As filed with the U.S. Securities and Exchange Commission on January 10, 2023

Registration No. 333-

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

FORM S-1
REGISTRATION STATEMENT UNDER
THE SECURITIES ACT OF 1933

NEURAXIS, INC.
(Exact name of registrant as specified in its charter)

Delaware	**3845**	**45-5079684**
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

11550 N. Meridian Street, Suite 325
Carmel, IN 46032
Telephone: (812) 689-0791
(Address, including zip code and telephone number, including area code, of registrant's principal executive offices)

Brian Carrico
Chief Executive Officer
Neuraxis, Inc.
11550 N. Meridian Street, Suite 325
Carmel, IN 46032
Telephone: (812) 689-0791
(Name, address, including zip code and telephone number, including area code, of agent for service)

Copies of all communications, including communications sent to agent for service, should be sent to:

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

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

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

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

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

Large accelerated filer ☐
Non-accelerated filer ☒

Accelerated filer ☐
Smaller reporting company ☒
Emerging growth company ☒

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

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

The information in this preliminary prospectus is not complete and may be changed. These securities included in this Registration Statement, of which this prospectus, are subject to an effective Registration Statement. This preliminary prospectus is not an offer to sell these securities and we are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JANUARY 10, 2023

PRELIMINARY PROSPECTUS

NEURAXIS, INC.

[●]
Shares of Common Stock

We are offering [●] shares of common stock, par value $0.001 per share, of Neuraxis, Inc. at an initial public offering price of $[●] per share.

Prior to this offering, there has been no public market for our common stock. We have applied to have our common stock listed on the Nasdaq Capital Market ("Nasdaq") under the symbol "NRXS". We will not proceed with this offering in the event the common stock is not approved for listing on Nasdaq.

We are an "emerging growth company" under applicable Securities and Exchange Commission rules and will be subject to reduced public company reporting requirements.

Investing in our securities involves a high degree of risk. See "*Risk Factors*" beginning on page 12 of this prospectus. You should carefully consider these risk factors, as well as the information contained in this prospectus, before purchasing any of the securities offered by this prospectus.

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

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

(1) We have agreed to pay Alexander Capital L.P., as the underwriter named in this prospectus (the "Underwriter"), an Underwriter's fee of seven percent (7%) of the amount raised in the offering. We have agreed to issue to the Underwriter, on the closing date of this offering, warrants in an amount equal to six percent (6%) of the aggregate number of shares of common stock sold by us in this offering and exercisable at a price per share equal to one hundred and twenty percent (120%) of the public offering price (the "Underwriter's Warrants"). For a description of compensation to be received by the Underwriter, see "*Underwriting*" for more information.

We have granted the Underwriter an option, exercisable for up to 45 days from the date of this prospectus, to purchase a maximum of [●] shares of common stock (equal to fifteen percent (15%) of the aggregate number of shares of common stock sold in this offering) on the same terms as the other shares of common stock being purchased by the Underwriter from us.

This offering is being conducted on a firm commitment basis. The Underwriter is obligated to take and purchase all of the shares of common stock offered under this prospectus if any such shares are taken.

The Underwriter expects to deliver the securities to purchasers in the offering on or about [●], 2023.

Sole Book Running Manager

ALEXANDER CAPITAL L.P.

Prospectus dated [●], 2023.

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You should rely only on the information contained in this prospectus. We have not authorized anyone to provide any information or to make any representations other than those contained in this prospectus we have prepared. We take no responsibility for and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the securities offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date. You should also read this prospectus together with the additional information described under "Additional Information."

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains "forward-looking statements". Forward-looking statements discuss matters that are not historical facts. Because they discuss future events or conditions, forward-looking statements may include words such as "anticipate," "believe," "estimate," "intend," "could," "should," "would," "may," "seek," "plan," "might," "will," "expect," "anticipate," "predict," "project," "forecast," "potential," and "continue" or the negatives thereof or similar expressions. Forward-looking statements speak only as of the date they are made, are based on various underlying assumptions and current expectations about the future and are not guarantees of future performance. Such statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, level of activity, performance or achievement to be materially different from the results of operations or plans expressed or implied by such forward-looking statements. You are cautioned to not place undue reliance on these forward-looking statements, which speak only as of their dates.

We cannot predict all the risks and uncertainties that may impact our business, financial condition, or results of operations. Accordingly, the forward-looking statements in this prospectus should not be regarded as representations that the results or conditions described in such statements will occur or that our objectives and plans will be achieved. These forward-looking statements are found at various places throughout this prospectus and include information concerning possible or projected future results of our operations, including statements about potential acquisition or merger targets, strategies or plans; business strategies; prospects; future cash flows; financing plans; plans and objectives of management; any other statements regarding future cash needs, future operations, business plans and future financial results; and any other statements that are not historical facts. We qualify all of the forward-looking statements in this prospectus by this cautionary note.

These forward-looking statements represent our intentions, plans, expectations, assumptions and beliefs about future events and are subject to a variety of factors and risks, including, but not limited to, those set forth under "*Risk Factors*" starting page 12 of this prospectus.

Many of those risk factors are outside of our control and could cause actual results to differ materially from the results expressed or implied by those forward-looking statements. Considering these risks, uncertainties and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than we have described. All subsequent written and oral forward-looking statements concerning other matters addressed in this prospectus and attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this prospectus.

Except to the extent required by law, we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, a change in events, conditions, circumstances or assumptions underlying such statements, or otherwise.

MARKET AND INDUSTRY DATA

This prospectus contains statistical data, estimates and forecasts that are based on independent industry publications or other publicly available information, as well as other information based on our internal sources. While we believe the industry and market data included in this prospectus are reliable and are based on reasonable assumptions, these data involve many assumptions and limitations, and you are cautioned not to give undue weight to these estimates. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the sections titled "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors" included in this prospectus.

TRADEMARKS AND TRADE NAMES

We own or have rights to various trademarks, service marks and trade names that we use in connection with the operation of our business. This prospectus may also contain trademarks, service marks and trade names of third parties, which are the property of their respective owners. Our use or display of third parties' trademarks, service marks, trade names or products in this prospectus is not intended to, and does not imply a relationship with, or endorsement or sponsorship by us. Solely for convenience, the trademarks, service marks and trade names referred to in this prospectus may appear without the ®, TM or SM symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the right of the applicable licensor to these trademarks, service marks and trade names.

GLOSSARY OF CERTAIN TERMS

As a neuromodulation therapy device company, describing our business involves several technical terms and acronyms. We are providing the following glossary to assist readers with certain technical terms and acronyms and to also define certain frequently used terms.

"ACA" means the Affordable Care Act, a comprehensive reform law which increases health insurance coverage for the uninsured and implements reforms to the health insurance market.

"CBT" means cognitive behavioral therapy, a form of psychological treatment that has been demonstrated to be effective for a range of problems including depression, anxiety disorders, alcohol and drug use problems, marital problems, eating disorders, and severe mental illness.

"CCPA" means the California Consumer Privacy Act, a state statute intended to enhance privacy rights and consumer protection for residents of California.

"CE" means that the manufacturer or importer of a commercial product affirms the product's conformity with European health, safety and environmental safety standards.

"CE Certificate" means the CE mark that is placed on the backside of certain products sold in the European Economic Area and the European Union.

"cGCPs" means current Good Clinical Practices, which is an international ethical and scientific quality standard for designing, conducting, recording and reporting trials that involve the participation of human subjects.

"CMS" means Centers for Medicare and Medicaid Services, a federal agency within the United States Department of Health and Human Services that administers the Medicare program and works in partnership with state governments to administer Medicaid, the Children's Health Insurance Program, and health insurance portability standards.

"CPRA" means the California Privacy Rights Act of 2020, is a California ballot proposition that expands California's consumer privacy law and builds upon the California Consumer Privacy Act of 2018.

"CPT codes" means the Common Procedural Terminology codes, a medical code set that is used to report medical, surgical, and diagnostic procedures and services to entities such as physicians, health insurance companies and accreditation organizations.

"DHS" means designated health services.

"EEA" means the European Economic Area.

"EU" means the European Union.

"FATCA" means the Foreign Account Tax Compliance Act, which requires all non-U.S. foreign financial institutions to search their records for customers with indicia of a connection to the U.S., including indications in records of birth or prior residency in the U.S., or the like, and to report the assets and identities of such persons to the U.S. Department of the Treasury.

"FDA" means the U.S. Food and Drug Administration.

"FDCA" means the Federal Food, Drug, and Cosmetic Act, a set of laws giving authority to the U.S. Food and Drug Administration to oversee the safety of food, drugs, medical devices, and cosmetics.

"FSCA" means Field Safety Corrective Action, which is an action taken by a manufacturer to reduce a risk of death or serious deterioration in the state of health associated with the use of a medical device that is already placed on the market.

"FTC" means Federal Trade Commission, an independent agency of the United States government whose principal mission is the enforcement of civil U.S. antitrust law and the promotion of consumer protection.

"FAPD" means functional abdominal pain disorder.

“GDPR” means General Data Protection Regulation, a regulation in EU law on data protection and privacy in the EU and the EEA.

“HDE” means Humanitarian Device Exemption, a regulatory pathway for products intended for diseases or conditions that affect small, rare populations.

“HIPAA” means Health Insurance Portability and Accountability Act, which is a US law designed to provide privacy standards to protect patients’ medical records and other health information provided to health plans, doctors, hospitals and other health care providers.

“IBS” means irritable bowel syndrome, a group of symptoms that occur together, including repeated pain in abdomen and changes in bowel movements, which may be diarrhea, constipation, or both.

“IRB” means Institutional Review Board, which is any group that has been formally designated to review and monitor biomedical research involving human subjects.

“JOBS Act” means the Jumpstart Our Business Startups Act of 2012, as amended, which is a law intended to encourage funding of small businesses in the U.S. by easing many of the country’s securities regulations.

“Masimo” means Masimo Corporation, a global medical technology company that develops, manufactures, and markets a variety of noninvasive patient monitoring technologies, hospital automation solutions, home monitoring devices, ventilation solutions, and consumer products.

“MACs” means Medicare Administrative Contractors, which is a private health care insurer that has been awarded a geographic jurisdiction to process Medicare Part A and Part B medical claims or Durable Medical Equipment claims for Medicare Fee-For-Service beneficiaries.

“MDR” means the medical device reporting, one of the post-market surveillance tools the FDA uses to monitor device performance, detect potential device-related safety issues, and contribute to benefit-risk assessments of these products.

“MHLW” means Ministry of Health, Labour and Welfare of Japan, a cabinet level ministry of the Japanese government that provides services on health, labor and welfare.

“NASPGHAN” means the American Academy of Pediatrics and the North American Society for Pediatric Gastroenterology, Hepatology and Nutrition.

“PENFS” means Percutaneous Electrical Nerve Field Stimulation.

“PMA” means the FDA process of scientific and regulatory review to evaluate the safety and effectiveness of Class III medical devices.

“QSR” means quality system regulations maintained by the FDA that must be followed by all medical device manufacturers who wish to sell devices in the USA.

“RCT” means Randomized Controlled Trial, which is a study in which people are allocated at random (by chance alone) to receive one of several clinical interventions, including a standard of comparison or control in for the form of a placebo (e.g., a sugar pill) or no intervention at all.

“SSRI” is a type of antidepressant drug that inhibits the reabsorption of serotonin by neurons, so increasing the availability of serotonin as a neurotransmitter.

“TCA” means the EU-UK Trade and Cooperation Agreement, a free trade agreement signed on December 30, 2020, between the EU, the European Atomic Energy Community, and the United Kingdom that provides for free trade in goods and limited mutual market access in services, as well as for cooperation mechanisms in a range of policy areas, transitional provisions about EU access to UK fisheries, and UK participation in some EU programs.

“TKBMN” means TKBMN, LLC, an Indiana company.

“UKCA” means UK conformity assessment.

“UKCA Marking” means a certification mark that indicates conformity with the applicable requirements for products sold within Great Britain.

“USPTO” means United States Patent and Trademark Office.

PROSPECTUS SUMMARY

This prospectus summary contains an overview of the information from this prospectus but may not contain all of the information that is important to you. This prospectus includes specific terms of the offering of our securities, information about our business, and financial data. We encourage you to read this prospectus, including the "Risk Factors" section beginning on page 12 and the financial statements and the notes thereto, in its entirety before making an investing decision. As used in this prospectus, the terms "we," "us,", "the Company", "our," and "Neuraxis" refer to Neuraxis, Inc., a corporation organized under the laws of Delaware, including our subsidiaries, unless the context indicates a different meaning.

Overview

We are a growth stage company focused on developing neuromodulation therapies to address chronic and debilitating conditions in children. We are dedicated to advancing science with our proprietary PENFS technology, which we developed. We believe that superior science and evidence-based research are necessary for adoption by the medical and scientific community. With one FDA indication—functional abdominal pain associated with IBS in adolescents 11-18 years old—on the market, additional clinical trials of PENFS in multiple pediatric conditions are underway focused on unmet healthcare needs in children, see "*—Our Pipeline*" for more information.

Since our inception, we have incurred significant operating losses. Our net loss was $3.0 million and $3.7 million for the years ended December 31, 2021, and 2020, respectively. As of December 31, 2021, we had an accumulated deficit of $29.2 million. Our auditors have expressed substantial doubt about our ability to continue as a going concern paragraph in their audit opinion. We expect to incur significant expenses and operating losses for the foreseeable future as we continue to pursue widespread insurance coverage of our IB-Stim device and seek FDA clearance of our device for other indications. There are a number of milestones and conditions that we must satisfy before we will be able to generate sufficient revenue to fund our operations, including FDA clearance of our IB-Stim device to treat future indications.

Our Mission

Our mission is to provide solutions that create value and provide better and safer patient outcomes. We believe in improving lives and minimizing suffering; particularly in the pediatric population, where research and therapeutics are usually lacking. The FDA has already cleared our IB-Stim therapy for functional abdominal pain, associated with IBS, in children. Through innovation and research, we are reimagining the future of patient care.

Pipeline

The IB-Stim device is to be used for the indication of functional abdominal pain associated with IBS and functional nausea in children. The same underlying technology will be used for the remaining pipeline indications, but we may use a name other than "IB-Stim" for marketing and commercialization purposes.

With one FDA indication—functional abdominal pain associated with IBS in adolescents 11-18 years old—on the market, additional clinical trials of PENFS in multiple pediatric conditions are underway focused on unmet healthcare needs in children. These indications consist of chronic nausea, post-concussion syndrome, chemotherapy-induced nausea and vomiting, cyclic vomiting syndrome.

The chart below shows our status in the FDA process for IB-Stim and each of the following pediatric indications:

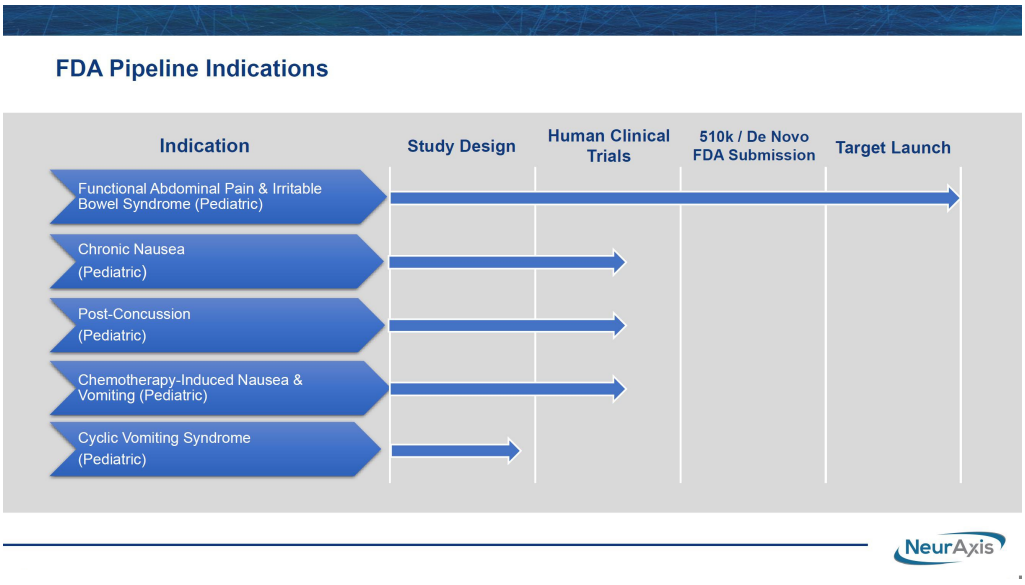
1. Chronic nausea -- RCT completed, and data being analyzed, see ClinicalTrials.gov Identifier: NCT03675321.

2. Post-concussion syndrome -- RCT currently enrolling patients, see ClinicalTrials.gov Identifier: NCT04978571.

3. Chemotherapy-induced nausea and vomiting -- RCT currently enrolling patients, see ClinicalTrials.gov Identifier: NCT05143554.

4. Cyclic vomiting syndrome -- Pilot study completed, see ClinicalTrials.gov Identifier: NCT03434652; multicenter RCT is anticipated to begin enrolling patients in the first half of 2023.

Each step in the FDA process differs in duration and cannot be predicted with accuracy. Timing of FDA review and approval, if ever received, cannot be assured and the process and any approval is within the sole control and discretion of the FDA.



Product

The IB-Stim is a PENFS system intended to be used in patients 11-18 years of age with functional abdominal pain associated with IBS. IB-Stim already has market clearance from the FDA for functional abdominal pain associated with IBS in children. FDA has classified the non-implanted nerve stimulator for functional abdominal pain relief as Class II devices.

The IB-Stim is intended to be used for 120 hours per week for three consecutive weeks, and not to exceed four (4) consecutive weeks, through application to branches of Cranial Nerves V, VII, IX and X, and the occipital nerves identified by transillumination, as an aid in the reduction of pain when combined with other therapies for IBS DEN180057. In published studies, patients treated with IB-Stim demonstrated significant improvement in pain, disability and global symptoms with no serious adverse events, and minimal to no side effects. See *Neurostimulation for abdominal pain-related functional gastrointestinal disorders in adolescents: a randomized, double-blind, sham-controlled trial*, Kovacic K, et.al., Lancet Gastroenterol Hepatol. 2017;2:727-737; *Efficacy of Auricular Neurostimulation in Adolescents With Irritable Bowel Syndrome in a Randomized, Double-Blind Trial*, Krasaelap A et.al., Clin Gastroenterol Hepatol. 2020;18:1987-1994; *Effect of percutaneous electrical nerve field stimulation on mechanosensitivity, sleep, and psychological comorbidities in adolescents with functional abdominal pain disorders*, Santucci et.al., Neurogastroenterol Motil. 2022;34:e14358.

The ability of the IB-Stim to produce systemic effects by modulating the central nervous system has been demonstrated in a pre-clinical animal model of IBS (see "*Business—Technology—Pre-Clinical Data*"). In patients with IBS, the largest effect on all pain measures, including composite pain scores, worst pain, disability and global symptoms, was seen after completing three consecutive weeks of treatment (see "*Business—Technology—Clinical Data*"). A fourth consecutive week of treatment was included in clinical testing; no safety concerns were identified with this extra consecutive week of treatment. In the trial of 115 subjects, 10 patients reported side-effects and only three discontinued the study because of side-effects. Of such 10 patients, six experience ear discomfort (three in the PENFS group, three in the sham group), three experienced adhesive allergy (one in the PENFS group, 2 in the sham group), and one experienced syncope due to needle phobia (in the sham group). There were no serious adverse events.

Medical providers are trained to place the IB-Stim through IB-Stim Training and Certification. Once the provider is trained, the device can be placed in the outpatient clinic and can be removed by the provider in the clinic or the patient at home. IB-Stim stays on for a total of five-days to allow delivery of gentle electrical pulses to nerves below the skin that access the central nervous system. A study in adolescents showed greater improvement in functional abdominal pain and global symptom improvement with every week of treatment (up to four weeks). At the end of the four-week study, 95% of adolescents stated they would recommend the treatment to family or friends. Safety of percutaneous electrical nerve field stimulation has also been reported in a separate study of over 1200 adult patients with no serious adverse events and minimal to no side-effects.

When wearing our IB-Stim device, patients can still attend school and extracurricular activities, exercise or play non-contact sports, shower, wear ear buds or headphones, and travel.

Our IB-Stim device costs $1,195 per device, and each patient will use three to four devices. Potential patients with other indications are expected to use six or more devices per patient.

Pediatrics Industry Overview

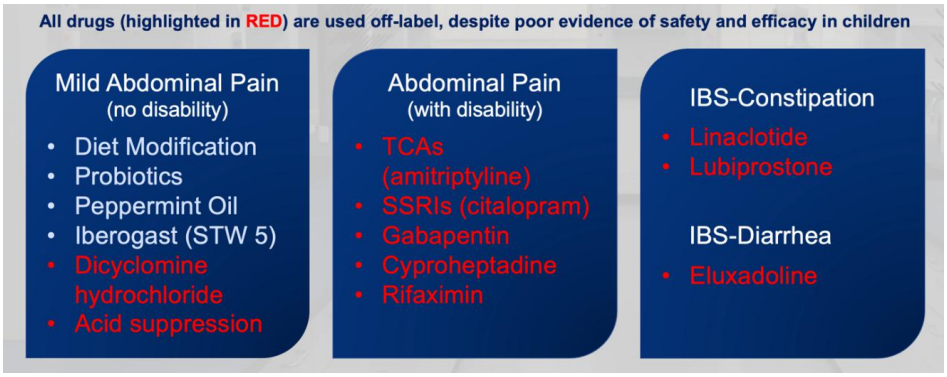
Pediatric providers, as a whole, had expressed concern about the lack of attention given to children with functional abdominal pain disorders (including IBS) and the limited treatment options available for a population that suffers from significant disabilities. With 20% of United States population under age 18, our company focus on opportunities in pediatrics industry. The pediatrics industry has multi-billion-dollar market opportunities. The following points clearly outline the unmet need in children:

- Functional abdominal pain in children is one of the most common conditions seen by pediatricians and pediatric gastroenterologists.
- Children with functional abdominal pain report lower quality of life compared with their healthy peers and equal to those with inflammatory bowel disease.
- Overall, 35-45% of children with functional abdominal pain disorders continue to have symptoms into adulthood, which impacts quality of life and healthcare spending.
- A study published in 2021 demonstrates insufficient evidence for the use of medications in pediatric functional abdominal pain disorders. This lack of evidence for drugs has been supported in by the American Academy of Pediatrics and NASPGHAN.
- IB-Stim is the only therapy that has shown to improve pain, global symptoms, and functional disability in children with FAP and IBS.
- IB-Stim is the only currently used therapy that is better than placebo in a randomized controlled trial and received FDA clearance for pediatric IBS.

Our Opportunity

The total addressable market ("TAM") for our target pediatric indications is $9 billion. The TAM is calculated by the total number of patients we target to treat multiplied by the revenue potential from each patient. This TAM is broken down into five (5) pipeline indications. The first pipeline indication is functional abdominal pain associated with irritable bowel syndrome which has a TAM of $1.48 billion followed by functional nausea in children which has a TAM of $2.26 billion, cyclic vomiting syndrome which has a TAM of $2.8 billion, followed by post-concussion syndrome which has a TAM of $1.9 billion, and finally chemo-therapy induced nausea and vomiting in children which has a TAM of $0.72 billion and this pipeline totals over $9 billion in TAM.

For years, physicians and qualified healthcare professionals have resorted to the use off-label medications without proper evidence of efficacy or safety. This is despite a technical report from the American Academy of Pediatrics and NASPGHAN which found very little evidence to endorse the use of any drugs in the treatment of FAPDs in children. Medications including tricyclic antidepressants, SSRIs and gabapentinoids continue to be used off-label despite lack of evidence to support efficacy or safety. Not only have the most commonly used medications (amitriptyline and SSRIs) failed to beat placebos in clinical trials, but new studies also suggest significant risks with the potential for serious side effects with these drugs. For example, significant risk of TCA side effects in children include increased risk of suicidal ideation, mood changes, EKG disturbance, and long-term risk of dementia. Other side effects of pharmaceuticals given are depression and weight gain. The absence of conclusive data to support treatments based on scientific evidence, and the fact no drug therapies have been approved by the FDA for the treatment of FAPDs or IBS in children, presents a unique market opportunity for Neuraxis. Below are the current standard treatments in children with functional abdominal pain and IBS.



Our Solutions

We entered the pediatric market with clinical evidence, coverage and payment, and key opinion leaders and society endorsement, including a signed letter from the American Academy of Pediatrics and NASPGHAN supporting our request for insurers to pay for our IB-Stim device. Our IB-Stim is a non-drug alternative to reduce functional abdominal pain in patients with IBS. In June 2019, the FDA cleared IB-Stim, a non-surgical, neuromodulation device for children and adolescents who suffer from IBS, through a de novo process (DEN180057). The FDA created a new classification of PENFS for the IB-Stim device. This is based on pre-clinical and clinical studies demonstrating the mechanism of action and efficacy. Based on this new class of devices, the IB-Stim falls under 21 CFR Part 876, Subpart F – Therapeutic Devices, 876.5340, Product Code QHH. As a PENFS device, it is non-implantable and provides field stimulation to cranial nerves V, VII, IX and X in the ear to access the CNS. It stimulates remotely from the source of pain to modulate central pain regions, such as the limbic system, and relieve functional abdominal pain associated with IBS. Studies have demonstrated long-term benefits in functional disability, psychological co-morbidities, and pain. For more information, see "Business —Our Solutions." We have only submitted one FDA De Novo request and have not submitted any additional 510(k) premarket notifications for our pipeline indications to date.

Compliance with treatment so far has been outstanding with the four weeks of therapy required to sustain long-term benefits. Compliance has been an issue with non-pharmacological treatment for children, particularly with some of the psychological approaches such as cognitive behavioral therapy or guided imagery, which sometimes requires 8-12 weeks of treatment. In fact, 95% of adolescents who used IB-Stim said that they would recommend this treatment to family and friends. Many children's hospitals across the country are already treating children with IB-Stim successfully, since it provides a better alternative for therapy in children with IBS and disability and allows them to treat them safely and effectively.

We have concentrated our marketing focus on 260 children's hospitals. To date, we have sold our IB-Stim product to approximately 50 children's hospitals within our target market.

Competition

The competitive landscape for therapies includes off-label drugs and drugs with FDA approved only for adults with IBS. Current treatments treat locally and peripheral whereas IB-Stim treats at the level of the brain gut axis. It also includes devices that could theoretically be used, but do not have supporting data or FDA clearance for functional bowel disorders or IBS. Our method patents also limit other devices from targeting IBS through stimulation of cranial nerve branches in the ear.

<u>Approved drugs for adults with IBS:</u>

1. Rifaximin: an intraluminal antibiotic approved for IBS-diarrhea
2. Amitiza: a drug that stimulates fluid secretion from the intestine, approved for IBS-diarrhea
3. Linzess: a drug that stimulates fluid secretion from the intestine, approved for IBS-constipation
4. Plecanatide: a drug that stimulates fluid secretion from the intestine, approved IBS-constipation
5. Eluxadoline: a schedule IV-controlled substance that is a mixed opioid receptor agonist/antagonist in the intestine approved for IBS-diarrhea

<u>Devices:</u>

1. gammaCore: a transcutaneous, cervical vagal nerve stimulator cleared for cluster and migraine headaches. Recent studies using this device for adults with gastroparesis.

2. Transcranial Magnetic Stimulation: Multiple devices cleared to treat major depressive disorder and obsessive-compulsive disorder. To date, no known gastrointestinal indications.

3. Roo System and Sparrow therapy system: Transcutaneous auricular stimulation devices-cleared for neonatal and adult opioid withdrawal.

The neurostimulation market is predominantly comprised of surgically implanted, invasive technologies that are not directly competitive with our technology. Several neurostimulation companies are large, publicly-traded companies that have a history in the market, have significantly easier access to capital and other resources and have an established product pipeline. The combined clinical research and product development done by the industry, including by us and all of our competitors, is uncovering the beneficial effects of neurostimulation which now establishes neuromodulation as a valid and scientifically supported approach to the treatment of neurological conditions, and accordingly, we expect for competition in the non-implanted space to grow in the future.

While many companies have joined the neuromodulation space, there are no companies targeting the CNS or the brain-gut axis through auricular nerves for functional bowel disorders or IBS. Currently, the Neuraxis method patents protect access to the brain, particularly the limbic systems through branches of cranial nerves in the ear.

Our Competitive Strengths

We believe that the following competitive strengths will enable us to compete effectively:

- First to market
- Strong portfolio of device and method patents
- Large market opportunities
- Strong pediatric pipeline
- Academic Society Support
- Lower capital expenditures in nurse, trainers, and representatives for first line therapy
- Strong clinical data carried out in leading academic institutions in the US

Our Growth Strategies

- List price of our product is $1,195 per device and $4,780 per patient
- Strong gross margin
- Direct sales force
- Target customers are children’s hospitals and pediatric clinics

Corporate Development

Neuraxis, Inc. was established in 2011 and incorporated in the state of Indiana on April 17, 2012, under the name of Innovative Health Solutions, Inc. The name was changed to Neuraxis, Inc. in March of 2022. Additionally, the Company filed a Certificate of Conversion to become a Delaware corporation on June 23, 2022.

On September 7, 2021, the Company’s board of directors authorized a 4-for-1 stock split and increased the number of authorized common stock shares from 2,700,000 to 10,800,000. On September 9, 2021, the board authorized another increase of authorized shares of common stock from 10,800,000 to 13,400,000 in anticipation of this offering. All share and per share amounts for our common stock in this prospectus, including the financial statements, have been retroactively restated to give effect to the split.

As part of the conversion to a Delaware corporation, the total number of shares of all classes of stock which we have authority to issue was set at 101,120, 000 shares, consisting of (1) 100,000,000 shares of common stock, par value $0.001 per share and (ii) 1,120,000 shares of preferred stock, par value $0.001 per share 1,000,000 of which was designated as “Series A Preferred Stock” and 120,000 of which was designated as “Series Seed Preferred Stock”.

Recent Developments

The Company currently contemplates implementing a 2-for-1 reverse stock split in connection with this offering. The precise timing and terms remain under review.

From June through November of 2022, we entered into Securities Purchase Agreements (the "SPAs") with Leonite Fund I, LP, Emmis Capital II, LLC, Bigger Capital Fund, LP, District 2 Capital Fund, LP, and Exchange Listing, LLC, which provide for advances of up to $3.0 million in proceeds to us, subject to our satisfaction of certain conditions. Pursuant to the SPAs, from June 2022 through November of 2022, we issued Senior Secured Convertible Promissory Notes ("Notes") with an aggregate principal amount of $3,333,333, which amount included an original issue discount ("OID") of $333,333, and legal fees for $130,000, resulting in advance proceeds to us of $3.0 million. In connection with the issuance of the Notes, we also issued five-year warrants exercisable for an aggregate of 706,221 shares of common stock with an exercise price of the lower of (a) $5.90 and (b) a 12% discount to the price per share in any subsequent offering by the Company, and we entered into a Pledge and Security Agreement with Leonite Fund I, LP, dated June 3, 2022. Pursuant to the Pledge and Security Agreement, the Company granted a security interest in all of its assets in favor of Leonite Fund I, LP, in its capacity as collateral agent for the purchasers parties under the SPAs. For more information regarding the warrants issued under the SPAs, see "*Description of Our Securities—Warrants*."

