018 on the anniversary of the date of grant, provided that Dr. Barer is providing services to us or our subsidiaries or affiliates on the applicable vesting date.	January 26, 2025	\$ 39,059
	4,389	(3) March 31, 2015	\$ 3.2	Fully vested as of grant date	March 31, 2025	\$ 7,971
Paul Stuka	4,967	(4) June 30, 2015	\$ 2.8	Fully vested as of grant date	June 30, 2025	\$ 8,060
	8,155	(5) September 30, 2015	\$ 1.7	Fully vested as of grant date	September 30, 2025	\$ 8,159
	4,637	(1)(6) January 5, 2015	\$ 7.8	Fully vested as of grant date	January 5, 2025	\$ 19,366
	5,409	(2)(6) January 26, 2015	\$ 7.2	One-third annually in 2016, 2017 and 2018 on the anniversary of the date of grant, provided that Mr. Stuka is providing services to us or our subsidiaries or affiliates on the applicable vesting date.	January 26, 2025	\$ 23,064
	4,891	(3) March 31, 2015	\$ 3.2	Fully vested as of grant date	March 31, 2025	\$ 8,882
	5,534	(4) June 30, 2015	\$ 2.8	Fully vested as of grant date	June 30, 2025	\$ 8,981
	9,087	(5) September 30, 2015	\$ 1.7	Fully vested as of grant date	September 30, 2025	\$ 9,091

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James J. Loughlin	4,875(1)(6)	January 5, 2015	\$7.8	Fully vested as of grant date	January 5, 2025	\$20,359
	5,409(2)(6)	January 26, 2015	\$7.2	One-third annually in 2016, 2017 and 2018 on the anniversary of the date of grant, provided that Mr. Loughlin is providing services to us or our subsidiaries or affiliates on the applicable vesting date.	January 26, 2025	\$23,064