The Notes were issued with OID of 10% of the principal amount and bear interest at the greater of (a) the prime rate of interest, as published by the Wall Street Journal, plus 8.5% per annum, or (b) 12%. The Notes will mature in twelve (12) months from their respective issue dates. Any amount of principal, interest, other amounts due hereunder or penalties on this Note, which is not paid by maturity date, shall bear interest at the lesser of the rate of twenty four percent (24%) per annum or the maximum legal amount permitted by law, from the due date thereof until the same is paid in full, including following the entry of a judgment in favor of the Noteholder. The Notes are convertible into shares of common stock at the lower of (a) $4.72 per share, or (b) a discount of 30% to the price per share in any subsequent offering, subject to adjustment in the event of common stock distribution, stock splits, fundamental transactions, dilutive issuances or similar events affecting our common stock and the conversion price. Interest accrues on the aggregate principal amount (which includes OID) and is payable monthly, at the Company's election, in cash or in-kind.

Upon the advance of the consideration under the SPAs, the Company is required to issue to the noteholders a number of shares of common stock, calculated based on the value of 10% of the principal amount of the Notes issued in such advance, at a value per share equal to the conversion price of the Notes (the "Commitment Shares"). Accordingly, in connection with the initial advance and issuance of Notes, assuming a conversion price of $4.72 per share, we will be issuing 70,633 Commitment Shares to the Noteholders.

See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Recent Developments*" for more information.

From December 2022 through January 2023, the Company issued unsecured convertible promissory notes to three existing investors, Todd Maxwell, Rogan O'Donnell and Michael & Michele Robuck, with an aggregate principal amount of $222,222.20, which amount included an OID of $22,222.20, resulting in advance proceeds to us of $200,000. The notes carry an OID of 10% of the principal amount and have an interest rate of 12% per annum. The notes will mature at the earlier of (i) twelve (12) months from the issue date or (ii) the date upon which the Company completes a registered public offering of shares of the Company, which encompasses the closing of this offering. The notes are convertible into shares of common stock at the higher of (i) $4.72 per share, or (ii) the price per share of common stock issued pursuant to the next registered public offering of shares of the Company made prior to the conversion of any portion of the note. Interest accrues on the aggregate principal amount (which includes OID) and is payable on the maturity date, at the Company's election, in cash or in-kind. The holders of the notes are entitled to piggyback registration rights on any registration statement filed by the Company, other than the registration statement of which this prospectus forms a part and any registration filed on Form S-4 or Form S-8.

We are a party to two advisory agreements with Exchange Listing, LLC, a consultant engaged in connection with listing our common stock for trading on Nasdaq. Pursuant to the first advisory agreement with Exchange Listing, dated March 3, 2022, we have agreed to pay Exchange Listing a monthly consulting fee of $5,000 and a final payment of $50,000 upon a successful Nasdaq listing, and, also upon such listing, to issue Exchange Listing [●] shares of our common stock (representing 1.5% of our outstanding shares after giving effect to this offering and to issue Exchange Listing five-year warrants to purchase [●] shares of our common stock (representing 2.0% of our outstanding shares after giving effect to this offering on a fully-diluted basis) with an exercise price of $[●] per share (representing the public offering price per share). Pursuant to the second advisory agreement with Exchange Listing, dated June 20, 2022, and amended December 20, 2022, we have agreed to pay Exchange Listing fees in the aggregate of up to $136,166 for advice in connection with communication and other related matters leading up to, and in connection with, this offering and to issue Exchange Listing 25,000 shares of common stock upon a successful Nasdaq listing. We have agreed to piggyback registration rights with respect to all shares issued to Exchange Listing under both advisory agreements, including shares issuable upon exercise of the warrants.

Implications of Being a Smaller Reporting Company

We are a "smaller reporting company" as defined in Rule 10(f)(1) of Regulation S-K. Smaller reporting companies may take advantage of certain reduced disclosure obligations, including, among other things, providing only two years of audited financial statements. We will remain a smaller reporting company until the last day of the fiscal year in which (1) the market value of our shares held by non-affiliates equals or exceeds $250 million as of the prior June 30th, or (2) our annual revenues equaled or exceeded $100 million during such completed fiscal year and the market value of our shares held by non-affiliates equals or exceeds $700 million as of the prior June 30th. Such reduced disclosure and corporate governance obligations may make it more challenging for investors to analyze our results of operations and financial prospects.

For additional information, see "*Risk Factors - Because the Company is a 'smaller reporting company,' we may take advantage of certain scaled disclosures available to us, resulting in holders of our securities receiving less Company information than they would receive from a public company that is not a smaller reporting company" and "As a 'smaller reporting company', we may at some time in the future choose to exempt our company from certain corporate governance requirements that could have an adverse effect on our public stockholders."*

Implications of Being an Emerging Growth Company

We are an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012, as amended (the "JOBS Act"). We will remain an emerging growth company until the earlier of (1) December 31, 2024, (2) the last day of the fiscal year in which we have total annual gross revenue of at least $1.235 billion, (3) the last day of the fiscal year in which we are deemed to be a "large accelerated filer" as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which would occur on the date on which we have issued more than $1.0 billion in non-convertible debt securities during the prior three-year period. An emerging growth company may take advantage of specified reduced reporting requirements and is relieved of certain other significant requirements that are otherwise generally applicable to public companies. As an emerging growth company, we may:

- present only two years of audited financial statements, plus unaudited condensed financial statements for any interim period, and related management's discussion and analysis of financial condition and results of operations in this prospectus;
- avail ourselves of the exemption from the requirement to obtain an attestation and report from our auditors on the assessment of our internal control over financial reporting pursuant to the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act");
- provide reduced disclosure about our executive compensation arrangements;
- not require stockholder non-binding advisory votes on executive compensation or golden parachute arrangements;
- defer complying with certain changes in accounting standards; and
- not comply with requirements of PCAOB regarding communications of critical audit matters (CAMS) in the auditor's report on the financial statements.

We are an emerging growth company, and under the JOBS Act, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected not to take advantage of the extended transition period for complying with new or revised accounting standards provided to emerging growth companies under the JOBS Act.

Corporate Information

We incorporated in Indiana on April 17, 2012, under the name Innovative Health Solutions, Inc. On March 11, 2022, we amended our Articles of Incorporation to change our name to Neuraxis, Inc. On June 23, 2022, we changed our state of incorporation from Indiana to Delaware.

Our principal executive offices are located at 11550 N. Meridian Street, Suite 325, Carmel, IN 46032, and our telephone number is (812) 689-0791.

SUMMARY OF THE OFFERING

Issuer:	Neuraxis, Inc.
Securities Offered:	[●] shares of common stock, at a public offering price of $[●] per share of common stock.
Over-allotment option:	We have granted the Underwriter a 45-day option to purchase up to a total of [●] shares of common stock (equal to fifteen percent (15%) of the aggregate number of shares of common stock sold in this offering) at a public offering price of $[●] per share, less the underwriting discounts payable by us, solely to cover over-allotments, if any.
Underwriter's warrants:	We have agreed to issue to Alexander Capital L.P., as the Underwriter, the Underwriter's Warrants to purchase a number of shares of common stock equal in the aggregate to six percent (6%) of the total number of shares issued in this offering. The Underwriter's Warrants will be exercisable at a per share exercise price equal to one hundred and twenty percent (120%) of the public offering price per share of common stock sold in this offering. The registration statement also registers the shares of common stock issuable upon exercise of the Underwriter's Warrants. The Underwriter's Warrants have been deemed compensation by FINRA and are therefore also subject to a 180-day lock-up pursuant to FINRA Rule 5110. Except as permitted by Rule 5110, the Underwriter (or permitted assignees under the Rule) will not sell, transfer, assign, pledge, or hypothecate the Underwriter's Warrants or the securities underlying the Underwriter's Warrants, nor will any of them engage in any hedging, short sale, derivative, put, or call transaction that would result in the effective economic disposition of the option or the underlying securities for a period of 180 days from the commencement of sales under this prospectus. See "*Underwriting*" for more information.
Common stock issued and outstanding before this offering (1):	[●] shares.
Common stock issued and outstanding after the offering:	[●] shares.
Use of proceeds:	We estimate that the net proceeds to us from this offering will be approximately $[●] million, or approximately $[●] million if the Underwriter exercises its over-allotment option in full, assuming an offering price of $[●] per share, after deducting underwriting discounts and commissions and estimated offering expenses payable by us. We intend to use the net proceeds of this offering primarily for sales and marketing activities, research and development, repayment of our convertible notes and general corporate purposes. See "*Use of Proceeds*" for additional information.
Proposed Nasdaq Capital Market Trading Symbol and Listing:	We have applied to list our common stock on the Nasdaq Capital Market under the symbol "NRXS". We believe that upon the completion of this offering, we will meet the standards for listing on Nasdaq. The closing of this offering is contingent upon the successful listing of our common stock on the Nasdaq Capital Market.
Risk Factors:	See "*Risk Factors*" beginning on page 12 and the other information contained in this prospectus for a discussion of factors you should carefully consider before investing in our securities.
Lock-up:	We, our directors, executive officers, and stockholders who own five percent (5%) or more of our outstanding common stock have agreed with the Underwriter not to offer for sale, issue, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of capital stock of the Company or any securities convertible into or exercisable or exchangeable for shares of capital stock of the Company, in the case of the Company for a period of 180 days after the date of this prospectus, and in the case of our directors and executive officers and our five percent (5%) and greater stockholders for a period of 180 days after the date of this prospectus, without the prior written consent of the Underwriter. See "*Underwriting*" for additional information.

(1) The total number of shares of common stock that will be outstanding after this offering is based on 3,903,094 shares of common stock outstanding as of September 30, 2022. Unless otherwise indicated, the shares outstanding after this offering excludes the following:

- 1,391,483 shares of our common stock issuable upon exercise of warrants to purchase common stock (see "*Description of Our Securities—Warrants*" form more information);
- 506,635 shares of our preferred series A stock will convert to 2,026,540 shares of common stock upon the closing of the initial public offering;
- 115,477 shares of our preferred series seed stock will convert to 461,907 shares of common stock upon the closing of the initial public offering;
- [●] shares of our common stock issuable upon exercise of the Underwriter's Warrants to purchase common stock;
- 753,302 shares of our common stock issuable upon conversion of the Notes, assuming a conversion price of $4.72 per share (see "*Prospectus Summary—Recent Developments*" for more information);
- 23,547 Commitment Shares related to Notes issued after September 30, 2022 (see "*Prospectus Summary—Recent Developments*" for more information);
- 25,000 shares of common stock and an additional [●] issuable upon exercise of warrants issuable to Exchange Listing, LLC upon consummation of this offering (see "*Prospectus Summary—Recent Developments*" for more information); and
- 2,638,788 shares of our common stock (giving effect to our 4-for-1 stock split in September 2021) issuable upon exercise of options to purchase common stock.

Unless otherwise indicated, this prospectus reflects and assumes no exercise by the Underwriter of its over-allotment option.

SUMMARY OF RISK FACTORS

Our business is subject to a number of risks and uncertainties of which you should be aware before making an investment decision. You should consider all of the information set forth in this prospectus and, in particular, the specific factors set forth under "*Risk Factors*" in deciding whether to invest in our securities. These risks include, without limitation, the following:

Risks Relating to Our Business and Our Product

- Our business and prospects depend entirely on our current product, IB-Stim. Even though we have received FDA clearance for our product, it will remain subject to ongoing regulatory review. If we are unable to maintain regulatory clearance and commercialize our product or are significantly delayed or limited in our commercialization efforts, our business and prospects will be materially harmed.

- To date, we have not generated any operating profits, and due to our long-term research and development efforts, we have a history of incurring substantial operating losses.

- While the Company believes in the viability of its strategy to further implement its business plan and generate sufficient revenues and in its ability to raise additional funds by way of a public or private offering of its debt or equity securities, there can be no assurance that it will be able to do so on reasonable terms, or at all. The ability of the Company to continue as a going concern is dependent upon its ability to further implement its business plan and generate sufficient revenues and its ability to raise additional funds by way of a public or private offering. Neither future cash generated from operating activities, nor management's contingency plans to mitigate the risk and extend cash resources through the evaluation period, are considered probable, and therefore substantial doubt is deemed to exist about the Company's ability to continue as a going concern.

- Our clinical studies could be delayed or otherwise adversely affected by many factors, including difficulties in enrolling patients.

- If we are unable to develop an adequate sales and marketing organization or contract with third parties to assist us, we may not be able to successfully commercialize our products for current and future indications.

- We may not be successful in achieving market acceptance of our products by healthcare professionals, patients and/or third-party payers in the timeframes we anticipate, or at all, which could have a material adverse effect on our business, prospects, financial condition and results of operations.

- Failure to secure and maintain adequate coverage and reimbursement from third-party payers could adversely affect acceptance of our products and reduce our revenues.

- We may not be successful in maintaining reimbursement codes necessary to facilitate accurate and timely billing for our products or physician services attendant to our products.

- We may depend on single-source suppliers for some of our components. The loss of these suppliers could prevent or delay shipments of our products, delay our clinical studies or otherwise adversely affect our business.

- Quality control problems with respect to devices and components supplied by third-party suppliers could have a material adverse effect on our reputation, our clinical studies or the commercialization of our products and, as a result, a material adverse effect on our business, prospects, financial condition and results of operations.

- Continued testing of our products may not yield successful results and could reveal currently unknown aspects or safety hazards associated with our products.

- The size and expected growth of our available market has not been established with precision and may be smaller than we estimate.

- If physicians and patients do not accept our current and future products or if the market for indications for which any product candidate is approved is smaller than expected, we may be unable to generate significant revenue, if any.

- Because of the specialized nature of our business, the termination of relationships with our key employees, consultants and advisors may prevent us from successfully operating our business, including developing our products, conducting clinical studies, commercializing our products and obtaining any necessary financing.

- Customer or third-party complaints or negative reviews or publicity about our company or our products could harm our reputation and brand.

- Developing medical technology entails significant technical, regulatory and business risks.

- We may not be able to compete with treatments now being marketed and developed, or which may be developed and marketed in the future by other companies.

Risks Related to Legal and Regulatory Matters

- Product liability suits, whether or not meritorious, could be brought against us due to alleged defective devices or for the misuse of our products, which could result in expensive and time-consuming litigation, payment of substantial damages and/or expenses and an increase in our insurance rates.

- We are subject to consumer protection laws that regulate our marketing practices and prohibit unfair or deceptive acts or practices. Our actual or perceived failure to comply with such obligations could harm our business, and changes in such regulations or laws could require us to modify our products or marketing or advertising efforts.

- We are increasingly dependent on information technology systems and are subject to privacy and security laws. Our products and our systems and infrastructure face certain risks, including from cyber security breaches and data leakage.

- We may choose to, or may be required to, suspend, repeat or terminate our clinical studies if they are not conducted in accordance with regulatory requirements, the results are negative or inconclusive or the studies are not well designed.

- Legislative and regulatory changes in the U.S. and in other countries regarding healthcare insurance and government-sponsored reimbursement programs (such as Medicare in the United States) may adversely affect our business and financial results.

- We are subject to extensive post-marketing regulation by the FDA and comparable authorities in other jurisdictions, which could impact the sales and marketing of our products and could cause us to incur significant costs to maintain compliance. In addition, we may become subject to additional regulation in other jurisdictions if we market and sell our products outside of the U.S.

- In addition to FDA requirements, we will spend considerable time and money complying with other federal, state, local and foreign rules, regulations and guidance and, if we are unable to fully comply with such rules, regulations and guidance, we could face substantial penalties.

- Our products may in the future be subject to recalls that could harm our reputation, business and financial results.

- If our products cause or contribute to a death or a serious injury, or malfunction in certain ways, we will be subject to medical device reporting regulations, which can result in voluntary corrective actions or agency enforcement actions.

- We may be subject to fines, penalties or injunctions if we are determined to be promoting the use of our products for unapproved or off-label uses.

- The pediatrics and medical device industries are characterized by patent and other intellectual property litigation and disputes, and any litigation, dispute or claim against us may cause us to incur substantial costs, could place a significant strain on our financial resources, divert the attention of management from our business, harm our reputation and require us to remove certain devices from the market.

- Changes in U.S. patent law could diminish the value of patents in general, thereby impairing our ability to protect our devices.
- Intellectual property litigation and infringement claims could cause us to incur significant expenses or prevent us from selling certain of our products.
- We depend extensively on our patents and proprietary technology and the patents, and we must protect those assets in order to preserve our business.
- Due to legal and factual uncertainties regarding the scope and protection afforded by patents and other proprietary rights, we may not have meaningful protection from competition.
- If the third parties on which we rely for the conduct of our clinical trials and results do not perform our clinical trial activities in accordance with good clinical practices and related regulatory requirements, we may be unable to obtain regulatory approval for or commercialize our product candidates.

Risks Related to Our Common Stock and This Offering

- There has been no public market for our common stock prior to this offering, and an active market in which investors can resell their shares of our common stock may not develop.
- The market price of our common stock may fluctuate, and you could lose all or part of your investment.
- We may not be able to satisfy listing requirements of Nasdaq or maintain a listing of our common stock on Nasdaq.
- We have considerable discretion as to the use of the net proceeds from this offering and we may use these proceeds in ways with which you may not agree.
- You will experience immediate and substantial dilution as a result of this offering.
- We do not expect to declare or pay dividends in the foreseeable future.
- If securities industry analysts do not publish research reports on us, or publish unfavorable reports on us, then the market price and market trading volume of our common stock could be negatively affected.
- Future issuances of our common stock or securities convertible into, or exercisable or exchangeable for, our common stock, or the expiration of lock-up agreements that restrict the issuance of new common stock or the trading of outstanding common stock, could cause the market price of our common stock to decline and would result in the dilution of your holdings.
- If our shares of common stock become subject to the penny stock rules, it would become more difficult to trade our shares.
- We will be subject to ongoing public reporting requirements that are less rigorous than Exchange Act rules for companies that are not emerging growth companies and our stockholders could receive less information than they might expect to receive from more mature public companies.
- Because the Company is a “smaller reporting company,” we may take advantage of certain scaled disclosures available to us, resulting in holders of our securities receiving less Company information than they would receive from a public company that is not a smaller reporting company.

RISK FACTORS

Investing in our securities involves a high degree of risk. You should carefully consider and evaluate all of the information contained in this prospectus before you decide to purchase our common stock. The risks and uncertainties described in this prospectus are not the only ones we may face. Additional risks and uncertainties that we do not presently know about or that we currently believe are not material may also adversely affect our business, business prospects, results of operations or financial condition. Any of the risks and uncertainties set forth herein, could materially and adversely affect our business, results of operations and financial condition. This could cause the market price of our common stock to decline, perhaps significantly, and you may lose part or all of your investment.

Risks Relating to Our Business and Our Product

Our business and prospects depend entirely on our current product, IB-Stim. Even though we have received FDA clearance for our product, it will remain subject to ongoing regulatory review. If we are unable to maintain regulatory clearance and commercialize our product or are significantly delayed or limited in our commercialization efforts, our business and prospects will be materially harmed.

Almost all of our revenues have been derived from sales and royalties from sales of IB-Stim, and we expect to develop, market, and sell other neuromodulation therapy devices for the treatment of chronic and debilitating conditions in children. The commercial success of our products and our ability to generate and maintain revenues from the sale of our products will depend on a number of factors, including:

- our ability to develop and obtain additional regulatory clearances and further commercialize our products for additional indications;
- our ability to expand into new markets and future indications;
- the acceptance of our products by patients and the healthcare community, including physicians and third-party payers (both private and governmental), as therapeutically effective and safe;
- the accomplishment of various scientific, engineering, clinical, regulatory and other goals, which we sometimes refer to as milestones, on our anticipated timeline;
- the relative cost, safety and efficacy of alternative therapies;
- our ability to obtain and maintain sufficient coverage or reimbursement by private and governmental third-party payers and to comply with applicable health care laws and regulations;
- the ability of our third-party manufacturers to manufacture our products in sufficient quantities with acceptable quality;
- our ability to provide marketing, distribution and customer support for our products;
- the potential presence of competitive products in our active indications;
- results of future clinical studies relating to our products or other competitor products for similar indications;
- compliance with applicable laws and regulatory requirements;
- the maintenance of our existing regulatory clearance; and
- the consequences of any reportable adverse events involving our products.

In addition, the promotion of our products is limited to approved indications, which vary by geography. The labelling for our device in the U.S. is limited in certain respects, which may limit the number of patients to whom it is prescribed.

Our ability to generate future revenues will also depend on achieving regulatory approval of, and eventual commercialization of, our products for additional indications and in additional geographies, which is not guaranteed. Our near-term prospects are substantially dependent on our ability to obtain regulatory approvals on the timetable we have anticipated, and thereafter to further successfully commercialize our products for additional indications. Regulatory changes or actions in areas in which we operate or propose to operate may further affect our ability to obtain regulatory clearances on our anticipated timetable. If we are not able to receive such approvals, meet other anticipated milestones, or further commercialize our products, or are significantly delayed or limited in doing so, our business and prospects will be materially harmed and we may need to reduce expenses by delaying, reducing or curtailing the development of our products and we may need to raise additional capital to fund our operations, which we may not be able to obtain on favorable terms, if at all.

To date, we have not generated any operating profits, and due to our long-term research and development efforts, we have a history of incurring substantial operating losses.

We were founded in 2011 and have a history of incurring substantial operating losses. We anticipate continuing to incur significant costs associated with developing and commercializing our products for approved indications including signal development, device hardware and software development, product sales, marketing, manufacturing, and distribution expenses. We expect our research, development, and clinical study expenses to increase in connection with our ongoing activities and as additional indications enter clinical development and as we advance our product development. Our expenses could increase beyond expectations if, for example, we are required by the FDA, or other regulatory agencies or similar governing bodies, to change manufacturing processes for our products or to perform clinical, nonclinical or other types of studies in addition to those that we currently anticipate. Our revenues are dependent, in part, upon the size of the markets in the jurisdictions in which we receive regulatory approval, the accepted price for our products and the ability to obtain reimbursement at the accepted applicable price. If the number of addressable patients is not as significant as we or our strategic partners and licensees estimate, the indications approved by regulatory authorities are narrower than we expect or the eligible population for treatment is narrowed by competition, regulatory approvals, physician choice or treatment guidelines, we may not generate significant revenues. If we are not able to generate significant revenues, we may never be sustainably profitable.

Our clinical studies could be delayed or otherwise adversely affected by many factors, including difficulties in enrolling patients.

Clinical testing can be costly and take many years, and the outcome is uncertain and susceptible to varying interpretations. Moreover, success in pre-clinical and early clinical studies does not ensure that large-scale studies will be successful or predict final results. Acceptable results in early studies may not be replicable in later studies. A number of companies in therapeutics industries have suffered significant setbacks in advanced clinical studies, even after promising results in earlier studies. Negative or inconclusive results or adverse events or incidents during a clinical study could cause the clinical study to be redone or terminated. In addition, failure to appropriately construct clinical studies could result in high rates of adverse events or incidents, which could cause a clinical study to be suspended, redone or terminated. Our failure or the failure of third-party participants in our studies to comply with their obligations to follow protocols and/or legal requirements may also result in our inability to use the affected data in our submissions to regulatory authorities.

The timely completion of clinical studies depends, among other things, on our ability to enroll a sufficient number of patients who remain in the study until its conclusion. We may experience difficulties in patient enrollment in our clinical studies for a variety of reasons, including:

- the severity of the disease under investigation;
- the limited size and nature of the patient population;
- the patient eligibility criteria defined in our protocol and other clinical study protocols;
- the nature of the study protocol, including the attractiveness of, or the discomforts and risks associated with, the treatments received by enrolled subjects;
- difficulties and delays in clinical studies that may occur as a result of the COVID-19 pandemic;
- the ability to obtain IRB approval at clinical study locations;
- clinicians' and patients' perceptions as to the potential advantages, disadvantages and side effects of our products in relation to other available therapies, including any new drugs or treatments that may be approved for the indications we are pursuing;
- availability of other clinical studies that exclude use of our products;
- the possibility or perception that enrolling in a product's clinical study may limit the patient's ability to enroll in future clinical studies for other therapies due to protocol restrictions;
- the possibility or perception that our software is not secure enough to maintain patient privacy;
- patient referral practices of physicians;
- the ability to monitor patients adequately during and after treatment;
- the availability of appropriate clinical study investigators, support staff, drugs and other therapeutic supplies and proximity of patients to clinical sites;
- physicians' or our ability to obtain and maintain patient consents; and
- the risk that when we collaborate with a third-party for research of a product in a particular institution, we can expect to relinquish some or all of the control over the future success of that study to the third-party.

If we have difficulty enrolling and retaining a sufficient number or diversity of patients to conduct our clinical studies as planned, or encounter other difficulties, we may need to delay, terminate or modify ongoing or planned clinical studies, any of which would have an adverse effect on our business.

If we are unable to develop an adequate sales and marketing organization or contract with third parties to assist us, we may not be able to successfully commercialize our products for current and future indications.

To achieve commercial success for our products, we must compliantly develop and grow our sales and marketing organization and, as necessary, enter into sales and distribution relationships with third parties to market and sell our products. Developing and managing a sales and marketing organization is a difficult, expensive and time consuming process. We may not be able to successfully develop adequate sales and marketing capabilities to achieve our growth objectives. We compete with other medical device, pharmaceutical and life sciences companies to recruit, hire, train and retain the sales and marketing personnel that we anticipate we will need, and the nature of our products may make it more difficult to compete for sales and marketing personnel. In addition, because our current products require, and we anticipate our future products will require, physician training and education, our sales and marketing organization may need to grow substantially as we expand our approved indications and markets. As a consequence, our expenses associated with building up and maintaining our sales force and marketing capabilities may be disproportionate to the revenues we may be able to generate on sales of our products.

If we are unable to establish adequate sales and marketing capabilities or successful sales and distribution relationships, we may fail to realize the full revenue potential of our products for current and future indications, and we may not be able to achieve the necessary growth in a cost-effective manner or realize a positive return on our investment. In our future sales and distribution agreements with other companies, we generally may not have control over the resources or degree of effort that any of these third parties may devote to our products, and if they fail to devote sufficient time and resources to the marketing of our products, or if their performance is substandard, our revenues may be adversely affected.

The success of our business may be dependent on the actions of our collaborative partners.

Our business strategy includes, in part, the consummation of collaborative arrangements with companies who will support the development and commercialization of our products and technology. We may also enter into clinical collaborations with third parties to test our products and technology together with other products and technologies.

When we collaborate with a third party for commercialization of a product in a particular territory, we can expect to relinquish some or all of the control over the future success of that product to the third party in that territory. In addition, our collaborative partners may have the right to terminate applicable agreements, including payment obligations, prior to or upon the expiration of the agreed-upon terms. We may not be successful in establishing or maintaining collaborative arrangements on acceptable terms or at all, collaborative partners may terminate funding before completion of projects, our products may not achieve the criteria for milestone payments, our collaborative arrangements may not result in successful product commercialization, our products may not receive acceptable pricing and we may not derive any revenue from such arrangements. Additionally, our collaborators may not perform their obligations as expected or in compliance with study protocols or applicable laws. Acts or omissions by collaborators may disqualify study data for use in regulatory submissions and/or create liability for us in the jurisdictions in which we operate. Any disagreements with collaborators, including disagreements over proprietary rights, contract interpretation or the preferred course of commercialization, might cause delays or termination of the commercialization of products, might lead to additional responsibilities for us with respect to commercializing products, or might result in litigation or arbitration, any of which would be time-consuming and expensive. To the extent that we are not able to develop and maintain collaborative arrangements, we would need to devote substantial capital to undertake commercialization activities on our own in order to further expand our reach, and we may be forced to limit the territories in which we commercialize our products.

We may not be successful in achieving market acceptance of our products by healthcare professionals, patients and/or third-party payers in the timeframes we anticipate, or at all, which could have a material adverse effect on our business, prospects, financial condition and results of operations.

We may not achieve market acceptance of our products for current or future indications within the timeframes we have anticipated, or at all, for a number of different reasons, including the following factors:

- it may be difficult to gain broad acceptance of our products because they are new technologies and involve a novel or derivative mechanism of action and, as such, physicians may be reluctant to prescribe our products without prior experience or additional data or training;
- physicians may be reluctant to prescribe our products due to their perception that the supporting clinical study designs have limitations, as they are, for example, unblinded;
- physicians at large academic universities and medical centers may prefer to enroll patients into clinical studies instead of prescribing our products;
- it may be difficult to gain broad acceptance at community hospitals where the number of patients seeking treatment may be more limited than at larger medical centers, and such community hospitals may not be willing to invest in the resources necessary for their physicians to become trained to use our products, which could lead to reluctance to prescribe our products;
- patients may be reluctant to use our products for various reasons, including a perception that the treatment is untested or difficult to use or a perception that our software is not secure;
- our products may have side effects and our products cannot be worn in all circumstances; and
- each patient will use more than one device and therefore, as the duration of the treatment course increases, the overall price will increase correspondingly and, when used in combination with other treatments, the overall cost of treatment will be greater than using a single type of treatment.

In particular, our products may not achieve market acceptance for current or future indications because of the following additional factors:

- achieving patient acceptance could be difficult because not all patients are willing to comply with requirements of treatment with our products, and other patients may forego our products for financial, privacy, cosmetic, visibility or mobility reasons;
- achieving patient compliance may be difficult because the recommended use of our products is 120 hours per week for three (3) consecutive weeks, and not to exceed four (4) weeks, which to some extent restricts physical mobility because our products cannot be worn in all circumstances, and the patient or a caregiver must ensure that it remains continuously operable and this may also impact the pool of patients to whom physicians may be willing to prescribe our products;
- there may be certain perceived limitations to our study designs or data obtained from our clinical studies;
- efficacy may also be limited in instances where patients take a break from the device when experiencing skin rashes, or while bathing or swimming (because our products should not be immersed in water); and
- patients may decline therapy or prescribers may be unwilling to prescribe our products due to certain adverse events attributable to the device reported in clinical studies by patients treated with our products.

In addition, even if we are successful in achieving market acceptance of our products for IBS or other indications, we may be unsuccessful in achieving market acceptance of our products for other indications.

There may be other factors that are presently unknown to us that also may negatively impact our ability to achieve market acceptance of our products. If we do not achieve market acceptance of our products in the timeframes we anticipate, or are unable to achieve market acceptance at all, our business, prospects, financial condition and results of operations could be materially adversely affected.

Failure to secure and maintain adequate coverage and reimbursement from third-party payers could adversely affect acceptance of our products and reduce our revenues.

We expect that the majority of our revenues will come from third-party payers, primarily children's hospitals, either directly to us in markets where we provide our products or plan to provide our device candidates to patients or indirectly via payments made to hospitals or other entities providing our products or which may in the future provide our device candidates to patients.

In the U.S., private payers cover the largest segment of the population, with the remainder either uninsured or covered by governmental payers. The majority of the third-party payers outside the U.S. are government agencies, government sponsored entities or other payers operating under significant regulatory requirements from national or regional governments.

Third-party payers may decline to cover and reimburse certain procedures, supplies or services. Additionally, some third-party payers may decline to cover and reimburse our products for a particular patient even if the payer has a favorable coverage policy addressing our products or previously approved reimbursement for our products. Additionally, private and government payers may consider the cost of a treatment in approving coverage or in setting reimbursement for the treatment.

Private and government payers are increasingly challenging the prices charged for medical products and services. Additionally, the containment of healthcare costs has become a priority of governments. Adoption of additional price controls and cost-containment measures, and adoption of more restrictive policies in jurisdictions with existing controls and measures, could further limit our revenues and operating results. If third-party payers do not consider our products or the combination of our products with additional treatments to be cost-justified under a required cost-testing model, they may not cover our products for their populations or, if they do, the level of reimbursement may not be sufficient to allow us to sell our products on a profitable basis.

Reimbursement for the treatment of patients with medical devices is governed by complex mechanisms. These mechanisms vary widely among countries, can be informal, somewhat unpredictable, and evolve constantly, reflecting the efforts of these countries to reduce public spending on healthcare. As a result, obtaining and maintaining reimbursement for the treatment of patients with medical devices has become more challenging. We cannot guarantee that the use of our products will receive reimbursement approvals and cannot guarantee that our existing reimbursement approvals will be maintained in any country.

Our failure to secure or maintain adequate coverage or reimbursement for our products by third-party payers in the U.S. or in the other jurisdictions in which we market our products could have a material adverse effect on our business, revenues and results of operations and cause our stock price to decline.

We may not be successful in maintaining reimbursement codes necessary to facilitate accurate and timely billing for our products or physician services attendant to our products.

Third-party payers, healthcare systems, government agencies or other groups often issue reimbursement codes to facilitate billing for products and physician services used in the delivery of healthcare. Our technology specific CAT III CPT Code (0720T) was published on December 30, 2021 and effective on July 1, 2022. We may not be able to maintain the CPT code for physician services related to our products. Our future revenues and results may be affected by the absence of CPT codes, as physicians may be less likely to prescribe the therapy when there is no certainty that adequate reimbursement will be available for the time, effort, skill, practice expense and malpractice costs required to provide the therapy to patients.

Outside the U.S., we have not secured codes to describe our products or to document physician services related to the delivery of therapy using our products. The failure to obtain and maintain these codes could affect the future growth of our business.

We may depend on single-source suppliers for some of our components. The loss of these suppliers could prevent or delay shipments of our products, delay our clinical studies or otherwise adversely affect our business.

In certain jurisdictions, we may source some of the components of our products from only a single vendor. If any one of these single-source suppliers were to fail to continue to provide components to us on a timely basis, or at all, our business and reputation could be harmed. We will seek and maintain second-source suppliers, but we can provide no assurance that we will secure or maintain such suppliers. We have developed or are in the process of developing and obtaining regulatory approval for second sources for components in all jurisdictions. Various steps must be taken before securing these suppliers, including qualifying these suppliers in accordance with regulatory requirements, but we may never receive such approvals. The risks associated with the failure of our suppliers to comply with strictly enforced regulatory requirements as described below are exacerbated by our dependence on single-source suppliers.

If we experience any deficiency in the quality of, delay in or loss of availability of any components supplied to us by third-party suppliers, or if we switch suppliers or components, we may face additional regulatory delays and the manufacture and delivery of our products would be interrupted for an extended period of time, which could materially adversely affect our business, prospects, financial condition and results of operations. If we are required to obtain prior regulatory approval from the FDA or regulatory authorities or similar governing bodies in other jurisdictions or to conduct a new conformity assessment procedure for our products, regulatory approval for our products may not be received on a timely basis, or at all, which would have a material adverse effect on our business, prospects, financial condition and results of operations.

Quality control problems with respect to devices and components supplied by third-party suppliers could have a material adverse effect on our reputation, our clinical studies or the commercialization of our products and, as a result, a material adverse effect on our business, prospects, financial condition and results of operations.

Our products, which are manufactured by third parties, are highly technical and are required to meet exacting specifications. Any quality control problems that we experience with respect to the devices and components supplied by third-party suppliers could have a material adverse effect on our reputation, our attempts to complete our clinical studies, our operating expenses or the commercialization of our products. The failure of our suppliers to comply with strictly enforced regulatory requirements could expose us to regulatory action, including warning letters, product recalls, suspension or termination of distribution, product seizures or civil penalties. If we experience any delay in the receipt or deficiency in the quality of products supplied to us by third-party suppliers, or if we have to switch to replacement suppliers, we may face additional regulatory delays and the manufacture and delivery of our products would be interrupted for an extended period of time, which would materially adversely affect our business, prospects, financial condition and results of operations.

We currently do not own a manufacturing facility and rely on a sole manufacturer for the production of our product. Any significant disruption to the sole manufacturer's operations or facilities could have a material adverse effect on our business, financial condition and results of operations.

We rely on a sole manufacturer for the production of our products. We do not have control over the operations of the facilities of the third-party manufacturer that we use. A significant disruption to our manufacturer could have a material adverse effect on our business, financial condition and results of operations. Our reliance on our manufacturer poses a number of risks, including lack of control over the manufacturing process and ultimately over the quality and timing of delivery of our product. A change in our relationship with our manufacturer could result in a material adverse effect on our business, financial condition and results of operations. A decision to change manufacturers would result in longer times for design and production as we secure any necessary licenses or clearances, develop quality control measures, and implement manufacturing processes.

Continued testing of our products may not yield successful results and could reveal currently unknown aspects or safety hazards associated with our products.

Our research and development programs are designed to test the safety and efficacy of our products through extensive pre-clinical and clinical testing. Even if our ongoing and future pre-clinical and clinical studies are completed as planned, we cannot be certain that their results will support our claims or that the FDA and other regulatory authorities will agree with our conclusions. Success in pre-clinical studies and early clinical studies does not ensure that later clinical studies will be successful, and we cannot be sure that the later studies will replicate the results of prior studies and pre-clinical studies. The clinical study process may fail to demonstrate that our device candidates are safe and effective for the proposed indicated uses, which could cause us to abandon a device candidate and may delay development of others. It is also possible that patients enrolled in clinical studies will experience adverse side effects that have not been previously observed. In addition, our pre-clinical and clinical studies for our device candidates involve a relatively small patient population and, as a result, these studies may not be indicative of future results.

We may experience numerous unforeseen events during, or as a result of, the testing process that could delay or prevent further commercialization of our products, including the following:

- pre-clinical and clinical testing for our products may not produce the desired effect, may be inconclusive or may not be predictive of safety or efficacy results obtained in future clinical studies, following long-term use or in much larger populations;
- unanticipated adverse events or other side effects that are not currently known may occur during our clinical studies that may preclude additional regulatory approval or result in additional limitations to commercial use if approved; and
- the data collected from our clinical studies may not reach statistical significance or otherwise not be sufficient to support FDA or other regulatory approval.

If unacceptable side effects arise in the development of our products for future indications, we could suspend or terminate our clinical studies or the FDA or other regulatory authorities could order us to cease clinical studies or deny approval of our device candidates for any or all targeted indications, narrow the approved indications for use or otherwise require restrictive product labeling or marketing or require further clinical studies, which may be time-consuming and expensive and may not produce results supporting FDA or other regulatory approval of our products in a specific indication. Treatment-related side effects could also affect patient recruitment or the ability of enrolled patients to complete the study or result in potential product liability claims. In addition, these side effects may not be appropriately recognized or managed by the treating medical staff. We expect to have a need to train medical personnel using our devices for clinical studies and upon any commercialization of our products for future indications. Inadequate training in recognizing or managing the potential side effects of our products could result in patient injury or death. Any of these occurrences may harm our business, prospects and financial condition significantly.

Any delay or termination of our clinical studies will delay the filing of submissions for regulatory approvals of our products and ultimately our ability to commercialize our products and generate revenues. Furthermore, we may abandon our products for indications that we previously believed to be promising. Any of these events could have a material adverse effect on our business, prospects, financial condition and results of operations and cause our stock price to decline.

As we expand, we may experience difficulties managing our growth.

Our anticipated growth will place a significant strain on our management and on our operational and financial resources and systems. We could face challenges inherent in efficiently managing a more complex business with an increased number of employees over large geographic distances, including the need to implement appropriate systems, policies, benefits and compliance programs. Failure to manage our growth effectively could materially adversely affect our business. Additionally, our anticipated growth will increase the demands placed on our third-party suppliers, resulting in an increased need to carefully monitor the available supply of components and services and to scale up our quality assurance programs. There is no guarantee that our suppliers will be able to support our anticipated growth. Any failure by us to manage our growth effectively could have an adverse effect on our ability to achieve our development and commercialization goals.

The size and expected growth of our available market has not been established with precision and may be smaller than we estimate.

Our data on the available market for our current products and future products is based on a number of internal and third-party research reports, estimates and assumptions. While we believe that such research, our assumptions and the data underlying our estimates are reasonable, these assumptions and estimates may not be correct. In addition, the statements in this prospectus relating to, among other things, the expected growth in the market for our IB-Stim are based on a number of internal and third-party data, estimates and assumptions, and may prove to be inaccurate. If the actual number of consumers who would benefit from our products, the price at which we can sell future products or the available market for our products is smaller than we estimate, it could have a material adverse effect on our business, financial condition and results of operations.

If physicians and patients do not accept our current and future products or if the market for indications for which any product candidate is approved is smaller than expected, we may be unable to generate significant revenue, if any.

Even when any of our product candidates obtain regulatory approval, they may not gain market acceptance among physicians, patients, and third-party payers. Physicians may decide not to recommend our treatments for a variety of reasons including:

- timing of market introduction of competitive products;
- demonstration of clinical safety and efficacy compared to other products;
- cost-effectiveness;
- limited or no coverage by third-party payers;
- convenience and ease of administration;
- prevalence and severity of adverse side effects;
- restrictions in the label of the device;
- other potential advantages of alternative treatment methods; and
- ineffective marketing and distribution support of its products.

If any of our product candidates is approved but fails to achieve market acceptance or such market is smaller than anticipated, we may not be able to generate significant revenue and our business would suffer.

Because of the specialized nature of our business, the termination of relationships with our key employees, consultants and advisors may prevent us from successfully operating our business, including developing our products, conducting clinical studies, commercializing our products and obtaining any necessary financing.

We are highly dependent on the members of our executive team, the loss of whose services may adversely impact the achievement of our objectives. While we have entered into employment agreements with each of our key executives, any of them could leave our employment at any time. We do not have "key person" insurance on any of our employees. The loss of the services of one or more of our current employees might impede the achievement of our business objectives.

The competition for qualified personnel in the medical device fields is intense, and we rely heavily on our ability to attract and retain qualified scientific, technical and managerial personnel. Our future success depends upon our ability to attract, retain and motivate highly skilled employees. In order to commercialize our products successfully, we will be required to expand our workforce, particularly in the areas of research and development and clinical studies, sales and marketing and supply chain management. These activities will require the addition of new personnel and the development of additional expertise by existing management personnel. We face intense competition for qualified individuals from numerous pharmaceutical, biopharmaceutical and biotechnology companies, as well as academic and other research institutions. We may not be able to attract and retain these individuals on acceptable terms or at all. Failure to do so could materially harm our business.

Customer or third-party complaints or negative reviews or publicity about our company or our products could harm our reputation and brand.

We are heavily dependent on customers who use our IB-Stim device to provide good reviews and word-of-mouth recommendations to contribute to our growth. Customers who are dissatisfied with their experiences with our products or services may post negative reviews. We may also be the subject of blog, forum or other media postings that include inaccurate statements and/or create negative publicity. In addition, any negative news regarding similar products may adversely impact our business. Any negative reviews or publicity, whether real or perceived, disseminated by word-of-mouth, by the general media, by electronic or social networking means or by other methods, could harm our reputation and brand and could severely diminish consumer confidence in our products.

Adverse global economic conditions could have a negative effect on our business, results of operations and financial condition and liquidity.

A general slowdown in the global economy, including a recession, or in a particular region or industry, an increase in trade tensions with U.S. trading partners, inflation or a tightening of the credit markets could negatively impact our business, financial condition and liquidity. Adverse global economic conditions have from time to time caused or exacerbated significant slowdowns in the industries and markets in which we operate, which have adversely affected our business and results of operations. Macroeconomic weakness and uncertainty also make it more difficult for us to accurately forecast revenue, gross profit and expenses, and may make it more difficult to raise or refinance debt. Sustained uncertainty about, or worsening of, current global economic conditions and further escalation of trade tensions between the U.S. and its trading partners, could result in a global economic slowdown and long-term changes to global trade. Such events may also (i) cause our customers and consumers to reduce, delay or forgo spending, (ii) result in customers sourcing products from other suppliers not subject to such restrictions or tariffs, (iii) lead to the insolvency or consolidation of key suppliers and customers, and (iv) intensify pricing pressures. Any or all of these factors could negatively affect demand for our products and our business, financial condition and results of operations.

Additionally, economic conditions in certain regions may also be affected by natural disasters and public health emergencies, such as extreme weather events, and could have a significant adverse effect on our business, including interruption of our commercial and clinical operations, supply chain disruption, endangerment of our personnel, fewer patient visits, increased patient drop-out rates, delays in recruitment of new patients, and other delays or losses of materials and results.

The COVID-19 pandemic could materially adversely impact our business.

As the COVID-19 pandemic continues around the globe, we have experienced and will likely continue to experience disruptions that could severely impact our business and clinical studies, which could include:

- delays and/or difficulties in onboarding active patients and enrolling patients in our clinical studies;
- delays and/or difficulties in clinical site initiation, including difficulties in recruiting clinical site investigators and clinical site staff;
- declines in prescriptions written due to a perception that our products are difficult to administer remotely or if patients are unwilling to travel to treatment sites or receive in-home treatment assistance from us or other caregivers;
- reductions in third-party reimbursements, which could materially affect our revenue, as most of our patients rely on third-party payers to cover the cost of our products and a material number of our patients could lose access to their private health insurance plan if they or someone in their family lose their job;
- diversion of healthcare resources away from conducting clinical studies, including the diversion of hospitals serving as our clinical study sites and hospital staff supporting the conduct of our clinical studies;
- interruption of key clinical study activities, such as clinical study site monitoring, due to limitations on travel imposed or recommended by federal or state governments, employers and others;
- staff disruptions and turnover internally and at treatment sites and third-party providers who provide support, either directly as a result of illness or indirectly as a result of vaccine mandates and other changes in terms of employment;
- delays in receiving approval from local regulatory authorities or IRBs to initiate our planned clinical studies;
- delays in clinical sites receiving the supplies and materials needed to conduct our clinical studies;
- interruption in shipping that may affect the transport of active patient and clinical study materials;
- changes in local regulations as part of a response to the COVID-19 outbreak that may require us to change the ways in which our clinical studies are conducted, which may result in unexpected costs, or to discontinue the clinical studies altogether;
- delays in necessary interactions with local regulators, ethics committees and other important agencies and contractors due to limitations in employee resources or forced furlough of government employees;
- disruption of our supply chain as our suppliers and common carriers are unable to meet our requirements to provide us the materials we need for clinical study and active patient care needs;
- indirect consequences of the COVID-19 pandemic on the economy in general, such as an increase in bankruptcies of our key suppliers, or the inability of our third-party payers to meet their obligations reimburse us in a timely fashion or at all;
- postponements and cancellations of key conferences and meetings and travel restrictions could interfere with our ability to interact with key thought leaders in the field, leading to a disruption in the rate of adoption of our technology;

- access restrictions at offices, hospitals, and treatment centers, and stakeholder illness could interfere with the ability of our sales force to engage in face-to-face visits with providers, leading to a disruption in the rate of adoption of our technology;
- increases in expenditures for technology and other tools necessary to provide patient care in an environment where both patient and care-giver travel is restricted and access to in-person interaction is limited;
- refusal of the FDA to accept data from clinical studies in affected geographies outside the United States; and
- patient delays in seeking or receiving treatment, either due to fear of infection or lack of access to treatment and study sites, leading to fewer diagnoses of the indications our products are approved to treat or more advanced procession of the disease, which may contraindicate the use of our products or disqualify the patient from participating in a given study.

The global status of the COVID-19 pandemic continues to rapidly evolve. The extent to which the pandemic may impact our business and clinical studies will depend on future developments, which are highly uncertain and cannot be predicted with confidence, such as the ultimate geographic spread of the disease, the duration of the pandemic, travel restrictions and social distancing guidelines, business closures or business disruptions and the effectiveness of actions taken to contain and treat the disease. The response to the pandemic may result in permanent changes to the environment in which we operate as described above in ways we are unable to predict. The COVID-19 pandemic may also have the effect of heightening many of the other risks described herein.

Developing medical technology entails significant technical, regulatory and business risks.

We may fail to adapt our technology to user requirements or emerging treatment standards. Neuromodulation therapies are not currently considered standard of care for IBS and may not ever be considered standard of care. Treatment standards may not evolve to incorporate our product. New industry standards for the development, manufacture and marketing of medical devices may evolve and we may not be able to conform to the changes, meet new standards in a timely fashion or maintain a competitive position in the market. In particular, regulatory standards for electrical treatments of medical conditions are evolving. If we face material delays in introducing our products and new technology, we may fail to attract new customers.

Our Company has an evolving business strategy and investors must be willing to accept a substantial degree of uncertainty.

The Company's strategic focus is on the development of developing neuromodulation therapies to address chronic and debilitating conditions in children. The Company may engage in ongoing discussions with potential licensees, other strategic partners and institutional or private financing sources, the result of which could add to or alter its current strategic focus, cash needs or ownership structure. Investors must be willing to accept a substantial degree of uncertainty and must be willing to rely upon the Company's board of directors and management to complete an appropriate business strategy to commercially exploit targeted business opportunities.

We may not be able to compete with treatments now being marketed and developed, or which may be developed and marketed in the future by other companies.

Our products will compete with existing and new therapies and treatments for chronic and debilitating conditions in children. We are aware of a number of companies currently seeking to develop alternative therapies or treatment for such diseases and conditions at least in part. Numerous pharmaceutical, biotechnology, drug delivery and medical device companies, hospitals, research organizations, individual scientists, and nonprofit organizations are engaged in the development of alternatives to our technology. Some of these companies have greater research and development capabilities, experience, manufacturing, marketing, financial, and managerial resources than we do. Collaborations or mergers between large pharmaceutical or biotechnology companies with competing treatment technologies could enhance our competitors' financial, marketing, and other resources. Developments by other medical device companies could make our products or technologies uncompetitive or obsolete. Accordingly, our competitors may succeed in developing competing technologies, obtaining FDA clearances and/or approval for products or gaining market acceptance more rapidly than we can.

Due in part to our limited financial resources, we may fail to select or capitalize on the most scientifically, clinically or commercially promising or profitable indications or therapeutic areas for our product candidates, and/or we may be unable to pursue the clinical trials that we would like to pursue.

We have limited technical, managerial, and financial resources to determine the indications on which we should focus the development efforts related to our product candidates. Due to our limited available financial resources, we may have curtailed clinical development programs and activities that might otherwise have led to more rapid progress of our product candidates through the regulatory and development processes.

We may make incorrect determinations with regard to the indications and clinical trials on which to focus the available resources that we do have. Furthermore, we cannot assure you that we will be able to retain adequate staffing levels to run our operations and/or to accomplish all of the objectives that we otherwise would seek to accomplish. Our decisions to allocate our research, management, and financial resources toward particular indications or therapeutic areas for our product candidates may not lead to the development of viable commercial products and may divert resources from better opportunities. Similarly, our decisions to delay or terminate product development programs may also cause us to miss valuable opportunities.

We have material weaknesses in our internal control over financing reporting. If we fail to establish and maintain proper and effective internal control over financial reporting, our operating results and our ability to operate our business could be harmed.

Ensuring that we have adequate internal financial and accounting controls and procedures in place so that we can produce accurate financial statements on a timely basis is a costly and time-consuming effort that needs to be re-evaluated frequently. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles. Prior to this offering, due to accounting resource constraints, we have had limited review controls. These constraints have resulted in (1) a lack of segregation of duties, since we have a limited administrative staff, and (2) lack of internal controls structure review. As a result of these constraints, we have a material weakness in our internal control over financing reporting.

Our management is composed of a small number of individuals resulting in a situation where limitations on segregation of duties exist. All responsibility for accounting entries and the creation of financial statements is held by a single person, though the Company engages multiple accounting consultants for accounting, tax and audit support. To remedy this situation, we would need to hire additional staff or financial consultant support. Currently, we are unable to hire additional staff to facilitate greater segregation of duties but will reassess our capabilities after completion of the offering.

In connection with this offering, we intend to begin the process of documenting, reviewing and improving our internal controls and procedures for compliance with Section 404 of the Sarbanes-Oxley Act, which will require annual management assessment of the effectiveness of our internal control over financial reporting. To comply with the requirements of being a public company, the Company has undertaken various actions, and will take additional actions, such as remediating the material weaknesses described above, implementing additional internal controls and procedures and hiring internal audit staff or financial consultants. Testing and maintaining internal controls can divert our management's attention from other matters that are important to the operation of our business. Additionally, when evaluating internal controls over financial reporting, the Company may identify additional material weaknesses that it may not be able to remediate in time to meet the applicable deadline imposed upon us for compliance with the requirements of Section 404 of the Sarbanes-Oxley Act. If the Company identifies any additional material weaknesses in its internal control over financial reporting or is unable to remediate the material weakness described above or comply with the requirements of Section 404 of the Sarbanes-Oxley Act in a timely manner or if the Company's independent registered public accounting firm is unable to express an unqualified opinion as to the effectiveness of our internal control over financial reporting once it is no longer an emerging growth company, or if the Company is unable to conclude in our quarterly and annual reports that our disclosure controls and procedures are effective, investors may lose confidence in the accuracy and completeness of the Company's financial reports and the market price of our Common Stock could be negatively affected, and the Company could become subject to investigations by the stock exchange on which our securities are listed, the SEC or other regulatory authorities, which could require additional financial and management resources.

In addition, if the Company fails to remediate any material weakness, including the material weaknesses described above, our financial statements could be inaccurate and the Company could face restricted access to capital markets. Our small size and internal control deficiencies may adversely affect our financial condition, results of operation and access to capital. Moreover, our internal control over financial reporting will not prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud will be detected. If we cannot provide reliable financial reports or prevent fraud, we may not be able to manage our business as effectively as we would if an effective control environment existed, and our business and reputation with investors may be harmed.

We restated our previously issued consolidated financial statements.

We determined that a restatement of our December 31, 2021 audited financial statements was required after discussions among management and our independent registered public account firm, Rosenberg Rich Baker Berman, P.A., for certain disclosures that have been expanded or have added clarifications.

You should consult with a tax expert before investing in our Company.

You should consult with your own tax advisor about the tax consequences of investing in the Company through the purchase of its securities.

Risks Related to Legal and Regulatory Matters

Product liability suits, whether or not meritorious, could be brought against us due to alleged defective devices or for the misuse of our products, which could result in expensive and time-consuming litigation, payment of substantial damages and/or expenses and an increase in our insurance rates.

If our current or future devices are defectively designed or manufactured, contain defective components or are misused, or if someone claims any of the foregoing, whether or not meritorious, we may become subject to substantial and costly litigation. For example, we may be sued if our products cause or are perceived to cause injury or are found to be otherwise unsuitable during clinical testing, manufacturing, marketing or sale. This may occur if our products are misused or damaged, have a sudden failure or malfunction (including with respect to safety features) or are otherwise impaired due to wear and tear. Even absent a product liability suit, malfunctions of our products or misuse by physicians or patients would need to be remedied swiftly in order to maintain continuous use and ensure efficacy of our products.

Any product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the device, negligence, strict liability or a breach of warranties. Claims could also be asserted under state consumer protection acts. If we cannot successfully defend ourselves against product liability claims, we may incur substantial liabilities or be required to limit commercialization of our products. Even successful defense may require significant financial and management resources. Regardless of the merits or eventual outcome, liability claims may result in:

- decreased demand for our products;
- injury to our reputation;
- withdrawal of clinical study participants and inability to continue clinical studies;
- initiation of investigations by regulators;
- costs to prepare for and defend the related litigation;
- a diversion of management's time and our resources;
- substantial monetary awards to study participants or patients;
- product recalls, withdrawals or labeling, marketing or promotional restrictions;
- loss of revenues;
- exhaustion of any available insurance and our capital resources;
- the inability to commercialize any device candidate; and
- a decline in our share price.

Product liability claims could divert management's attention from our core business, be expensive to defend and result in sizable damage awards against us. We may not have sufficient insurance coverage for all claims. Any product liability claims brought against us, with or without merit, could increase our product liability insurance rates or prevent us from securing continuing coverage, could harm our reputation in the industry and could reduce revenues. Product liability claims in excess of our insurance coverage would be paid out of cash reserves, if any, which could have a material adverse effect on our business, prospects, financial condition and results of operations and cause our stock price to decline. Even if our agreements with our third-party manufacturers and suppliers entitle us to indemnification against losses, such indemnification may not be available or adequate should any claim arise.

Other future litigation and regulatory actions could have a material adverse impact on the Company.

From time to time, we may be subject to litigation and other legal and regulatory proceedings relating to our business or investigations or other actions by governmental agencies. No assurances can be given that the results of these or new matters will be favorable to us. An adverse resolution of lawsuits, arbitrations, investigations or other proceedings or actions could have a material adverse effect on our financial condition and results of operations, including as a result of non-monetary remedies. Defending ourselves in these matters may be time-consuming, expensive and disruptive to normal business operations and may result in significant expense and a diversion of management's time and attention from the operation of our business, which could impede our ability to achieve our business objectives. Additionally, any amount that we may be required to pay to satisfy a judgment, settlement, fine or penalty may not be covered by insurance. Subject to the Delaware General Corporation Law, our certificate of incorporation permit us to indemnify any director against any liability, to purchase and maintain insurance against any liability for any director and to provide any director with funds (whether by loan or otherwise) to meet expenditures incurred or to be incurred by such director in defending any criminal, regulatory or civil proceedings or in connection with an application for relief (or to enable any such director to avoid incurring such expenditure). In addition, under our Articles of Incorporation and bylaws (the "Bylaws") we are obligated to indemnify each of our directors and officers against certain liabilities and expenses arising from their being a director or officer to the maximum extent permitted by Delaware law. In the event we are required to make such payments to our directors and officers, there can be no assurance that any of these payments will not be material.

We are subject to consumer protection laws that regulate our marketing practices and prohibit unfair or deceptive acts or practices. Our actual or perceived failure to comply with such obligations could harm our business, and changes in such regulations or laws could require us to modify our products or marketing or advertising efforts.

In connection with the marketing or advertisement of our products, we could be the target of claims relating to false, misleading, deceptive or otherwise noncompliant advertising or marketing practices, including under the auspices of the FTC and state consumer protection statutes. If we rely on third parties to provide any marketing and advertising of our products, we could be liable for, or face reputational harm as a result of, their marketing practices if, for example, they fail to comply with applicable statutory and regulatory requirements.

If we are found to have breached any consumer protection, advertising, unfair competition or other laws or regulations, we may be subject to enforcement actions that require us to change our marketing and business practices in a manner that may negatively impact us. This could also result in litigation, fines, penalties and adverse publicity that could cause reputational harm and loss of customer trust, which could have a material adverse effect on our business, financial condition and results of operations.

We are increasingly dependent on information technology systems and are subject to privacy and security laws. Our products and our systems and infrastructure face certain risks, including from cyber security breaches and data leakage.

We increasingly rely upon technology systems and infrastructure. Our technology systems, including our products, are potentially vulnerable to breakdown or other interruption by fire, power loss, system malfunction, unauthorized access and other events. Likewise, data privacy breaches by employees and others with both permitted and unauthorized access to our products and our systems may pose a risk that protected patient information ("PI") may be exposed to unauthorized persons or to the public, or may be permanently lost. The increasing use and evolution of technology, including cloud-based computing, creates additional opportunities for the unintentional dissemination of information, intentional destruction of confidential information stored in our systems or in non-encrypted portable media or storage devices. We could also experience a business interruption, information theft of confidential information, or reputational damage from industrial espionage attacks, malware or other cyber incidents, which may compromise our system infrastructure or lead to data leakage, either internally or at our third-party service providers or other business partners.

The size and complexity of our computer systems, and scope of our geographic reach, make us potentially vulnerable to information technology system breakdowns, internal and external malicious intrusion, cyberattacks and computer viruses. Because the techniques used to obtain unauthorized access, or to sabotage systems, change frequently and generally are not recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. If we do not allocate and effectively manage the resources necessary to build and sustain the proper technology infrastructure or properly manage third-party contractors who perform data management services on our behalf, then a security breach could subject us to, among other things, transaction errors, business process inefficiencies, the loss of customers, damage to our reputation, business disruptions or the loss of or damage to intellectual property. Such security breaches could expose us to a risk of loss of information, litigation, penalties, remediation costs and potentially significant liability to customers, employees, business partners and regulatory authorities, including, for example, under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") in the United States and Regulation 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data under GDPR in the EU. If our data management systems (including third party data management systems) do not effectively collect, secure, store, process and report relevant data for the operation of our business, whether due to equipment malfunction or constraints, software deficiencies, or human error, our ability to effectively plan, forecast and execute our business plan and comply with applicable laws and regulations will be impaired. Any such impairment could materially and adversely affect our financial condition and results of operations.

While we have invested heavily in the protection of data and information technology and in related training, there can be no assurance that our efforts will prevent significant breakdowns, breaches in our systems or other cyber incidents or ensure compliance with all applicable security and privacy laws, regulations, and standards, including with respect to third-party service providers that utilize sensitive personal information, including PI, on our behalf.

A security breach, whether of our products, systems or third-party hosting services we utilize, could disrupt treatments being provided by our products, disrupt access to our customers' stored information, such as patient treatment data and health information, and could lead to the loss of, damage to or public disclosure of such data and information, including patient health information. Such an event could have serious negative consequences, including possible patient injury, regulatory action, fines, penalties and damages, reduced demand for our products, an unwillingness of customers to use our products, harm to our reputation and brand and time-consuming and expensive litigation, any of which could have a material adverse effect on our financial results. We currently carry cyber and privacy liability insurance with an aggregate limit of $1,000,000, but the amount of insurance coverage that we purchased and may purchase in the future may be inadequate. In the future, our insurance coverage may be expensive or not be available on acceptable terms or in sufficient amounts, if at all.

We may choose to, or may be required to, suspend, repeat or terminate our clinical studies if they are not conducted in accordance with regulatory requirements, the results are negative or inconclusive or the studies are not well designed*.*

Clinical studies must be conducted in accordance with the FDA's cGCPs and the equivalent laws and regulations applicable in other jurisdictions in which the clinical studies are conducted. The clinical studies are subject to oversight by the FDA, regulatory agencies in other jurisdictions, ethics committees and institutional review boards at the medical institutions where the clinical studies are conducted. In addition, clinical studies must be conducted with device candidates produced under the FDA's QSR and in accordance with the applicable regulatory requirements in the other jurisdictions in which the clinical studies are conducted. The conduct of clinical studies may require large numbers of test patients.

The FDA or regulatory agencies in other jurisdictions might delay or terminate our clinical studies of a device candidate for various reasons, including:

- the device candidate may have unforeseen adverse side effects or may not appear to be more effective than current therapies;
- we may not agree with the FDA, a regulatory authority in another jurisdiction or an ethics committee regarding the protocol for the conduct of a clinical study;
- new therapies may become the standard of care while we are conducting our clinical studies, which may require us to revise or amend our clinical study protocols or terminate a clinical study; or
- fatalities may occur during a clinical study due to medical problems that may or may not be related to clinical study treatments.

Furthermore, the process of obtaining and maintaining regulatory approvals in the U.S. and other jurisdictions is lengthy, expensive and uncertain. It can vary substantially, based on the type, complexity and novelty of the product involved. Accordingly, any of our device candidates could take a significantly longer time than we expect to, or may never, gain regulatory approval, which could have a material adverse effect on our business, prospects, financial condition and results of operations and cause our stock price to decline.

Legislative and regulatory changes in the U.S. and in other countries regarding healthcare insurance and government-sponsored reimbursement programs (such as Medicare in the United States) may adversely affect our business and financial results.

We rely to a material degree on highly regulated private and government-run health insurance programs for our revenue in most of the countries in which we operate. The laws and regulations regarding health care programs, both public and private, are driven by public policy considerations that may be unrelated to the direct provision of patient care, such as lowering costs or requiring or limiting access to healthcare options. These laws and regulations are very complicated and there are many requirements we must satisfy in order for our products to become and remain eligible for reimbursement under these programs. In many cases we may have limited negotiating power when negotiating reimbursement rates for our products.

In the future, lawmakers and regulators could also pass additional healthcare laws and implement other regulatory changes at both the national and local levels. These laws and regulations could potentially affect coverage and reimbursement for our products. However, we cannot predict the ultimate content, timing or effect of any future healthcare initiatives or the impact any future legislation or regulation will have on us.

With respect to countries outside the U.S., the national competent authorities in the EU member states, the UK, Switzerland, Israel, Japan, and other jurisdictions are also increasingly active in their goal of reducing public spending on healthcare. We cannot, therefore, guarantee that the treatment of patients with our products would be reimbursed in any particular country or, if successfully included on reimbursement lists, whether we will remain on such lists.

We are subject to extensive post-marketing regulation by the FDA and comparable authorities in other jurisdictions, which could impact the sales and marketing of our products and could cause us to incur significant costs to maintain compliance. In addition, we may become subject to additional regulation in other jurisdictions if we market and sell our products outside of the U.S*.*

We market and sell our products subject to extensive regulation by the FDA and numerous other federal, state and governmental authorities in other jurisdictions. These regulations are broad and relate to, among other things, the conduct of pre-clinical and clinical studies, product design, development, manufacturing, labeling, testing, product storage and shipping, premarket clearance and approval, conformity assessment procedures, premarket clearance and approval of modifications introduced in marketed products, post-market surveillance and monitoring, reporting of adverse events and incidents, pricing and reimbursement, interactions with healthcare professionals, interactions with patients, information security, advertising and promotion and product sales and distribution. Although IB-Stim already has market clearance from FDA for functional abdominal pain associated with IBS in children, we will require additional FDA clearances to market our products for treating other indications.

In addition, before our products can be marketed in the EU, our products must obtain a CE Certificate from a notified body. New intended uses of CE marked medical devices falling outside the scope of the current CE Certificate require a completely new conformity assessment before the device can be CE marked and marketed in the EU for the new intended use. The process required to gather necessary information and draw up documentation in order to obtain CE Certification of a medical device in the EU can be expensive and lengthy and its outcome can be uncertain. We may make modifications to our products in the future that we believe do not or will not require notifications to our notified body or new conformity assessments to permit the maintenance of our current CE Certificate. If the competent authorities of the EU member states or our notified body disagree and require the conduct of a new conformity assessment, the modification of the existing CE Certificate or the issuance of a new CE Certificate, we may be required to recall or suspend the marketing of the modified versions of our products.

In Japan, new medical devices or new therapeutic uses of medical devices falling outside the scope of the existing approval by the MHLW require a new assessment and approval for each such new device or use. Accordingly, we may be required to obtain a new approval from MHLW before we launch a modified version of our products or the use of our products for additional indications. Approval time frames from the MHLW vary from simple notifications to review periods of one or more years, depending on the complexity and risk level of the device. In addition, importation into Japan of medical devices is subject to "Quality Management System (QMS) Ordinance," which includes the equivalent of "Good Import" regulations in the U.S. As with any highly regulated market, significant changes in the regulatory environment could adversely affect our ability to commercialize our products in Japan.

In the U.S. and other jurisdictions, we also are subject to numerous post-marketing regulatory requirements, which include regulations under the QSR related to the manufacturing of our products, labeling regulations and medical device reporting regulations, which require us to report to the FDA or comparable regulatory authorities in other jurisdictions and our notified body if our products cause or contributes to a death or serious injury, or malfunction in a way that would likely cause or contribute to a death or serious injury. In addition, these regulatory requirements may in the future change in a way that adversely affects us. If we fail to comply with present or future regulatory requirements that are applicable to us, we may be subject to enforcement action by the FDA or comparable regulatory authorities in other jurisdictions and notified bodies, which may include any of the following sanctions:

- untitled letters, warning letters, fines, injunctions, consent decrees and civil penalties;
- unanticipated expenditures to address or defend such actions;
- patient notification, or orders for repair, replacement or refunds;
- voluntary or mandatory recall, withdrawal or seizure of our current or future devices;
- administrative detention by the FDA or other regulatory authority in another jurisdiction of medical devices believed to be adulterated or misbranded;
- operating restrictions, suspension or shutdown of production;
- refusal or delay of our requests for approval for new intended uses for or modifications to our products or for approval of new devices;
- refusal or delay in obtaining CE Certificates for new intended uses for or modifications to our products;
- suspension, variation or withdrawal of the CE Certificates granted by our notified body in the EU;
- prohibition or restriction of products being placed on the market;
- operating restrictions;
- suspension or withdrawal of approvals that have already been granted;
- refusal to grant export approval for our products or any device candidates; or
- criminal prosecution.

The occurrence of any of these events could have a material adverse effect on our business, prospects, financial condition and results of operations and cause our stock price to decline.

Over time, we expect to make modifications to our products that are designed to improve efficacy, reduce side effects, enhance the user experience or for other purposes. Modifications to our products may require approvals, modified or new CE Certificates and analogous regulatory approvals in other jurisdictions or even require us to cease promoting or to recall the modified versions of our products until such clearances, approvals or modified or new CE Certificates are obtained, and the FDA, comparable regulatory authorities in other jurisdictions or our notified body may not agree with our conclusions regarding whether new approvals are required*.***

In addition, any substantial change introduced to a medical device or to the quality system certified by our notified body requires a new conformity assessment of the device and can lead to changes to the CE Certificates or the preparation of a new CE Certificate of Conformity. Substantial changes may include, among others, the introduction of a new intended use of the device, a change in its design or a change in the Company's suppliers. Responsibility for determination that a modification constitutes a substantial change lies with the manufacturer of the medical device. We must inform the notified body that conducted the conformity assessment of the products we market or sell in the EU of any planned substantial changes to our quality system or changes to our products that could, among other things, affect compliance with the MDR or the devices' intended use. The notified body will then assess the changes and verify whether they affect the product's conformity with the Essential Requirements laid down in Annex I to the MDD or the conditions for the use of the device. If the assessment is favorable, the notified body will issue a new CE Certificate or an addendum to the existing CE Certificate attesting compliance with the Essential Requirements laid down in Annex I to the MDD. There is a risk that the competent authorities of the EU member states or our notified body may disagree with our assessment of the changes introduced to our products. The competent authorities of the EU member states or our notified body also may come to a different conclusion than the FDA on any given product modification.

In addition, medical devices that have obtained a CE Certification under the MDD may in principle continue to be marketed under such CE Certificate until the CE Certificate expires and at the latest until May 27, 2024, provided that the manufacturer complies with the MDR's additional requirements related to post-marketing surveillance, market surveillance, vigilance, and registration of economic operators and of devices. However, if such medical devices undergo a significant change in their design or intended use, we would need to obtain a new CE Certificate under the MDR for these devices.

If the FDA disagrees with us and requires us to submit a new application for then-existing modifications and/or the competent authorities of the EU member states or our notified body disagree with our assessment of the change introduced in a product, its design or its intended use, we may be required to cease promoting or to recall the modified product until we obtain approval and/or until a new conformity assessment has been conducted in relation to the product, as applicable. In addition, we could be subject to significant regulatory fines or other penalties. Furthermore, our products could be subject to recall if the FDA, comparable regulatory authorities in other jurisdictions, or our notified body determine, for any reason, that our products are not safe or effective or that appropriate regulatory submissions were not made. Any recall or requirement that we seek additional approvals or clearances could result in significant delays, fines, increased costs associated with modification of a product, loss of revenues and potential operating restrictions imposed by the FDA, comparable foreign regulatory authorities in other jurisdictions, or our notified body. Delays in receipt or failure to receive approvals/certification, or the failure to comply with any other existing or future regulatory requirements, could reduce our sales, profitability and future growth prospects.

In addition to FDA requirements, we will spend considerable time and money complying with other federal, state, local and foreign rules, regulations and guidance and, if we are unable to fully comply with such rules, regulations and guidance, we could face substantial penalties*.*

We are subject to extensive regulation by the U.S. federal government and the states and other countries in which we conduct our business. U.S. federal government healthcare laws apply when we submit a claim on behalf of a U.S. federal healthcare program beneficiary, or when a customer submits a claim for an item or service that is reimbursed under a U.S. federal government-funded healthcare program, such as Medicare or Medicaid. The laws that affect our ability to operate our business in addition to the Federal Food, Drug, and Cosmetic Act and FDA regulations include, but are not limited to, the following:

- the U.S. federal Anti-Kickback Statute, an intent-based federal criminal statute which prohibits knowingly and willfully offering, providing, soliciting or receiving remuneration of any kind to induce or reward, or in return for, referrals or the purchase, lease, order or recommendation or arranging of any items or services reimbursable by a federal healthcare program;
- the Federal Civil False Claims Act, which imposes civil penalties, including through civil whistleblower or "qui tam" actions, for knowingly submitting or causing the submission of false or fraudulent claims of payment to the federal government, knowingly making, using or causing to be made or used a false statement or record material to payment of a false claim or avoiding, decreasing or concealing an obligation to pay money to the federal government;
- the Federal Criminal False Claims Act, which is similar to the Federal Civil False Claims Act and imposes criminal liability on those that make or present a false, fictitious or fraudulent claim to the federal government;
- Medicare laws and regulations that prescribe requirements for coverage and reimbursement, and laws prohibiting false claims or unduly influencing selection of products for reimbursement under Medicare and Medicaid;
- healthcare fraud statutes that prohibit false statements and improper claims to any third-party payer;
- the Federal Physician Self-Referral Law, commonly known as the Stark law, which, absent an applicable exception, prohibits physicians from referring Medicare and Medicaid patients to an entity for the provision of certain designated health services ("DHS"), if the physician (or a member of the physician's immediate family) has an impermissible financial relationship with that entity and prohibits the DHS entity from billing for such improperly referred services;
- the Federal Beneficiary Anti-Inducement Statute, which prohibits the offering of any remuneration to a beneficiary of Medicare or Medicaid that is likely to influence that beneficiary's choice of provider or supplier. This can include, but is not limited to, inappropriate provision of patient services including financial assistance. Recent government investigations have focused on this particular prohibition. There are established exceptions from liability, but we cannot guarantee that all of our practices will fall squarely within those exceptions;
- the U.S. Foreign Corrupt Practices Act, which can be used to prosecute companies in the U.S. for arrangements with physicians or other parties outside the U.S. if the physician or party is a government official of another country and the arrangement violates the law of that country;
- the Federal Trade Commission Act, the Lanham Act and similar federal and state laws regulating truthfulness in advertising and consumer protection; and
- the Federal Physician Payments Sunshine Act, the French Sunshine Act and similar state and foreign laws, which require periodic reporting of payments and other transfers of value made to U.S. and French-licensed physicians, teaching hospitals, and in the U.S., physician assistants, nurse practitioners, clinical nurse specialists, certified nurse anesthetists, and certified nurse-midwives.

Similar laws exist in the EU, individual EU member states and other countries. These laws are complemented by EU or national professional codes of practices.

HIPAA provides data privacy and security provisions for safeguarding medical information. Additionally, states in the U.S. are enacting local privacy laws (e.g., California). In the EU, the GDPR harmonizes data privacy laws and rules on the processing of personal data, including patient and employee data, across the EU. The GDPR has a number of strict data protection and security requirements for companies processing data of EU residents, including when such data is transferred outside of the EU. Additionally, we need to comply with analogous privacy laws in other jurisdictions in which we operate, such as the Israeli Privacy Protection Law, the Asia Pacific Economic Cooperation Privacy Framework, and Japan's Act on the Protection of Personal Information.

The laws and codes of practices applicable to us are subject to evolving interpretations. Moreover, certain U.S. federal and state laws regarding healthcare fraud and abuse and certain laws in other jurisdictions regarding interactions with healthcare professionals and patients are broad and we may be required to restrict certain of our practices to be in compliance with these laws. Healthcare fraud and abuse laws also are complex and even minor, inadvertent irregularities, or even the perception of impropriety, can potentially give rise to claims that a statute has been violated.

Any violation of these laws could have a material adverse effect on our business, prospects, financial condition and results of operations and cause our stock price to decline. Similarly, if there is a change in law, regulation or administrative or judicial interpretations, we may have to change our business practices or our existing business practices could be challenged as unlawful, which likewise could have a material adverse effect on our business, prospects, financial condition and results of operations and cause our stock price to decline. Fines and penalties for violations of these laws and regulations could include severe criminal and civil penalties, including, for example, significant monetary damages, exclusion from participation in the federal healthcare programs and permanent disbarment of key employees. Any penalties, damages, fines, curtailment or restructuring of our operations would adversely affect our ability to operate our business, our prospects and our financial results. In addition, any action against us for violation of these laws, even if we successfully defend against it, could cause us to incur significant legal expenses, divert our management's attention from the operation of our business and damage our reputation.

In addition, although we believe that we have the required licenses, permits and accreditation to dispense our products in the future, a regulator could find that we need to obtain additional licenses or permits. We also may be subject to mandatory reaccreditation and other requirements in order to maintain our billing privileges. Failure to satisfy those requirements could cause us to lose our privileges to bill governmental and private payers. If we are required to obtain permits or licenses that we do not already possess, we also may become subject to substantial additional regulation or incur significant expense.

To ensure compliance with Medicare, Medicaid and other regulations, federal and state governmental agencies and their agents, including MACs, may conduct audits of our operations to support our claims submitted for reimbursement of items furnished to beneficiaries and health care providers. Depending on the nature of the conduct found in such audits and whether the underlying conduct could be considered systemic, the resolution of these audits could adversely impact our revenue, financial condition and results of operations.

If we, our collaborative partners, our contract manufacturers or our component suppliers fail to comply with the FDA's QSR or equivalent regulations established in other countries, the manufacturing and distribution of our products could be interrupted, and our product sales and results of operations could suffer.

We, our collaborative partners, our contract manufacturers and our component suppliers are required to comply with the FDA's QSR and the equivalent quality system requirements imposed by the laws and regulations in other jurisdictions, which are a complex regulatory framework that covers the procedures and documentation of the design, testing, production, control, quality assurance, labeling, packaging, sterilization, storage and shipping of our products. We cannot assure you that our facilities or our contract manufacturers' or component suppliers' facilities would pass any future quality system inspection. If our or any of our contract manufacturers' or component suppliers' facilities fails a quality system inspection, the manufacturing or distribution of our products could be interrupted and our operations disrupted. Failure to take adequate and timely corrective action in response to an adverse quality system inspection could force a suspension or shutdown of our packaging and labeling operations or the manufacturing operations of our contract manufacturers, and lead to suspension, variation or withdrawal of our regulatory approvals or a recall of our products. If any of these events occurs, we may not be able to provide our customers with our products on a timely basis, our reputation could be harmed and we could lose customers, any or all of which could have a material adverse effect on our business, prospects, financial condition and results of operations and cause our stock price to decline.

Our products may in the future be subject to recalls that could harm our reputation, business and financial results.

The FDA and similar governmental authorities in other jurisdictions have the authority to require the recall of commercialized products in the event of material deficiencies or defects in design or manufacture. In the case of the FDA, the authority to require a recall must be based on an FDA finding that there is a reasonable probability that the device would cause serious injury or death. In addition, governmental bodies in other jurisdictions have the authority to require the recall of our products in the event of material deficiencies or defects in design or manufacture. Distributors and manufacturers may, under their own initiative, recall a product if any material deficiency in a device is found. A government-mandated or voluntary recall by us or one of our manufacturers could occur as a result of component failures, manufacturing errors, design or labeling defects or other deficiencies and issues. The FDA requires that certain classifications of recalls be reported to the FDA within ten working days after the recall is initiated. Requirements for the reporting of product recalls to the competent authorities are imposed in other jurisdictions in which our products are or would be marketed in the future. Companies are required to maintain certain records of recalls, even if they are not reportable to the FDA or to the competent authorities of other countries. In the future, we may initiate voluntary recalls involving our products that we determine do not require notification of the FDA or to other equivalent non-U.S. authorities. If the FDA or the equivalent non-U.S. authorities disagree with our determinations, they could require us to report those actions as recalls. A future recall announcement could harm our reputation with customers and negatively affect our sales. In addition, the FDA and the equivalent non-U.S. authorities could take enforcement action if we fail to report the recalls when they were conducted. Recalls of our products would divert managerial and financial resources and could have a material adverse effect on our business, prospects, financial condition and results of operations and cause our stock price to decline.

If our products cause or contribute to a death or a serious injury, or malfunction in certain ways, we will be subject to medical device reporting regulations, which can result in voluntary corrective actions or agency enforcement actions.

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

We may be subject to fines, penalties or injunctions if we are determined to be promoting the use of our products for unapproved or off-label uses.

Medical devices may be marketed only for the indications for which they are approved. Our promotional materials and training materials must comply with FDA regulations and other applicable laws and regulations governing the promotion of our products in the U.S. and other jurisdictions.

If the FDA or the competent authorities in other jurisdictions determine that our promotional materials or training constitutes promotion of an unapproved use, they could request that we modify our training or promotional materials or subject us to regulatory or enforcement actions, including the issuance of an untitled or warning letter, an injunction, seizure, civil fines and criminal penalties. It is also possible that authorities in other federal, state or national enforcement in other jurisdictions might take action if they consider our promotional or training materials to constitute promotion of an unapproved use, which could result in significant fines or penalties under other statutory authorities, such as laws prohibiting false claims for reimbursement. In that event, our reputation could be damaged and the commercialization of our products could be impaired.

We are affected by and subject to environmental laws and regulations that could be costly to comply with or that may result in costly liabilities.

We are subject to environmental laws and regulations, including those that impose various environmental controls on the manufacturing, transportation, storage, use and disposal of hazardous chemicals and other materials used in, and hazardous waste produced by, the manufacturing of our products. We incur and expect to continue to incur costs to comply with these environmental laws and regulations. Additional or modified environmental laws and regulations, including those relating to the manufacture, transportation, storage, use and disposal of materials used to manufacture our products or restricting disposal or transportation of batteries, may be imposed that may result in higher costs.

In addition, we cannot predict the effect that additional or modified environmental laws and regulations may have on us, our third-party suppliers of equipment and our products or our customers.

The pediatrics and medical device industries are characterized by patent and other intellectual property litigation and disputes, and any litigation, dispute or claim against us may cause us to incur substantial costs, could place a significant strain on our financial resources, divert the attention of management from our business, harm our reputation and require us to remove certain devices from the market.

Whether a product infringes a patent or violates other intellectual property rights involves complex legal and factual issues, the determination of which is often uncertain. Any intellectual property dispute, even a meritless or unsuccessful one, would be time consuming and expensive to defend and could result in the diversion of our management's attention from our business and result in adverse publicity, the disruption of research and development and marketing efforts, injury to our reputation and loss of revenues. Any of these events could negatively affect our business, prospects, financial condition and results of operations.

Third parties may assert that our products, the methods employed in the use of our products or other activities infringe on their patents. Such claims may be made by competitors seeking to obtain a competitive advantage or by other parties, many of whom have significantly larger intellectual property portfolios than we have. Additionally, in recent years, individuals and groups have begun purchasing intellectual property assets for the purpose of making claims of infringement and attempting to extract settlements from companies like ours. With respect to our current products, the risk of infringement claims is exacerbated by the fact that there are numerous issued and pending patents relating to the treatment of cancer. Because patent applications can take many years to issue, and in many cases remain unpublished for many months after filing, there may be applications now pending of which we are unaware that may later result in issued patents that our products may infringe.

There could also be existing patents that one or more components of our products or other device candidates may inadvertently infringe. As the number of competitors in the market or other device candidates grows, the possibility of inadvertent patent infringement by us or a patent infringement claim against us increases. To the extent we gain greater market visibility, our risk of being subject to such claims is also likely to increase. If a third party's patent was upheld as valid and enforceable and we were found to be infringing, we could be prevented from making, using, selling, offering to sell or importing our products or other device candidates, unless we were able to obtain a license under that patent or to redesign our systems to avoid infringement. A license may not be available at all or on terms acceptable to us, and we may not be able to redesign our products to avoid any infringement. Modification of our products or development of device candidates to avoid infringement could require us to conduct additional clinical studies and to revise our filings with the FDA and other regulatory bodies, which would be time-consuming and expensive. If we are not successful in obtaining a license or redesigning our devices, we may be unable to make, use, sell, offer to sell or import our devices and our business could suffer. We may also be required to pay substantial damages and undertake remedial activities, which could cause our business to suffer.

We may also be subject to claims alleging that we infringe or violate other intellectual property rights, such as copyrights or trademarks, may have to defend against allegations that we misappropriated trade secrets, and may face claims based on competing claims of ownership of our intellectual property. The confidentiality and assignment of inventions agreements that our employees, consultants and other third parties sign may not in all cases be enforceable or sufficient to protect our intellectual property rights. In addition, we may face claims from third parties based on competing claims to ownership of our intellectual property.

We may employ individuals who were previously employed at other medical device companies, and as such we may be subject to claims that such employees have inadvertently or otherwise used or disclosed the alleged trade secrets or other proprietary information of their former employers. Any such litigation, dispute or claim could be costly to defend and could subject us to substantial damages, injunctions or other remedies, which could have a material adverse effect on our business, prospects, financial condition and results of operations and cause our stock price to decline.

Changes in U.S. patent law could diminish the value of patents in general, thereby impairing our ability to protect our devices.

As is the case with other medical device companies, our success is heavily dependent on our intellectual property rights, and particularly on our patent rights. Obtaining and enforcing patents in the medical device industry involves both technological and legal complexity, and is therefore costly, time consuming and inherently uncertain. In addition, the U.S. has recently enacted and is currently implementing wide-ranging patent reform legislation. Certain U.S. Supreme Court rulings have narrowed the scope of patent protection available in certain circumstances and weakened the rights of patent owners in certain situations. In addition to increasing uncertainty with regard to our ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents once obtained. Depending on decisions by the U.S. Congress, the federal courts and the USPTO, the laws and regulations governing patents could change in unpredictable ways that could further negatively impact the value of our patents, narrow the scope of available patent protection or weaken the rights of patent owners.

Future regulatory action remains uncertain.

We operate in a highly regulated and evolving environment with rigorous regulatory enforcement. Any legal or regulatory action could be time-consuming and costly. If we or the manufacturers or distributors that supply our products fail to comply with all applicable laws, standards, and regulations, action by the FDA or other regulatory agencies could result in significant restrictions, including restrictions on the marketing or use of the products we sell or the withdrawal of the products we sell from the market. Any such restrictions or withdrawals could materially affect our reputation, business and operations.

Our product candidates will remain subject to ongoing regulatory review even after they receive marketing clearances, and if we fail to comply with continuing regulations, we could lose these clearances and the sale of any of our approved commercial products could be suspended.

Even as we received regulatory clearance to market the IB-Stim, the manufacturing, labeling, packaging, adverse event reporting, storage, advertising, promotion, and record keeping related to IB-Stim will remain subject to extensive regulatory requirements. If we fail to comply with the regulatory requirements of the FDA and other applicable domestic and foreign regulatory authorities or discover any previously unknown problems with any approved product, manufacturer, or manufacturing process, we could be subject to administrative or judicially imposed sanctions, including:

- restrictions on the products, manufacturers, or manufacturing processes;
- warning letters;
- civil or criminal penalties;
- fines;
- injunctions;
- product seizures or detentions;
- pressure to initiate voluntary product recalls;
- suspension or withdrawal of regulatory clearances and/or approvals; and
- refusal to approve pending applications for marketing clearances and/or approval of new products or supplements to approved applications.

Intellectual property litigation and infringement claims could cause us to incur significant expenses or prevent us from selling certain of our products.

The therapeutic medical device and pharmaceutical industries are characterized by extensive intellectual property litigation and, from time to time, we may become the subject of claims of infringement or misappropriation. Regardless of outcome, such claims are expensive to defend and divert management and operating personnel from other business issues. A successful claim or claims of patent or other intellectual property infringement against us could result in payment of significant monetary damages and/or royalty payments or negatively impact our ability to sell current or future products in the affected category.

We depend extensively on our patents and proprietary technology and the patents, and we must protect those assets in order to preserve our business.

Although we expect to seek patent protection for any devices, *in silico* products (if any), systems, and processes we discover and/or for any specific use we discover for new or previously known compounds, devices, biologics, products, systems, or processes, any or all of these may not be subject to effective patent protection. In addition, our issued patents may be declared invalid or our competitors may find ways to avoid the claims in the patents.

Our success will depend, in part, on our ability to obtain patents, protect our trade secrets and proprietary knowledge and operate without infringing on the proprietary rights of others. We are the sole assignee of numerous granted United States patents, pending United States patent applications and international patents. The patent position of pharmaceutical and biotechnology firms like us are generally highly uncertain and involves complex legal and factual questions, resulting in both an apparent inconsistency regarding the breadth of claims allowed in United States patents and general uncertainty as to their legal interpretation and enforceability. Accordingly, patent applications assigned to us may not result in patents being issued, any issued patents assigned to us may not provide us with competitive protection or may be challenged by others, and the current or future granted patents of others may have an adverse effect on our ability to do business and achieve profitability.

Moreover, others may independently develop similar products, may duplicate our products, or may design around our patent rights. In addition, as a result of the assertion of rights by a third-party or otherwise, we may be required to obtain licenses to patents or other proprietary rights of others in or outside of the United States. Any licenses required under any such patents or proprietary rights may not be made available on terms acceptable to us, if at all. If we do not obtain such licenses, we could encounter delays in product market introductions during our attempts to design around such patents or could find that the development, manufacture or sale of products requiring such licenses is foreclosed. In addition, we could incur substantial costs in defending suits brought against us or in connection with patents to which we hold licenses or in bringing suit to protect our own patents against infringement.

Due to legal and factual uncertainties regarding the scope and protection afforded by patents and other proprietary rights, we may not have meaningful protection from competition.

Our long-term success will substantially depend upon our ability to protect our proprietary technologies from infringement, misappropriation, discovery and duplication, and avoid infringing the proprietary rights of others. Our patent rights and the patent rights of biotechnology and pharmaceutical companies in general, are highly uncertain and include complex legal and factual issues. Because of this, our pending patent applications may not be granted. These uncertainties also mean that any patents that we own or will obtain in the future could be subject to challenge, and even if not challenged, may not provide us with meaningful protection from competition. Due to our financial uncertainties, we may not possess the financial resources necessary to enforce our patents. Patents already issued to us or our pending applications may become subject to dispute, and any dispute could be resolved against us. Because a substantial number of patents have been issued in the field of neuromodulation therapy and because patent positions can be highly uncertain and frequently involve complex legal and factual questions, the breadth of claims obtained in any application or the enforceability of our patents cannot be predicted. Consequently, we do not know whether any of our pending or future patent applications will result in the issuance of patents or, to the extent patents have been issued or will be issued, whether these patents will be subject to further proceedings limiting their scope, will provide significant proprietary protection or competitive advantage, or will be circumvented or invalidated.

Also, because of these legal and factual uncertainties, and because pending patent applications are held in secrecy for varying periods in the United States and other countries, even after reasonable investigation, we may not know with certainty whether any products that we (or a licensee) may develop will infringe upon any patent or other intellectual property right of a third party. We believe that the patents that we own or have applied for do not infringe any third-party patents; however, we cannot know for certain whether we could successfully defend our position, if challenged. We may incur substantial costs if we are required to defend our intellectual property in patent suits brought by third parties. These legal actions could seek damages and seek to enjoin testing, manufacturing and marketing of the accused product or process. In addition to potential liability for significant damages, we could be required to obtain a license to continue to manufacture or market the accused product or process.

If the third parties on which we rely for the conduct of our clinical trials and results do not perform our clinical trial activities in accordance with good clinical practices and related regulatory requirements, we may be unable to obtain regulatory approval for or commercialize our product candidates.

We may use independent clinical investigators and other third-party service providers to conduct and/or oversee the clinical trials of our product candidates for the foreseeable future.

The FDA requires us and our clinical investigators to comply with regulations and standards, commonly referred to as good clinical practices, for conducting, recording, and reporting the results of clinical trials to assure that data and reported results are credible and accurate, and that the trial participants are adequately protected. Our reliance on third parties that we do not control does not relieve us of these responsibilities and requirements. Third parties may not complete activities on schedule or may not conduct our clinical trials in accordance with regulatory requirements or the respective trial plans and protocols. The failure of these third parties to carry out their obligations could delay or prevent the development, approval, and commercialization of our product candidates or result in enforcement action against us.

Risks Related to Our Common Stock and this Offering

There has been no public market for our common stock prior to this offering, and an active market in which investors can resell their shares of our common stock may not develop.

Prior to this offering, there has been no public market for our common stock. We have applied to list our common stock on Nasdaq under the symbol "NRXS." The closing of this offering is contingent upon the successful listing of our common stock on the Nasdaq Capital Market. There is no guarantee that Nasdaq, or any other exchange or quotation system, will permit our common stock to be listed and traded.

Even if our common stock is approved for listing on Nasdaq, a liquid public market for our common stock may not develop. The initial public offering price for our common stock has been determined by negotiation between us and the Underwriter based upon several factors, including prevailing market conditions, our historical performance, estimates of our business potential and earnings prospects, and the market valuations of similar companies. The price at which the common stock is traded after this offering may decline below the initial public offering price, meaning that you may experience a decrease in the value of your common stock regardless of our operating performance or prospects.

Volatility in the market price of our common stock may prevent investors from being able to sell their common stock at or above the initial public offering price.

After this offering, the market price for our common stock is likely to be volatile, in part because our shares have not been traded publicly. In addition, the market price of our common stock may fluctuate significantly in response to several factors, most of which we cannot control, including:

- actual or anticipated variations in our periodic operating results;
- actual or anticipated changes in our growth rate relative to our competitors;
- increases in market interest rates that lead investors of our common stock to demand a higher investment return;
- changes in earnings estimates;
- changes in market valuations of similar companies;
- actions or announcements by our competitors;
- adverse market reaction to any increased indebtedness we may incur in the future;
- sales of our common stock by our officers, directors, or significant stockholders;
- additions or departures of key personnel;
- our progress toward developing our products;
- the commencement, enrollment and results of our future clinical trials;
- adverse results from, delays in or termination of our clinical trials;
- adverse regulatory decisions, including failure to receive regulatory approval;
- publication of research reports about us or our industry or positive or negative recommendations or withdrawal of research coverage by securities analysts, if any;
- perceptions about the market acceptance of our products and the recognition of our brand;
- threatened or actual litigation and governmental investigations;
- actions by stockholders;
- speculation in the media, online forums, or investment community; and
- our intentions and ability to list our common stock on Nasdaq and our subsequent ability to maintain such listing.

The public offering price of our common stock has been determined by negotiations between us and the underwriter based upon many factors and may not be indicative of prices that will prevail following the closing of this offering. In addition, the stock market in general, and the stock of early-stage companies like ours in particular, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of these companies. Such rapid and substantial price volatility, including any stock run-up, may be unrelated to our actual or expected operating performance, financial condition or prospects, making it difficult for investors to assess the rapidly changing value of our stock. Volatility in the market price of our common stock may prevent investors from being able to sell their common stock at or above the initial public offering price. As a result, you may suffer a loss on your investment.

We may not be able to satisfy listing requirements of Nasdaq or maintain a listing of our common stock on Nasdaq.

If our common stock is listed on Nasdaq, we must meet certain financial and liquidity criteria to maintain such listing. If we violate Nasdaq's listing requirements, or if we fail to meet any of Nasdaq's listing standards, our common stock may be delisted. In addition, our board of directors may determine that the cost of maintaining our listing on a national securities exchange outweighs the benefits of such listing. A delisting of our common stock from Nasdaq may materially impair our stockholders' ability to buy and sell our common stock and could have an adverse effect on the market price of, and the efficiency of the trading market for, our common stock. The delisting of our common stock could significantly impair our ability to raise capital and the value of your investment.

We have considerable discretion as to the use of the net proceeds from this offering and we may use these proceeds in ways with which you may not agree.

We intend to use the proceeds from this offering for working capital, sales and marketing activities, research and development, and repayment of our convertible notes. However, we have considerable discretion in the application of the proceeds. Because of the number and variability of factors that will determine our use of our net proceeds from this offering, their ultimate use may vary substantially from their currently intended use. You will not have the opportunity, as part of your investment decision, to assess whether the proceeds are being used appropriately. You must rely on the judgment of our management regarding the application of the net proceeds of this offering. The net proceeds may be used for corporate or other purposes with which you do not agree or that do not improve our profitability or increase our share price. The net proceeds from this offering may also be placed in investments that do not produce income or that lose value. Please see "*Use of Proceeds*" below for more information.

You will experience immediate and substantial dilution as a result of this offering.

As of September 30, 2022, our net tangible book value was approximately $[●], or approximately $[●] per share. Since the effective price per share of our common stock being offered in this offering is substantially higher than the net tangible book value per share of our common stock, you will suffer substantial dilution with respect to the net tangible book value of the common stock you purchase in this offering. Based on the assumed public offering price of $[●] per share of common stock being sold in this offering, which is the midpoint of the estimated offering range set forth on the cover page of this prospectus, and our net tangible book value per share as of September 30, 2022, if you purchase shares of common stock in this offering, you will suffer immediate and substantial dilution of $[●] per share (or $[●] per share if the Underwriter exercises the over-allotment option in full) with respect to the net tangible book value of the common stock. See the section titled "*Dilution*" for a more detailed discussion of the dilution you will incur if you purchase securities in this offering.

We do not expect to declare or pay dividends in the foreseeable future.

We do not expect to declare or pay dividends in the foreseeable future, as we anticipate that we will invest future earnings in the development and growth of our business. Therefore, holders of our common stock will not receive any return on their investment unless they sell their securities, and holders may be unable to sell their securities on favorable terms or at all.

If securities industry analysts do not publish research reports on us, or publish unfavorable reports on us, then the market price and market trading volume of our common stock could be negatively affected.

Any trading market for our common stock may be influenced in part by any research reports that securities industry analysts publish about us. We do not currently have and may never obtain research coverage by securities industry analysts. If no securities industry analysts commence coverage of us, the market price and market trading volume of our common stock could be negatively affected. In the event we are covered by analysts, and one or more of such analysts downgrade our securities, or otherwise reports on us unfavorably, or discontinues coverage of us, the market price and market trading volume of our common stock could be negatively affected.

Future issuances of our common stock or securities convertible into, or exercisable or exchangeable for, our common stock, or the expiration of lock-up agreements that restrict the issuance of new common stock or the trading of outstanding common stock, could cause the market price of our common stock to decline and would result in the dilution of your holdings.

Future issuances of our common stock or securities convertible into, or exercisable or exchangeable for, our common stock, or the expiration of lock-up agreements that restrict the issuance of new common stock or the trading of outstanding common stock, could cause the market price of our common stock to decline. We cannot predict the effect, if any, of future issuances of our securities, or the future expirations of lock-up agreements, on the price of our common stock. In all events, future issuances of our common stock would result in the dilution of your holdings. In addition, the perception that new issuances of our securities could occur, or the perception that locked-up parties will sell their securities when the lock-ups expire, could adversely affect the market price of our common stock. In connection with this offering, we will enter into a lock-up agreement that prevents us, subject to certain exceptions, from offering additional shares of capital stock for up to six months after the closing of this offering, as further described in the section titled "*Underwriting*." In addition to any adverse effects that may arise upon the expiration of these lock-up agreements, the lock-up provisions in these agreements may be waived, at any time and without notice. If the restrictions under the lock-up agreements are waived, our common stock may become available for resale, subject to applicable law, including without notice, which could reduce the market price for our common stock.

Future issuances of debt securities, which would rank senior to our common stock upon our bankruptcy or liquidation, and future issuances of preferred stock, which could rank senior to our common stock for the purposes of dividends and liquidating distributions, may adversely affect the level of return you may be able to achieve from an investment in our common stock.

In the future, we may attempt to increase our capital resources by offering debt securities. Upon bankruptcy or liquidation, holders of our debt securities, and lenders with respect to other borrowings we may make, would receive distributions of our available assets prior to any distributions being made to holders of our common stock. Moreover, if we issue preferred stock, the holders of such preferred stock could be entitled to preferences over holders of common stock in respect of the payment of dividends and the payment of liquidating distributions. Because our decision to issue debt or preferred stock in any future offering, or borrow money from lenders, will depend in part on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of any such future offerings or borrowings. Holders of our common stock must bear the risk that any future offerings we conduct or borrowings we make may adversely affect the level of return, if any, they may be able to achieve from an investment in our common stock.

If our shares of common stock become subject to the penny stock rules, it would become more difficult to trade our shares.

The SEC has adopted rules that regulate broker-dealer practices in connection with transactions in penny stocks. Penny stocks are generally equity securities with a price of less than $5.00, other than securities registered on certain national securities exchanges or authorized for quotation on certain automated quotation systems, provided that current price and volume information with respect to transactions in such securities is provided by the exchange or system. If we do not retain a listing on Nasdaq or another national securities exchange and if the price of our common stock is less than $5.00, our common stock could be deemed a penny stock. The penny stock rules require a broker-dealer, before a transaction in a penny stock not otherwise exempt from those rules, to deliver a standardized risk disclosure document containing specified information. In addition, the penny stock rules require that before effecting any transaction in a penny stock not otherwise exempt from those rules, a broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive (i) the purchaser's written acknowledgment of the receipt of a risk disclosure statement; (ii) a written agreement to transactions involving penny stocks; and (iii) a signed and dated copy of a written suitability statement. These disclosure requirements may have the effect of reducing the trading activity in the secondary market for our common stock, and therefore stockholders may have difficulty selling their shares.

We will be subject to ongoing public reporting requirements that are less rigorous than Exchange Act rules for companies that are not emerging growth companies, and our stockholders could receive less information than they might expect to receive from more mature public companies.

Upon the completion of this offering, we will be required to publicly report on an ongoing basis as an "emerging growth company" (as defined in the JOBS Act) under the reporting rules set forth under the Exchange Act. For so long as we remain an emerging growth company, we may take advantage of certain exemptions from various reporting requirements that are applicable to other Exchange Act reporting companies that are not emerging growth companies, including but not limited to:

- not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act;
- being permitted to comply with reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements; and
- being exempt from the requirement to hold a non-binding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

We expect to take advantage of these reporting exemptions until we are no longer an emerging growth company. We would remain an emerging growth company for up to five years, although if the market value of our common stock that is held by non-affiliates exceeds $700 million as of any June 30 before that time, we would cease to be an emerging growth company as of the following December 31.

Because we will be subject to ongoing public reporting requirements that are less rigorous than Exchange Act rules for companies that are not emerging growth companies, our stockholders could receive less information than they might expect to receive from more mature public companies. We cannot predict if investors will find our common stock less attractive if we elect to rely on these exemptions, or if taking advantage of these exemptions would result in less active trading or more volatility in the price of our common stock.

Because the Company is a "smaller reporting company," we may take advantage of certain scaled disclosures available to us, resulting in holders of our securities receiving less Company information than they would receive from a public company that is not a smaller reporting company.

We are a "smaller reporting company" as defined in the Exchange Act. As a smaller reporting company, we may take advantage of certain of the scaled disclosures available to smaller reporting companies and will be able to take advantage of these scaled disclosures for so long as (i) our common stock held by non-affiliates is less than $250 million measured on the last business day of our second fiscal quarter, or (ii) our annual revenue is less than $100 million during the most recently completed fiscal year and our common stock held by non-affiliates is less than $700 million measured on the last business day of our second fiscal quarter. To the extent we take advantage of any reduced disclosure obligations, it may make it harder for investors to analyze the Company's results of operations and financial prospectus in comparison with other public companies.

As a smaller reporting company, we are permitted to comply with scaled-back disclosure obligations in our SEC filings compared to other issuers, including with respect to disclosure obligations regarding executive compensation in our periodic reports and proxy statements. We have elected to adopt the accommodations available to smaller reporting companies. Until we cease to be a smaller reporting company, the scaled-back disclosure in our SEC filings will result in less information about our company being available than for other public companies.

If investors consider our common stock less attractive as a result of our election to use the scaled-back disclosure permitted for smaller reporting companies, there may be a less active trading market for our common stock and our share price may be more volatile.

As a "smaller reporting company," we may at some time in the future choose to exempt our Company from certain corporate governance requirements that could have an adverse effect on our public shareholders.

Under Nasdaq rules, a "smaller reporting company," as defined in Rule 12b-2 under the Exchange Act, is not subject to certain corporate governance requirements otherwise applicable to companies listed on Nasdaq. For example, a smaller reporting company is exempt from the requirement of having a compensation committee composed solely of directors meeting certain enhanced independence standards, as long as the compensation committee has at least two members who do meet such standards. Although we have determined not to avail ourselves of this or other exemptions from Nasdaq requirements that are or may be afforded to smaller reporting companies while we will seek to maintain our shares on Nasdaq, in the future we may elect to rely on any or all of these exemptions. By electing to utilize any such exemptions, our Company may be subject to greater risks of poor corporate governance, poorer management decision-making processes, and reduced results of operations from problems in our corporate organization. Consequently, if we were to avail ourselves of these exemptions, our stock price might suffer, and there is no assurance that we would be able to continue to meet all continuing listing requirements of Nasdaq from which we would not be exempt, including minimum stock price requirements.

USE OF PROCEEDS

Based upon an assumed public offering price of $[●] per share, we estimate that we will receive net proceeds from this offering, after deducting the underwriting discounts and the estimated offering expenses payable by us, of approximately $[●] million assuming the Underwriter does not exercise its over-allotment option.

We plan to use the net proceeds we receive from this offering for the following purposes:

	Use of Net Proceeds	
Sales and Marketing	$	5,000,000
Research and Development[(1)]	$	3,000,000
Repayment of Convertible Notes[(2)]	$	[●]
Executive Officer Contract Payments [(3)]		1,190,000
General Corporate Purposes[(4)]	$	[●]

(1) Includes all funding of our IB-Stim device through the 510(k) De Novo FDA review for functional abdominal pain and IBS in children, as well as anticipated funding needed to achieve the regulatory milestones for our technology in respect of other indications identified in the chart captioned "FDA Pipeline Indications" under "*Prospectus Summary—Pipeline*."

(2) Includes OID accreted through September 30, 2022. The Notes were issued an OID of 10% of the principal amount and bear interest at the greater of (a) the prime rate of interest, as published by the Wall Street Journal, plus 8.5% per annum, or (b) 12%. The Notes mature twelve (12) months from their respective issue dates. For additional information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations–Recent Developments*".

(3) Represents payments to our executive officers pursuant to their respective employment agreements. For more information, see "*Executive Officer and Director Compensation —Employment Agreements*."

(4) Includes approximately $50,000 to repay the balance of two loans payable to a member of our board of directors. See "*Certain Relationships and Related Persons Transactions*" for more information.

We believe that our existing cash and cash equivalents, together with proceeds from this offering, will be sufficient to fund our operating expenses and capital expenditure requirements through at least the next 12 months. The foregoing represents our current intentions based upon our present plans and business conditions to use and allocate the net proceeds of this offering. However, the nature, amounts and timing of our actual expenditures may vary significantly depending on numerous factors. As a result, our management has and will retain broad discretion over the allocation of the net proceeds from this offering. We may find it necessary or advisable to use the net proceeds from this offering for other purposes, and we will have broad discretion in the application of net proceeds from this offering. To the extent that the net proceeds we receive from this offering are not immediately used for the above purposes, we intend to invest our net proceeds in short-term, interest-bearing bank deposits or debt instruments.

DIVIDEND POLICY

The Company has not declared or paid any cash dividend on its common stock, and it currently intends to retain future earnings, if any, to finance the expansion of its business, and the Company does not expect to pay any cash dividends in the foreseeable future. The decision whether to pay cash dividends on its common stock will be made by its board of directors, in their discretion, and will depend on the Company's financial condition, results of operations, capital requirements and other factors that its board of directors considers significant.

CAPITALIZATION

Set forth below is our cash and capitalization as of September 30, 2022:

- on an actual basis;
- on a pro forma basis to reflect conversion of the Series A and Series Seed Preferred Stock in connection with this offering; and
- on a pro forma as adjusted basis to reflect the issuance and sale of the shares by us in this offering at the public offering price of $[●] per share, after deducting the estimated underwriting discounts and the estimated offering expenses payable by us.

The as adjusted information below is illustrative only, and our capitalization following the completion of this offering will be adjusted based on the actual public offering price and other terms of this offering determined at pricing. You should consider this table in conjunction with "Use of Proceeds" above as well as our "Management's Discussion and Analysis of Financial Condition and Results of Operations of the Company," and our audited and unaudited financial statements and the notes to those financial statements included elsewhere in this prospectus.

	As of September 30, 2022		
	Actual (1)	**Pro Forma (2)**	**Pro Forma As Adjusted**
Notes payable and convertible debt, net of discount	$ 330,807	[●]	$ [●]
Total stockholders' equity:			
Common stock, par value $0.001 per share, 100,000,000 shares authorized, 3,903,094 shares issued and outstanding as of September 30, 2022;	3,903	[●]	[●]
Convertible Series A Preferred Stock, par value $0.001 per share, 1,000,000 shares authorized, 506,637 shares issued and outstanding as of September 30, 2022;	507	[●]	[●]
Convertible Series Seed Preferred Stock, par value $0.001 per share, 120,000 shares authorized, 115,477 shares issued and outstanding as of September 30, 2022;	115	[●]	[●]
Additional paid in capital	28,351,866	[●]	[●]
Accumulated (deficit)	(33,917,800)	[●]	[●]
Total stockholders' (deficit) equity	(5,561,409)	[●]	[●]
Capitalization	$ (5,230,602)	$ [●]	$ [●]

The table above is based on 3,903,094 shares of common stock outstanding as of September 30, 2022, and excludes, as of such date:

- 1,156,074 shares of our common stock issuable upon exercise of warrants to purchase common stock (see "*Description of Our Securities—Warrants*" for more information);
- [●] shares of our common stock issuable upon exercise of the Underwriter's Warrants to purchase common stock;
- 470,812 shares of our common stock issuable upon conversion of the Notes, assuming a conversion price of $4.72 per share (see "*Prospectus Summary—Recent Developments*" for more information);
- 25,000 shares of common stock and an additional [●] issuable upon exercise of warrants issuable to Exchange Listing, LLC upon consummation of this offering (see "*Prospectus Summary—Recent Developments*" for more information);
- 2,638,788 shares of our common stock (giving effect for the 4-for-1 split in September 2021) issuable upon exercise of options to purchase common stock.
- 506,635 shares of our preferred series A stock will convert to 2,026,540 shares of common stock upon the closing of the initial public offering; and
- 115,477 shares of our preferred series seed stock will convert to 461,907 shares of common stock upon the closing of the initial public offering.

DILUTION

If you invest in our common stock, your ownership interest will be diluted to the extent of the difference between the offering price per share of its common stock and the as-adjusted net tangible book value per share of its common stock immediately after the offering. Historical net tangible book value per share represents the amount of the Company's total tangible assets less total liabilities, divided by the number of shares of its common stock outstanding.

The historical net tangible book value (deficit) of our common stock as of September 30, 2022, was approximately $([●] million) or $([●]) per share based upon shares of common stock outstanding on such date. Historical net tangible book value (deficit) per share represents the amount of its total tangible assets reduced by the amount of its total liabilities, divided by the total number of shares of common stock outstanding. The pro forma historical net tangible book value (deficit) was $([●]) per share based upon shares of common stock outstanding as of September 30, 2022.

After giving effect to the Company's sale of all of the [●] shares of common stock offered in this offering at a public offering price of $[●] per share after deducting estimated underwriting discounts and commissions and the Company's estimated offering expenses, the Company's pro forma as adjusted net tangible book value as of September 30, 2022 would have been $[●] or $[●] per share. This represents an immediate increase in net tangible book value of $[●] per share to the Company's existing stockholders, and an immediate dilution in net tangible book value of $[●] per share to new investors. The following table illustrates this per share dilution:

Assumed public offering price per share	$	[●]
Historical net tangible book value (deficit) per share as of	$	[●]
Pro forma historical net tangible book value (deficit) per share as of attributable to the pro forma transaction described above	$	[●]
Increase in pro forma net tangible book value per share as of attributable to the pro forma transactions described above	$	[●]
Pro forma net tangible book value per share as of	$	[●]
Dilution per share to new investors in this offering	$	[●]

The information discussed above is illustrative only, and the dilution information following this offering will be adjusted based on the actual public offering price and other terms of this offering determined at pricing. A $1.00 increase (decrease) in the assumed public offering price of $[●] per share would increase (decrease) the pro forma as adjusted net tangible book value by $[●] per share and increase the dilution to new investors by $[●] per share and decrease the dilution to new investors by $[●] per share, assuming the number of shares offered by the Company, as set forth on the cover page of this prospectus, remains the same, and after deducting the estimated underwriting discounts and commissions and estimated expenses payable by the Company. The Company may also increase or decrease the number of shares it is offering. An increase of 100,000 shares offered by it would increase the pro forma as adjusted net tangible book value by $[●] per share and decrease the dilution to new investors by $[●] per share, assuming the assumed public offering price of $[●] per share remains the same and after deducting the estimated underwriting discounts and commissions and estimated expenses payable by the Company. Similarly, a decrease of 100,000 shares offered by the Company would decrease the pro forma as adjusted net tangible book value by $[●] per share and increase the dilution to new investors by $[●] per share, assuming the assumed public offering price of $[●] per share remains the same and after deducting the estimated underwriting discounts and commissions and estimated expenses payable by the Company.

If the Underwriter's over-allotment option to purchase additional shares from the Company is exercised in full, and based on the assumed public offering price of $[●] per share, the pro forma as adjusted net tangible book value per share after this offering would be $[●] per share, the increase in as adjusted net tangible book value per share to existing stockholders would be $[●] per share and the dilution to new investors purchasing shares in this offering would be $[●] per share.

The number of shares of common stock outstanding is based on 3,903,094 shares of common stock issued and outstanding as of September 30, 2022, and excludes the following:

- 1,156,074 shares of our common stock issuable upon exercise of warrants to purchase common stock (see "*Description of Our Securities—Warrants*" for more information);
- [●] shares of our common stock issuable upon exercise of the Underwriter's Warrants to purchase common stock;
- 470,812 shares of our common stock issuable upon conversion of the Notes, assuming a conversion price of $4.72 per share (see "*Prospectus Summary—Recent Developments*" for more information);
- 25,000 shares of common stock and an additional [●] issuable upon exercise of warrants issuable to Exchange Listing, LLC upon consummation of this offering (see "*Prospectus Summary—Recent Developments*" for more information); and
- 2,638,788 shares of our common stock (giving effect for the 4-for-1 split in September 2021) issuable upon exercise of options to purchase common stock.
- 506,635 shares of our preferred series A stock will convert to 2,026,540 shares of common stock upon the closing of the initial public offering; and
- 115,477 shares of our preferred series seed stock will convert to 461,907 shares of common stock upon the closing of the initial public offering.

Except as otherwise indicated herein, all information in this prospectus assumes:

- no exercise of the outstanding options or warrants, or conversion of the convertible notes, described above; and

- no exercise of the Underwriter's option to purchase up to an additional [●] shares of common stock to cover over-allotments, if any, or any warrants issued to the Underwriter as compensation.

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

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

Overview

We are a growth stage company focused on developing neuromodulation therapies to address chronic and debilitating conditions in children. Our mission is to provide solutions that create value and provide better and safer patient outcomes. Our IB-Stim device is a PENFS system intended to be used in patients 11-18 years of age with functional abdominal pain associated with IBS. Our device already has market clearance from FDA for functional abdominal pain associated with IBS in children. Other indications in our pipeline are comprised of functional nausea in children, post-concussion syndrome in children, and cyclic vomiting syndrome in children. For more information, see "*Business—Our Pipeline*" and *"—Products*."

Since our inception, we have incurred significant operating losses. Our net loss was $4.8 million and $2.2 million for the nine-months ended September 30, 2022 and 2021, respectively, and $3.0 million and $3.7 million for the years ended December 31, 2021, and 2020, respectively. As of September 30, 2022, we had an accumulated deficit of $33.9 million. Our auditors have expressed substantial doubt about our ability to continue as a going concern paragraph in their audit opinion. We expect to incur significant expenses and operating losses for the foreseeable future as we continue to pursue widespread insurance coverage of our IB-Stim device and seek FDA clearance of our device for other indications. There are a number of milestones and conditions that we must satisfy before we will be able to generate sufficient revenue to fund our operations, including FDA clearance of our IB-Stim device to treat future indications.

Factors Affecting our Business and Results of Operations

Revenue

Our revenue is derived from the sale of our IB-Stim device to healthcare companies, primarily hospitals and clinics. Sales generally are not seasonal and only mildly correlated with economic cycles. Our IB-Stim device costs $1,195 per device, and each child being treated for functional abdominal pain associated with IBS will use three to four devices. Potential patients with future indications are expected to use six or more devices per patient

Our sales typically are made on a purchase order basis rather than through long-term purchase commitments. We enter into sales agreements with customers for IB-Stim devices based on purchase orders and standard terms, which vary slightly based on the customer's form, and conditions of sale. Standard payment terms generally are that payment is due within 30 to 90 days. Our largest sales were to four hospitals representing approximately 51% and 60% of total sales for the nine months ended September 30, 2022 and 2021, respectively, and 58% and 67% of total sales for the years ended December 31, 2021 and 2020, respectively.

Inflation did not have a material impact on our operations for any applicable period, and we do not expect inflation to have a material impact on our operations for the foreseeable future.

Expenses

We have four categories of expenses: cost of goods sold, selling expenses, research and development ("R&D"), and general and administrative ("G&A").

Costs of goods sold consists of costs paid for the IB-Stim device to our contract manufacturer along with periodic inventory adjustments and expired inventory write-offs. We ramped up production in 2018 and 2019 to meet expected demand and avoid any inventory shortages. This resulted in some excess inventory that did expire. We had no costs for expired inventory for the nine months ended September 30, 2022, and such costs were $48,000 for the nine months ended September 30, 2021, representing 12% of our costs of goods sold in the 2021 period. The costs of expired inventory were $48k and $14k for the years ended December 31, 2021 and 2020, respectively, representing 10.4% and 3.0% of our costs of goods sold, respectively. Expired inventory expense is related to our FDA clearance for our device in the treatment of functional abdominal pain associated with IBS in children. Specifically, a certain component of our IB-Stim device is cleared for a two-year period after the date the device is manufactured, and if the device is not sold in such period, we must take the device out of inventory and write it off. We had no expired inventory for the nine months ended September 30, 2022, and expired inventory was 2.2% of sales for the nine months ended September, 30, 2021. Accordingly, expired inventory has not been material to our results, averaging less than 1.0% of revenue over the past three years. We have a fixed-price contract with the manufacturer of our IB-Stim device to produce the device. We expect production costs to remain relatively constant and only nominal inventory expirations in the foreseeable future.

Our core selling expenses primarily consist of commissions and shipping costs. These expense items are generally correlated with sales.

R&D expense is attributable to our clinical trials and related efforts to have our IB-Stim device cleared by the FDA for other indications. We expect to spend approximately $0.3 million for research and development in 2022, and we anticipate that these costs will increase in 2023 as clinical trials for post-concussion syndrome in children, and cyclic vomiting syndrome in children are completed, although we cannot assure that these trials will be completed on time, will be successful, or that trial results will lead to FDA clearance for any particular indication.

G&A expense consists of payroll and professional fees and is our most significant expense category. Payroll and professional fees account for approximately 90% of our G&A expenses. The balance of the expenses are normal operating expenses for facility expenses, utilities, travel, etc. We expect G&A expenses to increase as we transition to operating as a public company, but we expect G&A expense to stabilize within two years of completion of this offering.

Gross Profit and Gross Margin

Our management uses gross profit and gross margin to evaluate the efficiency of operations and as a key component to determining the effectiveness and allocation of resources. We calculate gross profit as revenue less cost of goods sold, and gross margin as gross profit divided by revenue. Our gross margin has been and will continue to be affected by a variety of factors, primarily the average selling price of our IB-Stim device, production volume, order flows, change in mix of customers, third-party manufacturing costs related to components of our IB-Stim device, and cost-reduction strategies. We expect our gross profit to increase for the foreseeable future as our revenue grows, both through broader insurer acceptance of our IB-Stim device in the near term and approval of our technology for the treatment of other indications over the longer term. Our gross margin may fluctuate from quarter to quarter due to changes in average selling prices, particularly as we introduce enhancements to our IB-Stim device and new products to address other indications, and as we adopt new manufacturing processes and technologies.

Results of Operations

Comparison of Nine Months Ended September 30, 2022, and Nine Months Ended September 30, 2021

	Nine Months Ended September 30,	
	2022	**2021**
Net sales	$ 2,071,653	$ 2,254,520
Costs of goods sold	221,846	398,318
Gross profit	1,849,807	1,856,202
Selling expenses	344,892	380,743
Research and development	144,239	157,120
General and administrative	3,746,688	3,447,069
Operating loss	$ (2,386,012)	$ (2,128,730)
Other income (expense):		
Financing charges	(1,473,892)	---
Interest expense	(161,291)	(24,776)
Change in fair value of warrant liability	(660,189)	(22,007)
Change in fair value of derivative liability	(68,032)	---
Accretion of debt discount and issuance cost	(28,973)	---
Other income	11,956	---
Total other income (expense)	(2,380,421)	(46,783)
Net loss	**$** (4,766,433)	**$** (2,175,513)

Net Sales

Net sales decreased approximately $0.2 million, or 8%, from $2.3 million for the nine months ended September 30, 2021, to $2.1 million for the nine months ended September 30, 2022. The decrease was primarily due to ordering patterns of our major customers. We believe net sales will increase as we ramp up our marketing efforts and as our IB-Stim device is cleared by the FDA for other indications, such as functional nausea, post-concussion syndrome and cyclic vomiting syndrome in children. For more information, see "*Business—Our Pipeline*."

Costs of Goods Sold

Costs of goods sold decreased approximately 44% in the nine months ended September 3, 2022, as compared to the nine months ended September 30, 2021, mainly because there was no expired inventory and lower sales. We expect costs of goods sold to remain relatively constant as we grow, primarily due to our current pricing with our contract manufacturer.

Gross Profit

Gross profit decreased approximately $6 thousand, from $1.856 million for the nine months ended September 30, 2021, to $1.850 million for the nine months ended September 30, 2022, representing 89% of revenue in the 2022 period and 82% of revenue in the 2021 period. The increase was primarily due to no expired inventory in 2022. We believe gross profit will continue to grow as sales increase, which, in turn, is tied to broader insurance coverage.

Selling Expenses

Selling expenses were down slightly in the nine months ended September 30, 2022, as compared to the nine months ended September 30, 2021. This was primarily due to lower sales in 2022. Commission costs decreased and shipping costs remained constant the nine months ended September 30, 2022. The commission costs were directly attributable to the decrease in net sales.

Research and Development

R&D expense decreased 8% in the nine months ended September 30, 2022, as compared to the nine months ended September 30, 2021, and this decrease was due to slightly more studies and clinical trials expense in the 2021 period. R&D costs remained at 7% of net sales in the 2022 and 2021 periods.

General and Administrative

G&A expense increased approximately 9% in the nine months ended September 30, 2022, as compared to the nine months ended September 30, 2021. This was due primarily to professional fees. We expect G&A expense to decrease in 2023 primarily because of reduced costs after the offering.

Operating Loss

Our operating loss increased $0.26 million, or 12%, for the nine months ended September 30, 2022, as compared to the nine months ended September 30, 2021, primarily due to increased professional fees.

Other Income (Expense)

Other expense increased 2.3 million for the nine months ended September 30, 2022 and was primarily attributable to financing charges in connection with convertible debt.

Net Loss

Our net loss increased approximately $2.6 million, or 119%, in the nine months ended September 30, 2022, as compared to the nine months ended September 30, 2021. The change was primarily attributable to expenses directly related to securing convertible debt in 2022.

Comparison of Year Ended December 31, 2021, and Year Ended December 31, 2020

	Years Ended December 31,	
	2021	**2020**
Net sales	$ 2,721,286	$ 1,930,228
Costs of goods sold	467,656	481,089
Gross profit	2,253,630	1,449,139
Selling expenses	455,879	521,034
Research and development	203,414	166,798
General and administrative	4,564,371	4,882,045
Operating loss	$ (2,970,034)	$ (4,120,738)
Other income (expense):		
Interest expense	(36,928)	(75,711)
Interest income	—	37
License revenue	—	250,000
Gain on loan forgiveness	—	220,000
Change in fair value of derivative financial instruments	(29,342)	1,911
Other expense	—	(1,923)
Other income	8,272	275
Total other income (expense)	(57,998)	394,589
Net loss	**$ (3,028,032)**	**$ (3,726,149)**

Net Sales

Net sales increased approximately $0.8 million, or 41%, from $1.9 million for the year ended December 31, 2020, to $2.7 million for the year ended December 31, 2021. The increase was primarily due to certain insurance carriers covering the cost of our device for the treatment of functional abdominal pain associated with IBS in children.

Costs of Goods Sold

Costs of goods sold decreased slightly, approximately 3%, in the year ended December 31, 2021, as compared to the year ended December 31, 2020, mainly because of a transition from our previous contract manufacturer to our current manufacturer. There were inefficiencies in the inventory process in 2020 that were remedied in 2021.

Gross Profit

Gross profit increased approximately $0.8 million, from $1.5 million for the year ended December 31, 2020, to $2.3 million for the year ended December 31, 2021, representing 82.8% of revenue in 2021 and 75.1% of revenue in 2020. The increase was primarily due to the decrease in cost of goods sold combined with higher sales in 2021.

Gross Margin

Gross margin increased approximately 7.7%, from 75.1% for the year ended December 31, 2020, to 82.8% for the year ended December 31, 2021. The increase was primarily due to an increase in sales and cost efficiencies from increased sales in 2021.

Selling Expenses

Selling expenses were down slightly in the year ended December 31, 2021, as compared to the year ended December 31, 2020. This was primarily due to a decrease in promotional inventory distributed. Commission and shipping costs both increased in the year ended December 31, 2021, and these increases were directly attributable to the increase in net sales.

Research and Development

R&D expense increased 22% in the year ended December 31, 2021, as compared to the year ended December 31, 2020, and this increase was due to our support and expansion of clinical trials to get our IB-Stim device cleared for other indications. R&D costs represented 7.5% of net sales and 8.6% of net sales in 2021 and 2020, respectively.

General and Administrative

G&A expense decreased approximately 6.5% in the year ended December 31, 2021, as compared to the year ended December 31, 2020. This was due primarily to reduced payroll cost. We expect G&A expense to increase in 2022 primarily because of costs incurred in connection with this offering.

Operating Loss

Our operating loss decreased $1.2 million, or 27.9%, for the year ended December 31, 2021, as compared to the year ended December 31, 2020, primarily due to increased net sales and reduced payroll expense.

Other Income (Expense)

Other expense for the year ended December 31, 2021, was primarily attributable to interest expense. We recorded other income of $0.4 million for the year ended December 31, 2020, due to a one-time license fee payment of $250,000 from Masimo and forgiveness of a $220,000 loan we received under the Paycheck Protection Program established as part of the Coronavirus Aid, Relief and Economic Security Act in 2020 ("PPP Loan"), partially offset by higher interest expense in 2020. For more information regarding the Masimo license, see "*Business—License Agreements—Masimo License and Collaboration Agreement*."

Net Loss

Our net loss decreased approximately $0.7 million, or 18.7%, in the year ended December 31, 2021, as compared to the year ended December 31, 2020. The change was primarily attributable to increased net sales, reduced payroll expense, partially offset by other income from the Masimo license fee and the PPP Loan forgiveness.

Liquidity and Capital Resources

We had cash on hand of approximately $8,000 at September 30, 2022, as compared to cash-on-hand of approximately $0.3 million at September 30, 2021. Working capital for September 30, 2022 was $(6.4) million, as compared to working capital of $(0.1) million at September 30, 2021. The decrease in working capital was due to liabilities assumed in connection with issuance of the Notes. See "—Recent Developments."

We had cash on hand of approximately $0.3 million at December 31, 2021, as compared to cash-on-hand of approximately $1.9 million at December 31, 2020. Working capital at December 30, 2021 was $(0.9) million, as compared to working capital of $1.5 million at December 31, 2020. The decrease in working capital was due to cash used by operating activities of $2.2 million, partially offset by capital raised in 2021 of $0.7 million.

We anticipate our sales over the next 12 months to be approximately $5.0 million, assuming our expectations with respect to acceptance by insurance providers are generally correct, and we anticipate our liquidity needs over this period to be approximately $7.0 million. We expect proceeds from this offering to fund our capital needs for the following 12 months.

Additionally, we will have to meet all the financial disclosure and reporting requirements associated with being a publicly reporting company. Our management will have to spend additional time on policies and procedures to make sure it is compliant with various regulatory requirements, especially that of Section 404 of the Sarbanes-Oxley Act. This additional corporate governance time required of management could limit the amount of time our management has to implement our business plan and may delay our anticipated growth plans. We anticipate over the next 12 months the cost of being a reporting public company will be approximately $0.5 million.

The following table summarizes our cash flows from operating, investing, and financing activities for the nine months ended September 30, 2022 and 2021:

	Nine Months Ended September 30,	
	2022	**2021**
Net cash used in operating activities	$ (2,171,383)	$ (2,038,707)
Net cash used by investing activities	(11,390)	---
Net cash provided by financing activities	1,869,735	417,050

Operating Activities – Cash used in operating activities primarily consisted of general and administrative expense resulting in a net loss for the year. The net loss was partially offset by favorable changes in accounts payable and accrued expenses in the 2022 period, and the net loss was negatively impacted with changes in accounts receivable.

Investing Activities – Net cash provided by investing activities primarily consisted of equipment additions.

Financing Activities – Net cash provided by financing activities in the nine months ended September 30, 2022, primarily consisted of proceeds from new convertible debt.

Net cash provided by financing activities in the nine months ended September 30, 2021, primarily consisted of proceeds from the sale of preferred stock.

The following table summarizes our cash flows from operating, investing, and financing activities for the years ended December 31, 2021 and 2020:

	Years Ended December 31,	
	2021	**2020**
Net cash used in operating activities	$ (2,234,326)	$ (4,139,329)
Net cash used by investing activities	(1,390)	(27,719)
Net cash provided by financing activities	661,099	6,054,023

Operating Activities – Cash used in operating activities primarily consisted of general and administrative expense that more than offset sales, resulting in a net loss for the year. The net loss was partially offset by favorable changes in accounts receivable and accounts payable in 2021, and net loss was negatively impacted with changes in accounts receivable and accounts receivable in 2020.

Investing Activities – Net cash used in investing activities primarily consisted of equipment additions.

Financing Activities

Net cash provided by financing activities in 2021 primarily consisted of proceeds from the sale of preferred stock. We also borrowed $250,000 from a third party in December 2021.

Net cash provided by financing activities in 2020 primarily consisted of proceeds from the sale of preferred stock to Masimo. For more information, see "*Business—License Agreements—Masimo License and Collaboration Agreement*." We also borrowed $220,000 under a PPP Loan. Our PPP Loan was approved for total forgiveness in December 2020.

Founders' Stock Issuance

In connection with the founding of the Company, Christopher Robin Brown and Gary Peterson, each a member of our board of directors, each received 468,000 of shares of our common stock, and each executed and delivered a promissory note, dated January 1, 2016, for $548,448 and $548,320, respectively, which amounts include accrued and unpaid interest through September 30, 2022. The promissory notes are unsecured and payable on demand by the Company. As of December 31, 2019, the Company recorded a collection allowance against the promissory notes and accrued interest receivable and, therefore, the promissory notes and related accrued interest are no longer itemized as an asset on our balance sheet.

Recent Developments

The Company currently contemplates implementing a 2-for-1 reverse stock split in connection with this offering. The precise timing and terms remain under review.

From June through November of 2022, we entered into Securities Purchase Agreements (the "SPAs") with Leonite Fund I, LP, Emmis Capital II, LLC, Bigger Capital Fund, LP, District 2 Capital Fund, LP, and Exchange Listing, LLC, which provide for advances of up to $3.0 million in proceeds to us, subject to our satisfaction of certain conditions. Pursuant to the SPAs, from June through November of 2022, we issued Senior Secured Convertible Promissory Notes ("Notes") with an aggregate principal amount of $3,333,333, which amount included an original issue discount ("OID") of $333,333, and legal fees for $130,000, resulting in advance proceeds to us of $3.0 million. In connection with the issuance of the Notes, we also issued five-year warrants exercisable for an aggregate of 706,221 shares of common stock with an exercise price of the lower of (a) $5.90 and (b) a 12% discount to the price per share in any subsequent offering by the Company, and we entered into a Pledge and Security Agreement with Leonite Fund I, LP, dated June 3, 2022. Pursuant to the Pledge and Security Agreement, the Company granted a security interest in all of its assets in favor of Leonite Fund I, LP, in its capacity as collateral agent for the purchaser's parties under the SPAs. For more information regarding the warrants issued under the SPAs, see "*Description of Our Securities—Warrants*."

The Notes were issued with OID of 10% of the principal amount and bear interest at the greater of (a) the prime rate of interest, as published by the Wall Street Journal, plus 8.5% per annum, or (b) 12%. The Notes will mature in twelve (12) months from their respective issue dates. Any amount of principal, interest, other amounts due hereunder or penalties on this Note, which is not paid by maturity date, shall bear interest at the lesser of the rate of twenty four percent (24%) per annum or the maximum legal amount permitted by law, from the due date thereof until the same is paid in full, including following the entry of a judgment in favor of Noteholder. The Notes are convertible into shares of common stock at the lower of (a) $4.72 per share, or (b) a discount of 30% to the price per share in any subsequent offering, subject to adjustment in the event of common stock distribution, stock splits, fundamental transactions, dilutive issuances or similar events affecting our common stock and the conversion price. Interest accrues on the aggregate principal amount (which includes OID) and is payable monthly, at the Company's election, in cash or in-kind.

Upon the advance of the consideration under the SPAs, the Company is required to issue to the noteholders a number of shares of common stock, calculated based on the value of 10% of the principal amount of the Notes issued in such advance, at a value per share equal to the conversion price of the Notes (the "Commitment Shares"). Accordingly, in connection with the initial advance and issuance of Notes, assuming a conversion price of $4.72 per share, we will be issuing 70,633 Commitment Shares to the Noteholders.

The Notes have certain restrictions on the Company's issuance of securities, including, among other restrictions, (i) the Company shall not without the Noteholder's written consent (a) pay, declare or set apart for such payment, any dividend or other distribution (whether in cash, property or other securities) on the common stock of the Company other than dividends on common stock solely in the form of additional common stock, or (b) directly or indirectly or through any subsidiary make any other payment or distribution in respect of common stock or equivalents, (ii) unless approved by the Noteholders in writing, the Company shall not enter into an agreement or amend an existing agreement to effect any sale of securities involving, or convert any securities previously issued under, a variable rate transaction, which means a transaction in which the Company (A) issues or sells any convertible securities either (x) at a conversion, exercise or exchange rate or other price that is based upon and/or varies with the trading prices of, or quotations for, the common stock, or (y) with a conversion, exercise or exchange price that is subject to being reset at some future date after the initial issuance of such convertible securities or upon the occurrence of specified or contingent events directly or indirectly related to the business of the Company, or the market for the common stock, or (B) enters into any agreement whereby the Company may sell securities at a future determined price (other than standard and customary "preemptive" or "participation" rights), (iii) the Noteholders have the right, but not the obligation, to participate in the purchase of the securities being offered up to an amount equal to thirty percent (30%) of the principal amount of the Notes (the " Participation Right") when the Company or its subsidiary proposes to offer and sell its securities, whether in the form of debt, equity financing, or any other financing transaction (each a "Future Offering"); provided that, the Participation Right shall not exceed the lesser of (i) one-third of the aggregate amount of the Future Offering, and (ii) an amount equal to the principal amount (allocated to the Noteholder's pro-rata to their portion of the principal amount), and (iv) if the Company has a bona fide offer of capital or financing from any third party that the Company intends to act upon, other than an underwritten initial public offering of the Company's common shares, then the Company must first offer such opportunity to the Noteholders to provide such capital or financing to the Company on the same terms. The Note holders waived their Participation Right to participate in the December 2022 and January 2023 convertible note issuances described below.

We have agreed to pay to the Noteholders any outstanding principal amount of the Notes, all accrued and unpaid interest, and fees and penalties, if any, from any future financing proceeds (which includes proceeds to us from this offering) and other future receipts, at the Noteholder's discretion, except for the right of the Company to make bona fide payments to vendors with common stock.

From December 2022 through January 2023, the Company issued unsecured convertible promissory notes to three existing investors, Todd Maxwell, Rogan O'Donnell and Michael & Michele Robuck, with an aggregate principal amount of $222,222.20, which amount included an OID of $22,222.20, resulting in advance proceeds to us of $200,000. The notes carry an OID of 10% of the principal amount and have an interest rate of 12% per annum. The notes will mature at the earlier of (i) twelve (12) months from the issue date or (ii) the date upon which the Company completes a registered public offering of shares of the Company, which encompasses the closing of this offering. The notes are convertible into shares of common stock at the higher of (i) $4.72 per share, or (ii) the price per share of common stock issued pursuant to the next registered public offering of shares of the Company made prior to the conversion of any portion of the note. Interest accrues on the aggregate principal amount (which includes OID) and is payable on the maturity date, at the Company's election, in cash or in-kind. The holders of the notes are entitled to piggyback registration rights on any registration statement filed by the Company, other than the registration statement of which this prospectus forms a part and any registration filed on Form S-4 or Form S-8.

We are a party to two advisory agreements with Exchange Listing, LLC, a consultant engaged in connection with listing our common stock for trading on Nasdaq. Pursuant to the first advisory agreement with Exchange Listing, dated March 3, 2022, we have agreed to pay Exchange Listing a monthly consulting fee of $5,000 and a final payment of $50,000 upon a successful Nasdaq listing, and, also upon such listing, to issue Exchange Listing [●] shares of our common stock (representing 1.5% of our outstanding shares after giving effect to this offering and to issue Exchange Listing five-year warrants to purchase [●] shares of our common stock (representing 2.0% of our outstanding shares after giving effect to this offering on a fully-diluted basis) with an exercise price of $[●] per share (representing the public offering price per share). Pursuant to the second advisory agreement with Exchange Listing, dated June 20, 2022, and amended December 20, 2022, we have agreed to pay Exchange Listing fees in the aggregate of up to $136,166 for advice in connection with communication and other related matters leading up to, and in connection with, this offering and to issue Exchange Listing 25,000 shares of common stock upon a successful Nasdaq listing. We have agreed to piggyback registration rights with respect to all shares issued to Exchange Listing under both advisory agreements, including shares issuable upon exercise of the warrants.

Quantitative and Qualitative Disclosures About Market Risk

We have not utilized any derivative financial instruments such as futures contracts, options and swaps, forward foreign exchange contracts or interest rate swaps and futures. We believe that adequate controls are in place to monitor any hedging activities. We do not intend to hedge any existing or future borrowings and, consequently, we do not expect to be affected by changes in market interest rates. We do not currently have any sales or own assets and operate facilities in countries outside the United States and, consequently, we are not affected by foreign currency fluctuations or exchange rate changes. Overall, we believe that our exposure to interest rate risk and foreign currency exchange rate changes is not material to our financial condition or results of operations.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

Critical Accounting Policies

We prepare our financial statements in conformity with accounting principles generally accepted in the United States ("U.S. GAAP"), which requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the financial reporting period. We continually evaluate these estimates and assumptions based on the most recently available information, our own historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Since the use of estimates is an integral component of the financial reporting process, actual results could differ from those estimates. Some of our accounting policies require higher degrees of judgment than others in their application. We consider the policies discussed below to be critical to an understanding of our financial statements.

The SEC defines critical accounting policies as those that are, in management's view, most important to the portrayal of our financial condition and results of operations and those that require significant judgments and estimates.

The accounting principles we utilized in preparing our financial statements conform in all material respects to U.S GAAP.

Inventories

Inventories are valued at the lower of cost or net realizable value. Our inventory is comprised of finished medical devices on hand. Certain components within the devices have an expiration date and are removed from current inventory and expensed at the date of expiration.

Leases

We account for our leases under Accounting Standards Update No. 2016-02, *Leases*. We do not record an operating lease right of use ("ROU") asset and corresponding lease liability for leases with an expected term of 12 months or less and recognize lease expense for these leases as incurred over the lease term. Operating lease ROU assets and operating lease liabilities for leases with an expected term of more than 12 months are recognized based on the present value of lease payments over the lease term. For lease present value calculations, absent a rate implicit in the lease, we determine a comparable incremental borrowing rate. The present value is then recognized as lease expense on a straight-line basis over the lease term.

Derivative Financial Instruments

We evaluate our financial instruments and other contracts to determine if those contracts or embedded components of those contracts qualify as derivatives to be separately accounted for in accordance with Accounting Standards Codification 815, *Derivatives and Hedging* ("ASC 815"). The result of this accounting treatment is that the fair value of the derivative is re-measured at each balance sheet date and recorded as a liability or asset and the change in fair value is recorded in the consolidated statements of operations and comprehensive loss. As of December 31, 2020, our derivative financial instruments were comprised of warrants issued in connection with capital raising transactions. Upon settlement of a derivative financial instrument, the instrument is re-measured at the settlement date and the fair value of the underlying instrument is reclassified to equity.

The classification of derivative financial instruments, including whether such instruments should be recorded as liabilities/assets or as equity, is reassessed at the end of each reporting period. Derivative financial instruments that become subject to reclassification are reclassified at the fair value of the instrument on the reclassification date. Derivative financial instruments will be classified in the balance sheet as current if the right to exercise or settle the derivative financial instrument lies with the holder.

Revenue Recognition

Revenue is recognized in one major product segment – commercial products. The timing of revenue recognition for this product segment occurs as goods are transferred at a point in time.

We estimate credit losses on accounts receivable by estimating expected credit losses over the contractual term of the receivable using a discounted cash flow method. When developing this estimate of expected credit losses, we consider all available information (past, current, and future) relevant to assessing the collectability of cash flows. The Company has concluded that realization losses on balances outstanding at year-end will be immaterial.

Recent Accounting Pronouncements

There are several recently issued accounting pronouncements that have been reviewed and adopted. The pronouncements regarding leases had a material impact on our financial statements. There are no other recently issued accounting pronouncements that we have not yet adopted that we believe are applicable or would have a material impact on our financial statements. For more information regarding recent accounting pronouncements, refer to Note 1 to our audited financial statements contained elsewhere in this prospectus.

We are an emerging growth company, and under the JOBS Act, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected not to take advantage of the extended transition period for complying with new or revised accounting standards provided to emerging growth companies under the JOBS Act.

BUSINESS

Overview

We are a growth stage company focused on developing neuromodulation therapies to address chronic and debilitating conditions in children. We are dedicated to advancing science with our proprietary Percutaneous Electrical Nerve Field Stimulation (PENFS) technology, which was developed internally by the Company. We believe that superior science and evidence-based research, are necessary for adoption by the medical and scientific community. With one FDA indication (functional abdominal pain associated with IBS in adolescents 11-18 years old) on the market, additional clinical trials of PENFS in multiple pediatric conditions are underway focused on unmet healthcare needs in children, see "—*Our Pipeline*" for more information.

Our first product, IB-Stim, is a PENFS system intended to be used in patients 11-18 years of age with functional abdominal pain associated with IBS. IB-Stim is a US FDA Class II medical device that has received one regulatory clearance: DEN180057, under the regulation name of "non-implanted nerve stimulator for functional abdominal pain relief."

Our Mission

Our mission is to provide solutions that create value and provide better and safer patient outcomes. We believe in improving lives and minimizing suffering; particularly in the pediatric population, where research and therapeutics are usually lacking. The Company already has market clearance for its IB-Stim ® that targets functional abdominal pain associated with IBS, in children, with a total addressable market of up to 6 million children. Through innovation and research, we are reimagining the future of patient care.

Our Corporate History

Neuraxis, Inc. ("we," "us," the "Company," or "Neuraxis") was established in 2011 and incorporated in the state of Indiana on April 17, 2012, under the name of Innovative Health Solutions, Inc. The name was changed to Neuraxis, Inc. in March of 2022. Additionally, the Company filed a Certificate of Conversion to become a Delaware corporation on June 23, 2022. The authorized shares were increased, and a par value established. On September 7, 2021, the Company's board of directors authorized a 4-for-1 stock split. They also increased the number of authorized common stock shares from 2,700,000 to 10,800,000. Furthermore, on September 9, 2021, the board authorized and increase of authorized shares of common stock from 10,800,000 to 13,400,000 in anticipation of a capital offering.

As part of the conversion to a Delaware corporation, the total number of shares of all classes of stock which the Corporation shall have authority to issue is 101,120,000 share, consisting of (1) 100,000,000 shares of Common Stock, par value $0.001 per share ("Common Stock") and (ii) 1,120,000 shares of Preferred Stock, par value $0.001 per share ("Preferred Stock"), 1,000,000 of which is designated as "Series A Preferred Stock" and 120,000 of which is designated as "Series Seed Preferred Stock".

We have developed three FDA cleared products, the IB-Stim (DEN180057, 2019), the NSS-2 Bridge (DEN170018, 2017), and the original 510(K) clearance (K140530, 2014), all of which were developed internally by the Company.

- The IB-Stim is a PENFS device that is indicated in patients 11-18 years of age with functional abdominal pain associated with irritable bowel syndrome. The IB-Stim currently is the only product marketed and sold by the Company.

- The NSS-2 Bridge is a percutaneous nerve field stimulator, or PNFS, device indicated for use in the reduction of the symptoms of opioid withdrawal. The NSS-2 Bridge device was licensed to Masimo in April 2020, and we received a one-time licensing fee of $250,000 from Masimo. Masimo markets and sells this product as its *Masimo Bridge*, and we will not receive any further licensing payments or other revenue from this product.

- The original 510(K) device was the electroacupuncture device ("EAD"), now called *NeuroStim*. The EAD is no longer being manufactured, sold or distributed but reserved only for research purposes.

Pediatrics Industry Overview

Pediatric providers, as a whole, had expressed concern about the lack of attention given to children with functional abdominal pain disorders (including IBS) and the limited treatment options available for a population that suffers from significant disabilities. With 20% of United States population under age 18, our company focus on opportunities in pediatrics industry. The pediatrics industry has multi-billion-dollar market opportunities. The following points clearly outline the unmet need in children:

- Functional abdominal pain in children is one of the most common conditions seen by pediatricians and pediatric gastroenterologists.
- Children with functional abdominal pain report lower quality of life compared with their healthy peers and equal to those with inflammatory bowel disease.
- Overall, 35-45% of children with functional abdominal pain disorders continue to have symptoms into adulthood, which impacts quality of life and healthcare spending.
- A study published in 2021 demonstrates insufficient evidence for the use of medications in pediatric functional abdominal pain disorders. This lack of evidence for drugs has been supported in by the American Academy of Pediatrics and NASPGHAN.
- IB-Stim is the only therapy that has shown to improve pain, global symptoms, and functional disability in children with FAP and IBS.
- IB-Stim is the only currently used therapy that is better than placebo in a randomized controlled trial and received FDA clearance for pediatric IBS.

Our Opportunity

For years, physicians and qualified healthcare professionals have resorted to the use off-label medications without proper evidence of efficacy or safety. This is despite a technical report from the American Academy of Pediatrics and NASPGHAN which found very little evidence to endorse the use of any drugs in the treatment of FAPDs in children. Medications including tricyclic antidepressants, SSRIs and gabapentinoids continue to be used off-label despite lack of evidence to support efficacy or safety. Not only have the most commonly used medications (amitriptyline and SSRIs) failed to beat placebo in clinical trials, but new studies also suggest significant risks with the potential for serious side effects with these drugs. The absence of conclusive data to support treatments based on scientific evidence, and the fact no drug therapies have been approved by the FDA for the treatment of FAPDs or IBS in children, presents a unique market opportunity to for Neuraxis. Below are the current standard treatments in Children with functional abdominal pain and IBS.

Our Solutions

We entered into the pediatric market with clinical evidence, coverage and payment, and key opinion leaders and society endorsement, including a signed letter from the American Academy of Pediatrics and NASPGHAN supporting our request for insurers to pay for our IB-Stim device. Our IB-Stim® is a non-drug alternative to reduce functional abdominal pain in patients with IBS. In June 2019, the FDA cleared IB-Stim, a non-surgical, neuromodulation device for children and adolescents who suffer from IBS, through a de novo process (DEN180057). The FDA created a new classification of PENFS for the IB-Stim device. This is based on pre-clinical and clinical studies demonstrating the mechanism of action and efficacy. Based on this new class of devices, the IB-Stim falls under 21 CFR Part 876, Subpart F – Therapeutic Devices, 876.5340, Product Code QHH. As a PENFS device, it is non-implantable and provides field stimulation to cranial nerves V, VII, IX and X in the ear to access the CNS. It stimulates remotely from the source of pain to modulate central pain regions, such as the limbic system, and relieve functional abdominal pain associated with IBS. Studies have demonstrated long-term benefits in functional disability, psychological co-morbidities and pain. For example, the table below is from a recently published study of IB-Stim in a population of patients with chronic functional abdominal pain. The follow-up was done at 6-12 months post-treatment and shows improvements in validated questionnaires compared to baseline (API), functional disability index (FDI), pain catastrophizing scale (PCS), Screen for Childhood Anxiety Related Disorders (SCARED) and the Promis Anxiety.

Santucci NR, King C, El-Chammas KI, Wongteerasut A, Damrongmanee A, Graham K, Fei L, Sahay R, Jones C, Cunningham NR, Coghill RC. *Effect of percutaneous electrical nerve field stimulation on mechanosensitivity, sleep, and psychological comorbidities in adolescents with functional abdominal pain disorders.* Neurogastroenterol Motil. 2022;34:e14358.

TABLE 2 Effects on symptoms before, during, and after PENFS

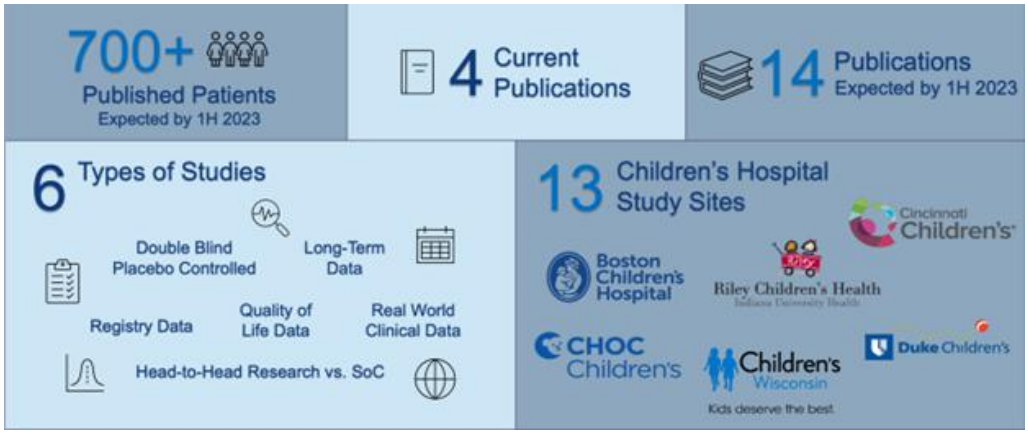
		Penfs						
Parameters	Baseline	Week 1	Week 2	Week 3	Week 4	p value[a]	Follow-up	p value[c]
GI Symptoms								
Resting VAS								
Pain Intensity	2.2 ± 0.52	1.72 ± 0.52	1.75 ± 0.53	1.73 ± 0.53	1.61 ± 0.53	0.06	-	-
Pain Unpleasantness	2.05 ± 0.5	1.21 ± 0.5	1.33 ± 0.51	1.28 ± 0.51	1.28 ± 0.51	0.03	-	-
Nausea	1.07 ± 0.44	0.41 ± 0.44	0.61 ± 0.44	0.74 ± 0.44	0.68 ± 0.44	0.10	-	-
API	2.84 ± 0.25	2.39 ± 0.25	2.08 ± 0.26	2.05 ± 0.26	1.9 ± 0.26	<0.0001	1.39 ± 0.27	<0.0001
NSS	1.78 ± 0.25	1.66 ± 0.25	1.14 ± 0.25	1.36 ± 0.25	1.33 ± 0.25	0.07	0.90 ± 0.27	0.001
Physical Functioning								
FDI	18.95 ± 3.06	15.3 ± 3.06	15.12 ± 3.07	15.07 ± 3.07	15.54 ± 3.07	0.04	10.09 ± 3.14	<0.0001
CSSI (Somatic symptoms)	28.25 ± 3.81	21 ± 3.81	20.61 ± 3.85	20.04 ± 3.85	20.4 ± 3.85	0.01	17.8 ± 4.05	0.002
CSSI (GI symptoms)	9.9 ± 1.1	7.65 ± 1.1	7.4 ± 1.12	6.92 ± 1.12	7.19 ± 1.12	0.01	6.14 ± 1.2	0.002
Psychological Functioning								
PCS-C	23.85 ± 3.24	19.85 ± 3.24	18.08 ± 3.27	16.5 ± 3.27	15.4 ± 3.27	0.0004	14.88 ± 3.42	0.001
SCARED	22.5 ± 4.3	-	-	-	17.5 ± 4.3	0.02	16.9 ± 4.4	0.03
PROMIS Anxiety	51.87 ± 2.27	48.28 ± 2.27	48.85 ± 2.28	48.03 ± 2.28	48.72 ± 2.28	0.03	48.87 ± 2.35	0.05
PROMIS Depression	48.6 ± 2.4	45.1 ± 2.4	46.27 ± 2.42	45.73 ± 2.42	46.78 ± 2.42	0.14	47.85 ± 2.49	0.63

Note: API, Abdominal Pain Index; CSSI, Children's Somatic Symptoms Inventory; FDI, Functional Disability Inventory; NSS, Nausea Severity Scale; PCS-C, Pain Catastrophizing Scale for Children; PENFS, Percutaneous Electrical Nerve Field Stimulation; SCARED, Screen for Child Anxiety-Related Emotional Disorders; VAS, Visual Analog Scale.
All values are LS Means and SE; [a]p for Week 4 vs. Week 0; [c]p for long-term follow-up vs. Week 0

We have only submitted one FDA De Novo request and have not submitted any additional 510(k) premarket notifications for our pipeline indications to date.

Compliance with treatment so far has been outstanding with the four weeks of therapy required to sustain long-term benefits. Compliance has been an issue with non-pharmacological treatment for children, particularly with some of the psychological approaches such as cognitive behavioral therapy or guided imagery, which sometimes requires 8-12 weeks of treatment. In fact, 95% of adolescents who used IB-Stim said that they would recommend this treatment to family and friends. Many children's hospitals across the country are already treating children with IB-Stim successfully since it provides a better alternative for therapy in children with IBS and disability and allows them to treat them safely and effectively.

We have concentrated our marketing focus on the 260 children's hospitals. To date, we have sold our IB-Stim product to approximately 50 children's hospitals within our target market.



Competition

The competitive landscape for therapies includes off-label drugs and drugs with FDA approved only for adults with IBS. It also includes devices that could theoretically be used, but do not have supporting data or FDA clearance for functional bowel disorders or IBS. Our method patents also limit other devices from targeting IBS through stimulation of cranial nerve branches in the ear.

Approved drugs for Adults with IBS

1. Rifaximin: an intraluminal antibiotic approved for IBS-diarrhea
2. Amitiza: a drug that stimulates fluid secretion from the intestine, approved for IBS-diarrhea
3. Linzess**:** a drug that stimulates fluid secretion from the intestine, approved for IBS-constipation
4. Plecanatide: a drug that stimulates fluid secretion from the intestine, approved IBS-constipation
5. Eluxadoline: a schedule IV-controlled substance that is a mixed opioid receptor agonist/antagonist in the intestine approved for IBS-diarrhea

Devices

1. gammaCore: a transcutaneous, cervical vagal nerve stimulator cleared for cluster and migraine headaches. Recent studies using this device for adults with gastroparesis.

2. Transcranial Magnetic Stimulation: Multiple devices cleared to treat major depressive disorder and obsessive-compulsive disorder. To date, no known gastrointestinal indications.

3. Roo System and Sparrow therapy system: Transcutaneous auricular stimulation devices-cleared for neonatal and adult opioid withdrawal.

The neurostimulation market is predominantly comprised of surgically implanted, invasive technologies that are not directly competitive with our technology. Several neurostimulation companies are large, publicly traded companies that have a history in the market, have significantly easier access to capital and other resources and have an established product pipeline. The combined clinical research and product development done by the industry, including by us and all of our competitors, is uncovering the beneficial effects of neurostimulation which now establishes neuromodulation as a valid and scientifically supported approach to the treatment of neurological conditions, and accordingly, we expect for competition in the non-implanted space to grow in the future.

While many companies have joined the neuromodulation space, there are no companies targeting the CNS or the brain-gut axis through auricular nerves for functional bowel disorders or IBS. Currently, the Neuraxis method patents protect access to the brain, particularly the limbic systems through branches of cranial nerves in the ear.

Our Competitive Strengths

We believe that the following competitive strengths will enable us to compete effectively:

- First to market
- Strong portfolio of device and method patents
- Large Market Opportunities
- Strong pediatric pipeline
- Academic Society Support
- Lower capital expenditures in nurse, trainers, and representatives for first line therapy
- Strong clinical data carried out in leading academic institutions in the United States

Our Growth Strategies

- List price of our product is $1,195 per device and $4,780 per patient
- Strong gross margin
- Direct sales force
- Target customers are children's hospitals and pediatric clinics

Our Pipeline

The IB-Stim device is to be used for the indication of functional abdominal pain associated with IBS and functional nausea in children. The same underlying technology will be used for the remaining pipeline indications, but we may use a name other than "IB-Stim" for marketing and commercialization purposes.

With one FDA indication—functional abdominal pain associated with IBS in adolescents 11-18 years old—on the market, additional clinical trials of PENFS in multiple pediatric conditions are underway focused on unmet healthcare needs in children. These indications consist of chronic nausea, post-concussion syndrome, chemotherapy-induced nausea and vomiting, cyclic vomiting syndrome.

The chart below shows our status in the FDA process for IB-Stim and each of the following pediatric indications:

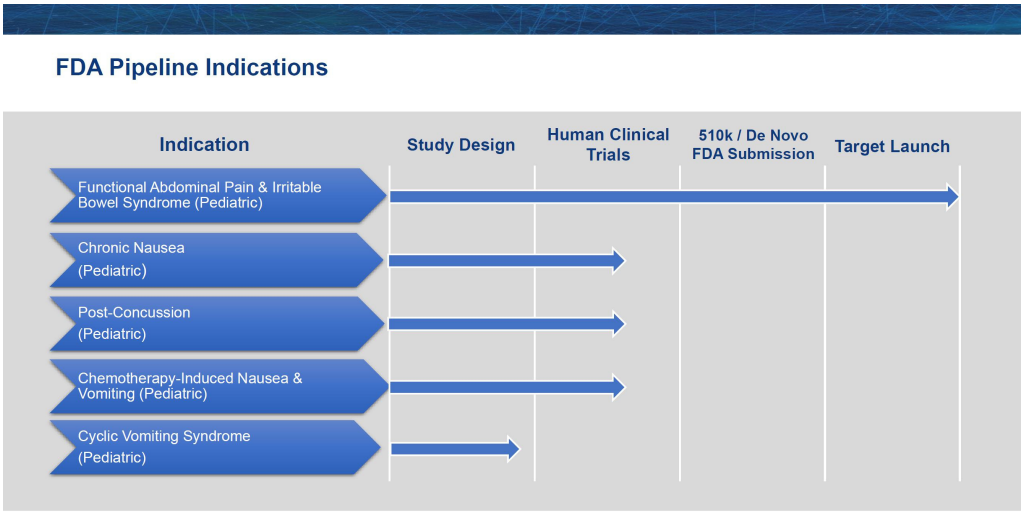
1. Chronic nausea—RCT completed, and data being analyzed. ClinicalTrials.gov Identifier: NCT03675321, *Defining Adolescent Nausea Through Brain-Gut Physiology and Non-Invasive Neurostimulation Response.* A randomized, double blind, placebo-controlled trial to evaluate the efficacy of IB-Stim in children with functional nausea. The primary endpoint was to measure improvements in nausea using the Nausea Severity Scale after IB-Stim therapy compared to a placebo device. The study will enrolled 110 participants and was conducted at Children's Wisconsin/Medical College of Wisconsin.

2. Post-concussion syndrome—RCT currently enrolling patients. ClinicalTrials.gov Identifier: NCT04978571, *A Prospective Study on the Effect of Auricular Percutaneous Electrical Nerve Field Stimulation (PENFS) in Patients with Post-Concussion Syndrome (PCS).* A randomized, double blind, placebo-controlled trial to evaluate the efficacy of IB-Stim in children with post-concussion symptoms. The primary endpoint will be to measure improvements in validated measures, including the Immediate Post-Concussion Assessment, Post-Concussion Symptom Scale, and Balance Error Scoring Symptom compered to placebo. The study will enroll 100 participants and is being conducted at Children's Hospital of Orange County.

3. Chemotherapy-induced nausea and vomiting—RCT currently enrolling patients. ClinicalTrials.gov Identifier: NCT05143554, *Efficacy of Auricular Neurostimulation for Children Adolescents and Young Adults with Chemotherapy Induced Nausea and Vomiting.* Subject will be randomized to five days of active vs placebo device during administered chemotherapy known to cause moderate to severe nausea/vomiting. With the next scheduled identical chemotherapy cycle, each subject will cross over to the other device (active vs placebo). The primary endpoint will be to measure improvements in validated measures of nausea and vomiting including the Baxter Retching Faces Scale, Rhodes Index of Nausea, Vomiting and Retching, and also assessment of rescue medication. The study will enroll 50 participants and is being conducted at Children's Wisconsin/Medical College of Wisconsin.

4. Cyclic vomiting syndrome—Pilot study completed, see ClinicalTrials.gov Identifier: NCT03434652. *Auricular Neurostimulation for Children with Cyclic Vomiting Syndrome: A randomized, placebo-controlled trial.* RCT anticipated to begin enrolling patients in the first half of 2033. This will be a multi-center, randomized, double blind, placebo-controlled trial to evaluate efficacy of IB-Stim in pediatric patients with cyclic vomiting syndrome. The primary endpoint will be to measure decreases in the frequency and severity of cyclic vomiting episodes compared to a placebo device. The study will include a minimum of 120 patients and the 3 sites are yet to be finalized.

Each step in the FDA process differs in duration and cannot be predicted with accuracy. Timing of FDA review and approval, if ever received, cannot be assured and the process and any approval is within the sole control and discretion of the FDA.



Products

The IB-Stim is a percutaneous PENFS system intended to be used in patients 11-18 years of age with functional abdominal pain associated with IBS. IB-Stim already has market clearance from FDA for functional abdominal pain associated with IBS in children. FDA has classified the non-implanted nerve stimulator for functional abdominal pain relief as Class II devices.

The IB-Stim is intended to be used for 120 hours per week for three (3) consecutive weeks, and not to exceed four (4) weeks, through application to branches of Cranial Nerves V, VII, IX and X, and the occipital nerves identified by transillumination, as an aid in the reduction of pain when combined with other therapies for IBS DEN180057. In published studies, patients treated with IB-Stim demonstrated significant improvement in pain, disability and global symptoms with no serious adverse events, and minimal to no side effects. See *Neurostimulation for abdominal pain-related functional gastrointestinal disorders in adolescents: a randomized, double-blind, sham-controlled trial*, Kovacic K, et.al., Lancet Gastroenterol Hepatol. 2017;2:727-737; *Efficacy of Auricular Neurostimulation in Adolescents With Irritable Bowel Syndrome in a Randomized, Double-Blind Trial*, Krasaelap A et.al., Clin Gastroenterol Hepatol. 2020;18:1987-1994; *Effect of percutaneous electrical nerve field stimulation on mechanosensitivity, sleep, and psychological comorbidities in adolescents with functional abdominal pain disorders*, Santucci et.al., Neurogastroenterol Motil. 2022;34:e14358.

The ability of the IB-Stim to produce systemic effects by modulating the central nervous system has been demonstrated in a pre-clinical animal model of IBS (see "*Pre-Clinical Data*" in the section titled "*Technology*"). In patients with IBS, the largest effect on all pain measures, including composite pain scores, worst pain, disability and global symptoms, was seen after completing three consecutive weeks of treatment (see "*Clinical Data*" in the section titled "*Technology*"). A fourth consecutive week of treatment was included in clinical testing; no safety concerns were identified with this extra consecutive week of treatment. In the trial of 115 subjects, 10 patients reported side-effects and only three discontinued the study because of side-effects. Of such 10 patients, six experienced ear discomfort (three in the PENFS group, three in the sham group), three experienced adhesive allergy (one in the PENFS group, 2 in the sham group), and one experienced syncope due to needle phobia (in the sham group). There were no serious adverse events.

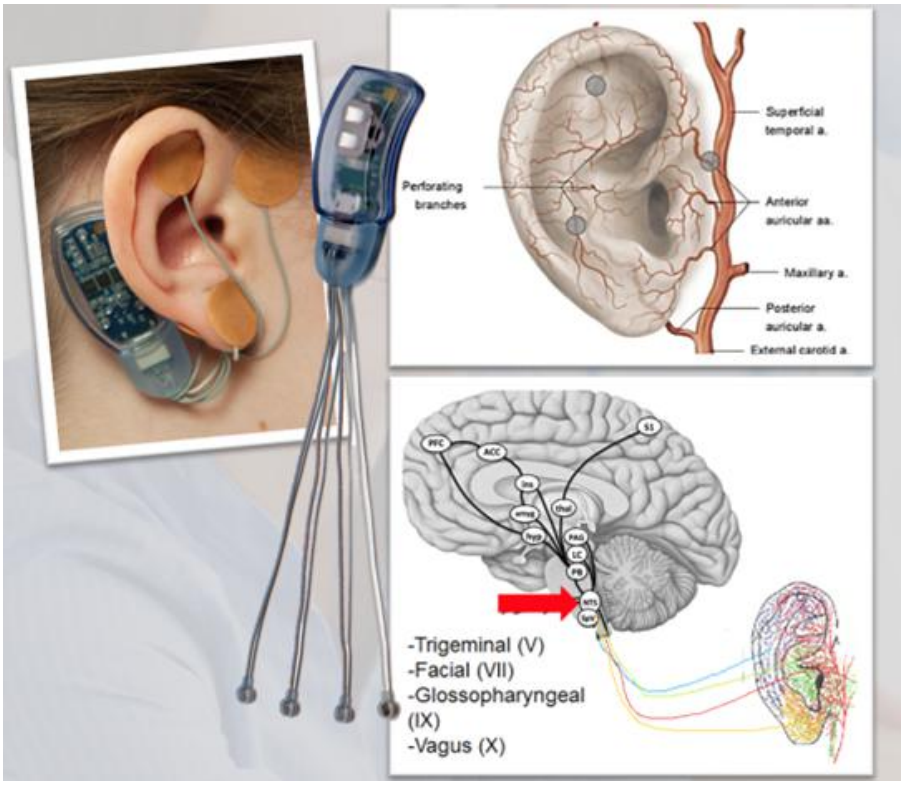
Medical providers are trained to place the IB-Stim through IB-Stim Training and Certification. Once the provider is trained, the device can be placed in the outpatient clinic and can be removed by the provider in the clinic or the patient at home. IB-Stim stays on for a total of five-days to allow delivery of gentle electrical pulses to nerves below the skin that access the central nervous system. A study in adolescents showed greater improvement in functional abdominal pain and global symptom improvement with every week of treatment (up to four weeks). At the end of the four-week study, 95% of adolescents stated they would recommend the treatment to family or friends. Safety of percutaneous electrical nerve field stimulation has also been reported in a separate study of over 1200 adult patients with no serious adverse events and minimal to no side-effects.

When wearing our IB-Stim device, patients can still attend school and extracurricular activities, exercise or play non-contact sports, shower, wear ear buds or headphones, and travel.

Our IB-Stim device costs $1,195 per device, and each patient will use four (4) devices. Potential patients with other indications are expected to use six (6) or more devices per patient.

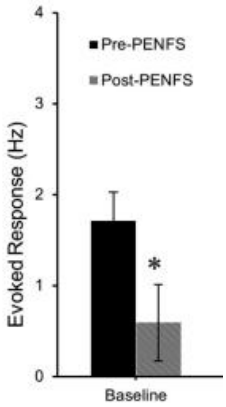
Technology

A maladaptive central nervous system can process pain and emotions differently. This often occurs in children following a traumatic event, viral infections, inflammation or trauma. Changes in brain pathways are known to be involved in the pathophysiology of functional bowel disorders and IBS. The IB-Stim works by sending gentle electrical impulses into cranial nerve bundles located in the ear. This stimulation targets brain areas that process pain and helps reduce functional abdominal pain associated with IBS. An animal model of IBS demonstrated that the firing of neurons in the amygdala could be reduced by more than 50% in just 15 minutes of stimulation with the IB-Stim technology. A recent human study in adults with pain related to fibromyalgia suggested that the IB-Stim technology exerts its effect by modulating emotional and executive control centers related to pain processing, see *Feasibility of Auricular Field Stimulation in Fibromyalgia: Evaluation by Functional Magnetic Resonance Imaging, Randomized Trial*, Woodbury et.al., Pain Med. 2021;22:715-726. The field of art pertains to an electrical stimulation device, including a stimulator containing a generator to deliver electrical pulses with defined parameters, and a power supply for supplying the electrical energy through four separate needles, and at least one of which is a needle array.



Pre-Clinical Data

In an animal model of IBS, extracellular, electrophysiologic recordings were performed from neurons in the rat amygdala before and 15 minutes after PENFS treatment. There was a 65% decrease in the spontaneous firing of these neurons after 15 minutes of PENFS. This dampening of neurons in the CNS likely accounts for the modulation of pain responses in a model of post-inflammatory visceral and somatic hyperalgesia.



Clinical Data

Our goal is to have over 700 published patients specific to our first FDA indication which is functional abdominal pain associated with irritable bowel syndrome in patients 11-18 years of age by July 1, 2023. A published patient is defined as a patient who went through a study and the study was analyzed and now the study has been published in a peer-reviewed journal.

A randomized, controlled study in children 11-18 year of age used primary endpoint of improvements in abdominal pain. The Pain Frequency-Severity-Duration ("PFSD") questionnaires was completed at baseline by all subjects and after each week of treatment (weeks 1–3), as well as at extended follow-up occurring in the 8–12 weeks following the end of treatment. The PFSD scale incorporates multiple aspects of the pain experience and was administered weekly during treatment and at extended follow-up appointments. The PFSD scale validated for chronic pain in children (aged 8–18 years). The PFSD was also used to rate weekly worst abdominal pain on a numerical rating scale (0 for no pain, 10 for worst pain). Patients were followed up for a median of 9.2 weeks from the last week of treatment.

For the active PENFS group, median worst pain at follow-up remained lower (baseline: 8.0 vs. follow-up: 6.0), whereas there was no difference at follow-up in the control group (baseline: 7.5 vs. follow-up: 7.0). The between-group differences in worst pain ratings after 3 weeks of treatment showed that the PENFS group improved to a greater extent, with the control group reporting significantly higher worst pain (median 7.0) than the PENFS group (median 5.0).

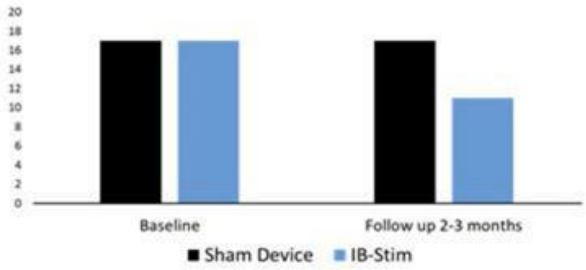
At long-term follow-up, median PFSD composite scores were 12.6 (IQR 3.6–22.5) in the PENFS group and 16.8 (4.8–33.6) in the control group. A comparison of changes in PFSD composite scores (baseline to follow-up) showed that patients in the PENFS group reported significantly greater improvement in pain (median –8.4) than those in the control group (median 0.0). This study was published in the Lancet Gastroenterology Hepatology, (Kovacic K, et.al.. Lancet Gastroenterol Hepatol. 2017;2:727-737).

	PFSD worst pain score			PFSD composite pain score		
	Mean (SE)	95% CI	p value	Mean (SE)	95% CI	p value
Week 1	1·09 (0·3855)	0·34–1·85	0·0048	5·75 (2·41)	1·00–10·49	0·018
Week 2	1·21 (0·3924)	0·43–1·98	0·0023	6·41 (2·45)	1·60–11·23	0·0092
Week 3	2·15 (0·3947)	1·37–2·93	<0·0001	11·48 (2·46)	6·63–16·32	<0·0001

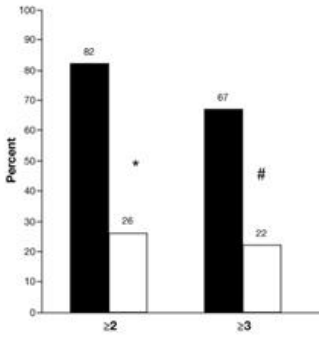
PFSD=Pain-Frequency-Severity-Duration. PENFS=percutaneous electrical nerve field stimulation.

Table 3: **Least squares means estimates of change of worst pain and composite PFSD scores from baseline across weeks 1–3, PENFS versus sham**

A secondary endpoint in the same study used the functional disability index (FDI) to assess functional disability in those treated with PENFS and compared to sham treatment. Those treated with PENFS changed from moderate disability to minimal at the 2–3-month follow-up while the sham device group had no change.



A separate published paper looked at 51 pediatric patients with IBS and used the symptoms response scale (SRS) to assess global symptoms improvement following PENFS treatment compared to sham. Global symptom improvement was assessed with a validated pediatric questionnaire, Symptom Response Scale (SRS). Symptoms were recorded as better, worse, or no change based on a 15-point scale across individual domains for both improvement and deterioration of overall symptoms. Findings from several studies that used the SRS have shown that using 7-point scale response options in disease-specific measures, a change score of 0.5 represents the minimal clinically important difference (Juniper et.al. J Clin Epidemiol 1994; 47: 81–87 and Guyatt GH et.al..1987; 42: 773–78). As previously noted, a minimum change in score of ≥2 was chosen for this study as a more stringent criterion for global improvement before and after PENFS treatment and to compare between groups. Patients and providers were blinded in terms of those who received active PENFS or sham. At the end 3 weeks of therapy using the change of ≥2, 81% of the PENFS group compared with 26% of the sham group (*p≤ 0.001, #p=0.002) reported overall symptom improvement. When applying an even more stringent criteria with a change ≥3 on the SRS, 67% of the PENFS group compared with 22% of the sham group reported symptoms improvement (p=0.002) (Krasaelap A et.al. Efficacy of Auricular Neurostimulation in Adolescents With Irritable Bowel Syndrome in a Randomized, Double-Blind Trial. Clin Gastroenterol Hepatol. 2020;18:1987-1994).



A more recent open-label study of 20 patients treated with PENFS in a "real-world" clinical setting at Cincinnati Children's Hospital demonstrated that after PENFS, abdominal pain ($p < 0.0001$), nausea ($p=0.001$), pain catastrophizing ($p = 0.001$), functional disability ($p<0.0001$), and anxiety ($p = 0.03$) exhibited significant improvements, and were sustained 6-12 months after treatment (Santucci et.al.. Effect of percutaneous electrical nerve field stimulation on mechanosensitivity, sleep, and psychological comorbidities in adolescents with functional abdominal pain disorders. Neurogastroenterol Motil. 2022;34:e14358). Validated questionnaires included the abdominal pain index (API), nausea severity scale (NSS), functional disability index (FDI), as well as psychological measures of catastrophizing (PCS-C) and anxiety (SCARED). The table below summarizes the results pre, during and post PENFS results at long-term follow-up (Santucci et.al.. Effect of percutaneous electrical nerve field stimulation on mechanosensitivity, sleep, and psychological comorbidities in adolescents with functional abdominal pain disorders. Neurogastroenterol Motil. 2022;34:e14358).

TABLE 2 Effects on symptoms before, during, and after PENFS

		Penfs						
Parameters	Baseline	Week 1	Week 2	Week 3	Week 4	p value[b]	Follow-up	p value[c]
GI Symptoms								
Resting VAS								
Pain Intensity	2.2 ± 0.52	1.72 ± 0.52	1.75 ± 0.53	1.73 ± 0.53	1.61 ± 0.53	0.06	–	–
Pain Unpleasantness	2.05 ± 0.5	1.21 ± 0.5	1.33 ± 0.51	1.28 ± 0.51	1.28 ± 0.51	0.03	–	–
Nausea	1.07 ± 0.44	0.41 ± 0.44	0.61 ± 0.44	0.74 ± 0.44	0.68 ± 0.44	0.10	–	–
API	2.84 ± 0.25	2.39 ± 0.25	2.08 ± 0.26	2.05 ± 0.26	1.9 ± 0.26	<0.0001	1.39 ± 0.27	<0.0001
NSS	1.78 ± 0.25	1.66 ± 0.25	1.14 ± 0.25	1.36 ± 0.25	1.33 ± 0.25	0.07	0.90 ± 0.27	0.001
Physical Functioning								
FDI	18.95 ± 3.06	15.3 ± 3.06	15.12 ± 3.07	15.07 ± 3.07	15.54 ± 3.07	0.04	10.09 ± 3.14	<0.0001
CSSI (Somatic symptoms)	28.25 ± 3.81	21 ± 3.81	20.61 ± 3.85	20.04 ± 3.85	20.4 ± 3.85	0.01	17.8 ± 4.05	0.002
CSSI (GI symptoms)	9.9 ± 1.1	7.65 ± 1.1	7.4 ± 1.12	6.92 ± 1.12	7.19 ± 1.12	0.01	6.14 ± 1.2	0.002
Psychological Functioning								
PCS-C	23.85 ± 3.24	19.85 ± 3.24	18.08 ± 3.27	16.5 ± 3.27	15.4 ± 3.27	0.0004	14.88 ± 3.42	0.001
SCARED	22.5 ± 4.3	–	–	–	17.5 ± 4.3	0.02	16.9 ± 4.4	0.03
PROMIS Anxiety	51.87 ± 2.27	48.28 ± 2.27	48.85 ± 2.28	48.03 ± 2.28	48.72 ± 2.28	0.03	48.87 ± 2.35	0.05
PROMIS Depression	48.6 ± 2.4	45.1 ± 2.4	46.27 ± 2.42	45.73 ± 2.42	46.78 ± 2.42	0.14	47.85 ± 2.49	0.63

Note: API, Abdominal Pain Index; CSSI, Children's Somatic Symptoms Inventory; FDI, Functional Disability Inventory; NSS, Nausea Severity Scale; PCS-C, Pain Catastrophizing Scale for Children; PENFS, Percutaneous Electrical Nerve Field Stimulation; SCARED, Screen for Child Anxiety-Related Emotional Disorders; VAS, Visual Analog Scale.
All values are LS Means and SE; [b]p for Week 4 vs. Week 0; [c]p for long-term follow-up vs. Week 0

A clinically meaningful endpoint is the number needed to treat (NNT) used in treatment for abdominal pain-related functional gastrointestinal disorders in adolescents. NNT means the number of patients that need to be treated for one patient to get the targeted improvement (≥30% improvement).

Reimbursement

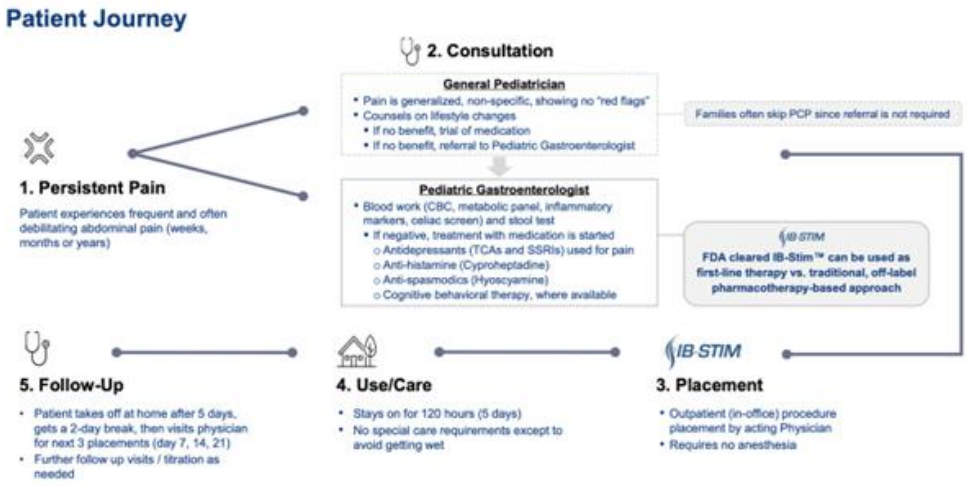
Our technology specific CAT III CPT Code (0720T) was published on December 30, 2021 and effective on July 1, 2022. A CAT III CPT code is viewed as a temporary CPT code, and we expect to submit for our permanent CAT I CPT code in 2023. As of the date of this prospectus, there are three (3) commercial written insurance coverage policies that cover our CPT Code, including BCBS Nebraska, BCBS Massachusetts, and Quartz Wisconsin.

Marketing

We market our products through search engine optimization, or SEO, internet channels and to physicians via the academic society. We plan to extensively ramp-up our marketing efforts to patients and physicians as we gain additional indications.

Patients/Customers

Our current patient base is children, who ages 11-18 and suffering from functional abdominal pain. Our customers are primarily children's hospitals who serve these children.



Intellectual Property

Our intellectual property consists of patents, trademarks, and trade secrets. Our trade secrets consist of product formulas, research, and development, and unpatentable know-how, all of which we seek to protect, in part, by confidentiality agreements. To protect our intellectual property, we rely on a combination of laws and regulations, as well as contractual restrictions. Federal trademark law protects our registered trademarks. We also rely on the protection of laws regarding unregistered copyrights for certain content we create and trade secret laws to protect our proprietary technology. To further protect our intellectual property, we enter into confidentiality agreements with our executive officers and directors.

Trademarks

The Company has 10 registered trademarks, eight (8) of which are being used in commerce:

Country	Trademark	Reg. No.	Reg. Date	Class/Goods	Status
US	NEURO-STIM and Design	5105257	20-Dec-2016	10 Int. nerve stimulator apparatus	Registered
US	NSS THE NEUROSTIM SYSTEM and Design	4905470	23-Feb-2016	10 Int. nerve stimulator apparatus	Registered
US	THE NEURO-STIM SYSTEM and Design	5105258	20-Dec-2016	10 Int. nerve stimulator apparatus	Registered
US	NSS	4852008	10-Nov-2015	10 Int. Medical apparatus, namely, electrical nerve stimulators; medical device, namely, a non- implantable neurological pain management generator, with percutaneously-implantable needle arrays; medical system and apparatus consisting of a non-implantable modulating frequency generator, providing neuromodulation therapy to cranial and peripheral nerves; medical system and apparatus consisting of implantable arrays for transmitting current into auricular and peri-auricular tissue; medical device for peripheral nerve and nerve field stimulation; medical system and apparatus consisting of a non-implantable modulating frequency generator and implantable needle arrays for transmitting current into auricular and peri-auricular tissue for use in pain management, namely, patient stimulators for auricular and peri-auricular peripheral nerve field neuromodulation therapy; medical apparatus, appliances and instruments for peripheral nerve field stimulation in cranial and peripheral nerves and occipital nerve branches, for pain control, headache control, control of phantom limb pain, stump pain, reflex sympathetic dystrophy (RSD), peripheral neuropathies and other types of sympathetically mediated pain	Registered

US	IB-STIM	5926831	03-Dec-2019	10 Int. medical apparatus, namely, electrical nerve stimulators; medical device, namely, a non- implantable modulating frequency generator, providing neuromodulation therapy to cranial and peripheral nerves; medical apparatus consisting of percutaneously implantable arrays for transmitting current into auricular and peri-auricular tissue; medical device for peripheral nerve and nerve field stimulation; medical device consisting of a non-implantable modulating frequency generator and percutaneously implantable needle arrays for transmitting current into auricular and peri-auricular tissue for use in pain management and FGID (functional gastrointestinal disorders), namely, patient stimulator for auricular and peri-auricular peripheral nerve field neuromodulation therapy; medical apparatus, for peripheral nerve field stimulation in cranial and peripheral nerves and occipital nerve branches, for pain control, FGID, irritable bowel, functional dyspepsia, functional abdominal pain, nausea, functional nausea, abdominal migraine, Crohn's Disease, visceral hypersensitivity, chronic inflammatory bowel disease, changes in FGID co-morbidities, sleep disturbances, psychological disorders, including mood and anxiety, satiety and changes in autonomic nervous system and other types of sympathetically mediated pain	Registered
US	IB-STIM and Design	5926832	03-Dec-2019	10 Int. medical apparatus, namely, electrical nerve stimulators; medical device, namely, a non- implantable modulating frequency generator, providing neuromodulation therapy to cranial and peripheral nerves; medical apparatus consisting of percutaneously implantable arrays for transmitting current into auricular and peri-auricular tissue; medical device for peripheral nerve and nerve field stimulation; medical device consisting of a non-implantable modulating frequency generator and percutaneously implantable needle arrays for transmitting current into auricular and peri-auricular tissue for use in pain management and FGID (functional gastrointestinal disorders), namely, patient stimulator for auricular and peri-auricular peripheral nerve field neuromodulation therapy; Medical apparatus, for peripheral nerve field stimulation in cranial and peripheral nerves and occipital nerve branches, for pain control, FGID, irritable bowel, functional dyspepsia, functional abdominal pain, nausea, functional nausea, abdominal migraine, Crohn's Disease, visceral hypersensitivity, chronic inflammatory bowel disease, changes in FGID co-morbidities, sleep disturbances, psychological disorders, including mood and anxiety, satiety and changes in autonomic nervous system and other types of sympathetically mediated pain	Registered
US	IB-STIM AURICULAR STIMULATOR	5978411	04-Feb-2020	10 Int. medical apparatus, namely, electrical nerve stimulators; Medical device, namely, a non- implantable modulating frequency generator, providing neuromodulation therapy to cranial and peripheral nerves; Medical apparatus consisting of percutaneously implantable arrays for transmitting current into auricular and peri-auricular tissue; Medical device for peripheral nerve and nerve field stimulation; Medical device consisting of a non-implantable modulating frequency generator and percutaneously implantable needle arrays for transmitting current into auricular and peri-auricular tissue for use in pain management and FGID (functional gastrointestinal disorders), namely, patient stimulator for auricular and peri-auricular peripheral nerve field neuromodulation therapy; Medical apparatus, for peripheral nerve field stimulation in cranial and peripheral nerves and occipital nerve branches, for pain control, FGID, irritable bowel, functional dyspepsia, functional abdominal pain, nausea, functional nausea, abdominal migraine, Crohn's Disease, visceral hypersensitivity, chronic inflammatory bowel disease, changes in FGID co-morbidities, sleep disturbances, psychological disorders, including mood and anxiety, satiety and changes in autonomic nervous system and other types of sympathetically mediated pain	Registered
US	IB-STIM AURICULAR STIMULATOR and Design	5978412	04-Feb-2020	10 Int. medical apparatus, namely, electrical nerve stimulators; medical device, namely, a non- implantable modulating frequency generator, providing neuromodulation therapy to cranial and peripheral nerves; medical apparatus consisting of percutaneously implantable arrays for transmitting current into auricular and peri-auricular tissue; medical device for peripheral nerve and nerve field stimulation; medical device consisting of a non-implantable modulating frequency generator and percutaneously implantable needle arrays for transmitting current into auricular and peri-auricular tissue for use in pain management and FGID (functional gastrointestinal disorders), namely, patient stimulator for auricular and peri-auricular peripheral nerve field neuromodulation therapy; medical apparatus, for peripheral nerve field stimulation in cranial and peripheral nerves and occipital nerve branches, for pain control, FGID, irritable bowel, functional dyspepsia, functional abdominal	Registered

	pain, nausea, functional nausea, abdominal migraine, Crohn's Disease, visceral hypersensitivity, chronic inflammatory bowel disease, changes in FGID co-morbidities, sleep disturbances, psychological disorders, including mood and anxiety, satiety and changes in autonomic nervous system and other types of sympathetically mediated pain

US	NEURAXIS	10 Int. Nerve stimulator apparatus; nerve stimulator apparatus for FGID, irritable bowel, functional dyspepsia, functional abdominal pain, nausea, functional nausea, abdominal migraine, Crohn's Disease, visceral hypersensitivity, chronic inflammatory bowel disease, changes in FGID co- morbidities, sleep disturbances, psychological disorders, including mood, anxiety, and satiety, pain control, headache control, control of phantom limb pain, stump pain, reflex sympathetic dystrophy (RSD), peripheral neuropathies and other types of sympathetically mediated pain	Filed
US	NEURAXIS (STYLIZED)	10 Int. Nerve stimulator apparatus; nerve stimulator apparatus for FGID, irritable bowel, functional dyspepsia, functional abdominal pain, nausea, functional nausea, abdominal migraine, Crohn's Disease, visceral hypersensitivity, chronic inflammatory bowel disease, changes in FGID co- morbidities, sleep disturbances, psychological disorders, including mood, anxiety, and satiety, pain control, headache control, control of phantom limb pain, stump pain, reflex sympathetic dystrophy (RSD), peripheral neuropathies and other types of sympathetically mediated pain	Filed

The Company has no unregistered trademarks.

Patents

The Company has eight (8) granted patents and nine (9) applied for patent applications in the United States and nine (9) applied for foreign patent applications.

Country	Owner	Serial No.	Actual Filing Date	Patent No.	Issue Date	Anticipated Expiration Date	Title	Application Status	Licensing Status
CA	Neuraxis, Inc.	3096494	25-Apr-2019				AURICULAR NERVE FIELD STIMULATION DEVICE	applied for	
CN	Neuraxis, Inc.	201980027574.9	25-Apr-2019				AURICULAR NERVE FIELD STIMULATION DEVICE	applied for	
EP	Neuraxis, Inc.	19850021.7	25-Apr-2019				AURICULAR NERVE FIELD STIMULATION DEVICE	applied for	
JP	Neuraxis, Inc.	2021-509961	23-Oct-2020				AURICULAR NERVE FIELD STIMULATION DEVICE	applied for	
KR	Neuraxis, Inc.	10-2020-7034010	25-Apr-2019				AURICULAR NERVE FIELD STIMULATION DEVICE	applied for	
US	Neuraxis, Inc.	17/040766	23-Sep-2020	11369791	28-Jun-2022	21-Jun-2039	AURICULAR NERVE FIELD STIMULATION DEVICE	granted	
US	Neuraxis, Inc.	17/715121	07-Apr-2022				AURICULAR NERVE FIELD STIMULATION DEVICE	applied for	
US	Neuraxis, Inc.	63/314028	25-Feb-2022				AURICULAR NERVE FIELD STIMULATION DEVICE AND METHODS FOR USING THE SAME	applied for	
US	Neuraxis, Inc.	63/315371	01-Mar-2022				AURICULAR NERVE FIELD STIMULATION DEVICE AND METHODS FOR USING THE SAME	applied for	
US	Neuraxis, Inc.	16/014169	21-Jun-2018	10322062	18-Jun-2019	14-May-2034	AURICULAR PERIPHERAL NERVE FIELD STIMULATOR AND METHOD OF OPERATING SAME	granted	Out-licensed
US	Neuraxis, Inc.	16/408004	09-May-2019	11077019	03-Aug-2021	14-May-2034	AURICULAR PERIPHERAL NERVE FIELD STIMULATOR AND METHOD OF OPERATING SAME	granted	Out-licensed
US	Neuraxis, Inc.	17/363620	30-Jun-2021				AURICULAR PERIPHERAL NERVE FIELD STIMULATOR AND METHOD OF OPERATING SAME	applied for	
US	Neuraxis, Inc.	17/830411	02-Jun-2022				DEVICE AND METHOD FOR ERADICATING	applied for	

US	Neuraxis, Inc.	17/589082	31-Jan-2022				EXTERNAL AUDITORY CANAL PHOTOBIOMODULATION AND AUDIO THERAPY DEVICE	applied for	
US	Neuraxis, Inc.	17/861646	11-Jul-2022				EXTERNAL AUDITORY CANAL THERAPY DEVICE	applied for	
CA	Neuraxis, Inc.	3143304	10-Dec-2021				EXTERNAL AUDITORY CANAL PHOTOBIOMODULATION DEVICE	applied for	
CN	Neuraxis, Inc.	202080060202.9	23-Jun-2020				EXTERNAL AUDITORY CANAL PHOTOBIOMODULATION DEVICE	applied for	
EP	Neuraxis, Inc.	20830917.9	10-Dec-2021				EXTERNAL AUDITORY CANAL PHOTOBIOMODULATION DEVICE	applied for	
JP	Neuraxis, Inc.	2021-576915	24-Dec-2021				EXTERNAL AUDITORY CANAL PHOTOBIOMODULATION DEVICE	applied for	
US	Neuraxis, Inc.	17/617364	08-Dec-2021				EXTERNAL AUDITORY CANAL PHOTOBIOMODULATION DEVICE	applied for	
US	Neuraxis, Inc.	15/488416	14-Apr-2017	10413719	17-Sep-2019	14-April-2037	METHODS OF TREATING DISEASE USING AURICULAR PERIPHERAL NERVE FIELD STIMULATION	granted	Out-licensed
US	Neuraxis, Inc.	16/534159	07-Aug-2019	11331473	17-May-2022	14-April-2037	METHODS OF TREATING DISEASE USING AURICULAR PERIPHERAL NERVE FIELD STIMULATION	granted	
US	Neuraxis, Inc.	17/725761	21-Apr-2022				METHODS OF TREATING DISEASE USING AURICULAR PERIPHERAL NERVE FIELD STIMULATION	applied for	
US	Neuraxis, Inc.	15/595185	15-May-2017	9839577	12-Dec-2017	14-May-2034	SYSTEM AND METHOD FOR AURICULAR PERIPHERAL NERVE FIELD STIMULATION	granted	Out-licensed
US	Neuraxis, Inc.	15/811278	13-Nov-2017	10010479	03-Jul-2018	14-May-2034	SYSTEM AND METHOD FOR AURICULAR PERIPHERAL NERVE FIELD STIMULATION	granted	Out-licensed
US	Neuraxis, Inc.	14/277158	14-May-2014	9662269	30-May-2017	14-May-2034	SYSTEMS AND METHODS FOR AURICULAR PERIPHERAL NERVE FIELD STIMULATION	granted	Out-licensed

License Agreements

TKBMN Exclusive License Agreement

On May 7, 2020, the Company entered into an exclusive license agreement with TKBMN, LLC to obtain an exclusive license under certain patent rights (the "Patent Rights") owned by TKBMN. Dr. Thomas Carrico, our Chief Regulatory Officer, is the manager of TKBMN. Brian Carrico, our Chief Executive Officer, and Matt Carrico, our National Sales Director, are members of TKBMN. TKBMN owns the rights to "Systems and Methods for Electro-Therapy Treatment," US Patent No. 10,792,500 (the "TKBMN Patent"). The expiration date of the TKBMN Patent is Oct 18, 2037, if all maintenance fees remain paid. Thomas Carrico is the author and inventor of the TKBMN Patent and has assigned the auricular portion of the TKBMN Patent to the Company.

Pursuant to the exclusive license agreement, TKBMN agreed to grant an exclusive, worldwide, non-transferable, royalty-free license under Patent Rights, which including three patents applications filed by TKBMN in connection with systems and methods for elector-therapy treatment, to the Company to develop, market, and sell licensed products, in the field of electro-therapy treatment by stimulation of cranial nerves, cranial nerve branches, auricular nerves, auricular nerve branches, auricular nerve bundles, and/or auricular anatomical structures in human patients (the "Field"), in consideration of a one-time license fee of $1.00. The Company has the right to grant sublicenses to the Patents Rights in the Field. The exclusive license agreement expires upon the expiration of the last to expire valid claim within the Patent Rights and may be terminated by the Company upon 60 days prior written notice. Upon expiration or termination of the exclusive license agreement, all rights in the Patent Rights will revert to TKBMN. There are no royalties or any other form of committed revenue to TKBMN or any of its members, Under the agreement, the Company has agreed to cover fees and expenses associated with maintenance, prosecution, and additional associated/continuation patent filings for the TKBMN Patent.

Masimo License and Collaboration Agreement

On April 9, 2020, the Company entered into a license and collaboration agreement with Masimo. As consideration, in part, Masimo entered into a Series A Preferred Stock purchase agreement with the Company. Under the license and collaboration agreement, the Company grants an exclusive, fully paid-up, royalty-free license to specifically identified patents and trademarks in a limited Field of use. At all times, the Company remains the owner of all licensed intellectual property rights, and there is a possibility of joint ownership of collaboratively developed products and methods. The licensed patents are generally directed to a device and the treatment of opioid withdrawal symptoms. The licensed trademarks are generally directed to the NSS-2 Bridge mark. The license agreement includes a collaboration component to efficiently develop, obtain regulatory approval, and commercialize products for the limited field of use. The term of the agreement is in effect until the expiration or lapse of the last intellectual property rights. Masimo paid a one-time fee of $250,000. The license and collaboration agreement may not be terminated by the Company for any reason, and the sole remedy for any breach or default by Masimo shall be to seek monetary damages and equitable remedies. The license and collaboration agreement may be terminated by Masimo if there is material breach by the Company that remain uncured for thirty (30) days or without cause by providing thirty (30) days prior written notice. See *"—Our Corporate History*" for more information.

Implications of Being a Smaller Reporting Company

We are a "smaller reporting company" as defined in Rule 10(f)(1) of Regulation S-K. Smaller reporting companies may take advantage of certain reduced disclosure obligations, including, among other things, providing only two years of audited financial statements. We will remain a smaller reporting company until the last day of the fiscal year in which (1) the market value of our shares held by non-affiliates equals or exceeds $250 million as of the prior June 30th, or (2) our annual revenues equaled or exceeded $100 million during such completed fiscal year and the market value of our shares held by non-affiliates equals or exceeds $700 million as of the prior June 30th. Such reduced disclosure and corporate governance obligations may make it more challenging for investors to analyze our results of operations and financial prospects.

For additional information, see "*Risk Factors – Because the Company is a 'smaller reporting company,' we may take advantage of certain scaled disclosures available to us, resulting in holders of our securities receiving less Company information than they would receive from a public company that is not a smaller reporting company" and "As a smaller reporting company," we may at some time in the future choose to exempt our company from certain corporate governance requirements that could have an adverse effect on our public stockholders."*

Implications of Being an Emerging Growth Company

We are an "emerging growth company" as defined in the JOBS Act. We will remain an emerging growth company until the earlier of (1) December 31, 2024, (2) the last day of the fiscal year in which we have total annual gross revenue of at least $1.235 billion, (3) the last day of the fiscal year in which we are deemed to be a "large accelerated filer" as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended, or the Exchange Act, which would occur on the date on which we have issued more than $1.0 billion in non-convertible debt securities during the prior three-year period. An emerging growth company may take advantage of specified reduced reporting requirements and is relieved of certain other significant requirements that are otherwise generally applicable to public companies. As an emerging growth company, we may:

- present only two years of audited financial statements, plus unaudited condensed financial statements for any interim period, and related management's discussion and analysis of financial condition and results of operations in this prospectus;
- avail ourselves of the exemption from the requirement to obtain an attestation and report from our auditors on the assessment of our internal control over financial reporting pursuant to the Sarbanes-Oxley Act of 2002;
- provide reduced disclosure about our executive compensation arrangements; and
- not require stockholder non-binding advisory votes on executive compensation or golden parachute arrangements.

In addition, under the JOBS Act, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected not to take advantage of the extended transition period for complying with new or revised accounting standards provided to emerging growth companies under the JOBS Act.

Government Regulation

Our products and our operations are subject to extensive regulation by the U.S. Food and Drug Administration, or FDA, and other federal, state, and local authorities in the United States, as well as comparable authorities in foreign jurisdictions. Our products are subject to regulation as medical devices in the United States under the Federal Food, Drug, and Cosmetic Act, or FDCA, and its implementing regulations.

United States Regulation

The FDA regulates, among other things, the development, design, non-clinical and clinical testing, manufacturing, safety, effectiveness, labeling, packaging, storage, installation, servicing, recordkeeping, premarket clearance or approval, adverse event reporting, advertising, promotion, marketing and distribution, and import and export and post-marketing surveillance of medical devices in the United States to ensure that medical devices distributed domestically are safe and effective for their intended uses and otherwise meet the requirements of the FDCA.

FDA Premarket Clearance and Approval Requirements

Unless an exemption applies, each new or significantly modified medical device commercially distributed in the United States requires FDA clearance of a 510(k) premarket notification. The 510(k) clearance can be resource intensive, expensive, and lengthy.

Under the FDCA, medical devices are classified into one of three classes—Class I, Class II or Class III—depending on the degree of risk associated with each medical device and the extent of manufacturer and regulatory control needed to ensure its safety and effectiveness. Class I devices are those for which safety and effectiveness can be assured by adherence to the FDA's general controls for medical devices, which include compliance with the applicable portions of FDA's current good manufacturing practices for devices, as reflected in the Quality System Regulation, or QSR, establishment registration and device listing, reporting of adverse medical events, and truthful and non-misleading labeling, advertising, and promotional materials. Some Class I devices, also called Class I reserved devices, also require premarket clearance by the FDA through the 510(k) premarket notification process described below. Most Class I devices are exempt from the premarket notification requirements.

Class II devices are subject to the FDA's general controls, and any other special controls deemed necessary by the FDA to ensure the safety and effectiveness of the device. These special controls can include performance standards, special labeling requirements, post-market surveillance, patient registries and FDA guidance documents.

Most Class II devices are required to submit to the FDA a premarket notification under Section 510(k) of the FDCA requesting permission to commercially distribute the device. The FDA's permission to commercially distribute a device subject to a 510(k) premarket notification is generally known as 510(k) clearance.

If a new medical device does not qualify for the 510(k) premarket notification process because no predicate device to which it is substantially equivalent can be identified, the device is automatically classified into Class III. The Food and Drug Administration Modernization Act of 1997 established a new route to market for low to moderate risk medical devices that are automatically placed into Class III due to the absence of a predicate device, called the "Request for Evaluation of Automatic Class III Designation," or the de novo classification process. This process allows a manufacturer whose novel device is automatically classified into Class III to request down-classification of its medical device into Class I or Class II on the basis that the device presents low or moderate risk. If the manufacturer seeks reclassification into Class II, the manufacturer must include a draft proposal for special controls that are necessary to provide a reasonable assurance of the safety and effectiveness of the medical device. The FDA may reject the reclassification petition if it identifies a legally marketed predicate device that would be appropriate for a 510(k) or that general controls would be inadequate to control the risks and special controls cannot be developed.

Obtaining FDA marketing authorization, de novo down-classification, or approval for medical devices is expensive and uncertain, and may take several years, and generally requires significant scientific and clinical data.

Some pre-amendment devices are unclassified, but are subject to FDA's premarket notification and clearance process in order to be commercially distributed.

Investigational Device Process

Clinical trials are sometimes required to support a 510(k) submission. In the United States, absent certain limited exceptions, human clinical trials intended to support medical device clearance or approval or to determine safety and effectiveness of a device for an investigational use must be conducted in accordance with the FDA's investigational device exemption, or IDE, regulations which govern investigational device labeling, prohibit promotion of the investigational device, and specify an array of recordkeeping, reporting and monitoring responsibilities of study sponsors and study investigators. If the device presents a "significant risk," to human health, as defined by the FDA, the FDA requires the device sponsor to submit an IDE application to the FDA, which must become effective prior to commencing human clinical trials. The IDE application must be supported by appropriate data, such as animal and laboratory testing results, showing that it is safe to test the device in humans and that the testing protocol is scientifically sound. The IDE application must be approved in advance by the FDA for a specified number of subjects. Generally, clinical trials for a significant risk device may begin once the IDE application is approved by the FDA and the study protocol and informed consent are approved by appropriate institutional review boards at the clinical trial sites. There can be no assurance that submission of an IDE will result in the ability to commence clinical trials, and although the FDA's approval of an IDE allows clinical testing to go forward for a specified number of subjects, it does not bind the FDA to accept the results of the trial as sufficient to prove the product's safety and effectiveness, even if the trial meets its intended success criteria.

If the device under evaluation does not present a significant risk to human health, then the device sponsor is not required to submit an IDE application to the FDA before initiating human clinical trials, but must still comply with abbreviated IDE requirements when conducting such trials. A significant risk device is one that presents a potential for serious risk to the health, safety or welfare of a patient and either is implanted, used in supporting or sustaining human life, substantially important in diagnosing, curing, mitigating or treating disease or otherwise preventing impairment of human health, or otherwise presents a potential for serious risk to a subject. An IDE application must be supported by appropriate data, such as animal and laboratory test results, showing that it is safe to test the device in humans and that the testing protocol is scientifically sound. The IDE will automatically become effective thirty (30) days after receipt by the FDA unless the FDA notifies the company that the investigation may not begin. If the FDA determines that there are deficiencies or other concerns with an IDE for which it requires modification, the FDA may permit a clinical trial to proceed under a conditional approval.

Regardless of the degree of risk presented by the medical device, clinical studies must be approved by, and conducted under the oversight of, an Institutional Review Board, or IRB, for each clinical site. The IRB is responsible for the initial and continuing review of the IDE, and may pose additional requirements for the conduct of the study. If an IDE application is approved by the FDA and one or more IRBs, human clinical trials may begin at a specific number of investigational sites with a specific number of patients, as approved by the FDA. If the device presents a non-significant risk to the patient, a sponsor may begin the clinical trial after obtaining approval for the trial by one or more IRBs without separate approval from the FDA, but must still follow abbreviated IDE requirements, such as monitoring the investigation, ensuring that the investigators obtain informed consent, and labeling and record-keeping requirements. Acceptance of an IDE application for review does not guarantee that the FDA will allow the IDE to become effective and, if it does become effective, the FDA may or may not determine that the data derived from the trials support the safety and effectiveness of the device or warrant the continuation of clinical trials. An IDE supplement must be submitted to, and approved by, the FDA before a sponsor or investigator may make a change to the investigational plan that may affect its scientific soundness, study plan or the rights, safety or welfare of human subjects.

During a study, the sponsor is required to comply with the applicable FDA requirements, including, for example, trial monitoring, selecting clinical investigators and providing them with the investigational plan, ensuring IRB review, adverse event reporting, record keeping and prohibitions on the promotion of investigational devices or on making safety or effectiveness claims for them. The clinical investigators in the clinical study are also subject to FDA's regulations and must obtain patient informed consent, rigorously follow the investigational plan and study protocol, control the disposition of the investigational device, and comply with all reporting and recordkeeping requirements. Additionally, after a trial begins, we, the FDA or the IRB could suspend or terminate a clinical trial at any time for various reasons, including the following:

- The FDA or other regulatory authorities do not approve a clinical trial protocol or a clinical trial, or place a clinical trial on hold;
- Patients do not enroll in clinical trials at the rate expected;
- Patients do not comply with trial protocols;
- Patient follow-up is not at the rate expected;
- Patients experience serious adverse events;
- Patients die during a clinical trial, even though their death may not be related to the products that are part of the trial;
- Device malfunctions occur with unexpected frequency or potential adverse consequences;
- Side effects or device malfunctions of similar products already in the market that change the FDA's view toward approval of result in the imposition of new requirements or testing;
- Institutional review boards and third-party clinical investigators may delay or reject the trial protocol;
- Third-party clinical investigators decline to participate in a trial or do not perform a trial on the anticipated schedule or consistent with the clinical trial protocol, investigator agreement, investigational plan, good clinical practices, the IDE regulations, or other FDA or IRB requirements;
- Third-party investigators are disqualified by the FDA;
- We or third-party organizations do not perform data collection, monitoring and analysis in a timely or accurate manner or consistent with the clinical trial protocol or investigational or statistical plans, or otherwise fail to comply with the IDE regulations governing responsibilities, records, and reports of sponsors of clinical investigations;
- Third-party clinical investigators have significant financial interests related to us or our study such that the FDA deems the study results unreliable, or the company or investigators fail to disclose such interests;
- Regulatory inspections of our clinical trials or manufacturing facilities, which may, among other things, require us to undertake corrective action or suspend or terminate our clinical trials;
- Changes in government regulations or administrative actions;
- The interim or final results of the clinical trial are inconclusive or unfavorable as to safety or effectiveness; or
- The FDA concludes that our trial design is unreliable or inadequate to demonstrate safety and effectiveness.

510(k) Clearance Process

Under the 510(k) process, the manufacturer must submit to the FDA a premarket notification submission demonstrating that the proposed device is "substantially equivalent," as defined in the FDCA, to a legally marketed predicate device.

A predicate device is a legally marketed device that is not subject to premarket approval, i.e., a device that was legally marketed prior to May 28, 1976 (pre-amendments device) and for which a PMA is not required, a device that has been reclassified from Class III to Class II or I, or a device that was found substantially equivalent through the 510(k) process. A device is considered to be substantially equivalent if, with respect to the predicate device, it has the same intended use and has either (i) the same technological characteristics; or (ii) different technological characteristics, but the information provided in the 510(k) submission demonstrates that the device does not raise different questions of safety or effectiveness than the predicate device.

Before the FDA will accept a 510(k) premarket notification for substantive review, the FDA will first assess whether the submission satisfies a minimum threshold of acceptability. If the FDA determines that the 510(k) submission lacks necessary information for substantive review, the FDA will issue a "Refuse to Accept" letter which generally outlines the information the FDA believes is necessary to permit a substantive review and to reach a determination regarding substantial equivalence. An applicant must submit the requested information before the FDA will proceed with additional review of the submission. If a 510(k) submission is accepted for substantive review, the Medical Device User Fee Amendments sets a performance goal of 90 days for FDA review of a 510(k) submission, but the review time can be delayed if FDA raises questions or requests additional information during the review process. As a practical matter, clearance often takes longer, and clearance is never assured. Thus, as a practical matter, clearance often takes longer than 90 days. Although many 510(k) premarket notifications are cleared without clinical data, the FDA may require further information, including clinical data, to make a determination regarding substantial equivalence, which may significantly prolong the review process. If the FDA agrees that the device is substantially equivalent, it will grant clearance to commercially market the device.

If the FDA determines that the device is substantially equivalent to a predicate device, it will grant 510(k) clearance to commercially market the device. If the FDA determines that the device is "not substantially equivalent" to a previously cleared device, the device is automatically designated as a Class III device. The device sponsor must then fulfill more rigorous requirements of the PMA approval process, or can request a risk-based classification determination for the device in accordance with the "*de novo*" process, which is a route to market for certain novel medical devices that are low to moderate risk and are not substantially equivalent to a predicate device.

Medical devices can only be marketed for the indications for use for which they are cleared or approved. After a device receives 510(k) clearance, any modification that could significantly affect its safety or effectiveness, or that would constitute a major change or modification in its intended use, will require a new 510(k) clearance or, depending on the modification, PMA approval or *de novo* reclassification. The FDA requires each manufacturer to determine whether the proposed change requires submission of a 510(k), *de novo* request or a PMA in the first instance, but the FDA may review this determination to evaluate the regulatory status of the modified product at any time and may require the manufacturer to cease marketing and/or request the recall of the modified device until 510(k) marketing clearance or PMA approval is obtained or a *de novo* request is granted. Also, in these circumstances, the manufacturer may be subject to significant regulatory fines or penalties.

Over the last several years, the FDA has proposed reforms to its 510(k) clearance process, and such proposals could include increased requirements for clinical data and a longer review period, or could make it more difficult for manufacturers to utilize the 510(k) clearance process for their products. For example, in November 2018, FDA officials announced steps that the FDA intended to take to modernize the premarket notification pathway under Section 510(k) of the FDCA. Among other things, the FDA announced that it planned to develop proposals to drive manufacturers utilizing the 510(k) pathway toward the use of newer predicates. These proposals included plans to potentially sunset certain older devices that were used as predicates under the 510(k) clearance pathway, and to potentially publish a list of devices that have been cleared on the basis of demonstrated substantial equivalence to predicate devices that are more than 10 years old. These proposals have not yet been finalized or adopted, although the FDA may work with Congress to implement such proposals through legislation.

More recently, in September 2019, the FDA issued revised final guidance describing an optional "safety and performance based" premarket review pathway for manufacturers of "certain, well-understood device types" to demonstrate substantial equivalence under the 510(k) clearance pathway by showing that such device meets objective safety and performance criteria established by the FDA, thereby obviating the need for manufacturers to compare the safety and performance of their medical devices to specific predicate devices in the clearance process. The FDA has developed and maintains a list device types appropriate for the "safety and performance based" pathway and continues to develop product-specific guidance documents that identify the performance criteria for each such device type, as well as recommended testing methods, where feasible.

PMA Approval Process

Class III devices require PMA approval before they can be marketed, although some pre-amendment Class III devices for which FDA has not yet required a PMA are cleared through the 510(k) process. The PMA process is more demanding than the 510(k) premarket notification process. In a PMA, the manufacturer must demonstrate that the device is safe and effective for its intended use, and the PMA must be supported by extensive data, including data from preclinical studies and human clinical trials. The PMA must also contain a full description of the device and its components, a full description of the methods, facilities, and controls used for manufacturing, and proposed labeling. Following receipt of a PMA, the FDA conducts an administrative review to determine whether the application is sufficiently complete to permit a substantive review. If it is not, the agency will refuse to file the PMA. If FDA accepts the application for substantive review, it has 180 days under the FDCA to complete its review of a filed PMA application, although in practice, the FDA's review often takes significantly longer, and can take up to several years. During this review period, the FDA may request additional information or clarification of information already provided, and the FDA may issue a major deficiency letter to the applicant, requesting the applicant's response to deficiencies communicated by the FDA. The FDA considers a PMA or PMA supplement to have been voluntarily withdrawn if an applicant fails to respond to an FDA request for information (e.g., major deficiency letter) within a total of 360 days. Before approving or denying a PMA application, an advisory panel of experts from outside the FDA may be convened to review and evaluate the application and provide recommendations to the FDA as to whether the FDA should approve the submission, approve it with specific conditions, or not approve it. The FDA may or may not accept the panel's recommendation. Prior to approval of a PMA, the FDA may conduct inspections of the clinical trial data and clinical trial sites, as well as conduct inspections of the applicant or its third-party manufacturers' or suppliers' manufacturing facility or facilities to, among other things, ensure compliance with the QSR. PMA applications are also subject to the payment of user fees, which for fiscal year 2021 includes a standard application fee of $365,657.

- Overall, the FDA review of a PMA application generally takes between one and three years, but may take significantly longer. The FDA can delay, limit or deny approval of a PMA application for many reasons, including:
- The device may not be shown safe or effective to the FDA's satisfaction;
- The data from pre-clinical studies and/or clinical trials may be found unreliable or insufficient to support approval;
- The manufacturing process or facilities may not meet applicable requirements; and
- Changes in FDA approval policies or adoption of new regulations may require additional data.

If the FDA evaluation of a PMA is favorable, the FDA will issue either an approval letter, or an approvable letter, the latter of which usually contains a number of conditions that must be met in order to secure final approval of the PMA. When and if those conditions have been fulfilled to the satisfaction of the FDA, the agency will issue a PMA approval letter authorizing commercial marketing of the device, subject to the conditions of approval and the limitations established in the approval letter. The FDA may approve a PMA with post-approval conditions intended to ensure the safety and effectiveness of the device, including, among other things, restrictions on labeling, promotion, sale and distribution, and collection of long-term follow-up data from patients in the clinical study that supported PMA approval or requirements to conduct additional clinical studies post-approval. The FDA may condition PMA approval on some form of post-market surveillance when deemed necessary to protect the public health or to provide additional safety and effectiveness data for the device in a larger population or for a longer period of use. In such cases, the manufacturer might be required to follow certain patient groups for a number of years and to make periodic reports to the FDA on the clinical status of those patients. Failure to comply with the conditions of approval can result in material adverse enforcement action, including withdrawal of the approval. If the FDA's evaluation of a PMA application or manufacturing facilities is not favorable, the FDA will deny approval of the PMA or issue a not approvable letter. The FDA also may determine that additional tests or clinical trials are necessary, in which case the PMA approval may be delayed for several months or years while the trials are conducted and data is submitted in an amendment to the PMA, or the PMA is withdrawn and resubmitted when the data are available. The PMA process can be expensive, uncertain and lengthy and a number of devices for which the FDA approval has been sought by other companies have never been approved by the FDA for marketing.

Certain changes to an approved medical device, such as changes in manufacturing facilities, methods, quality control procedures, sterilization (if applicable), packaging, expiration date, labeling, device specifications, materials, or design of a device, or other changes which affect the safety or effectiveness of the device that has been approved through the PMA process require submission of a new PMA or PMA supplement. PMA supplements often require submission of the same type of information as a PMA, except that the supplement is limited to information needed to support any changes from the device covered by the original, approved PMA and may not require as extensive clinical data or the convening of an advisory panel, depending on the nature of the proposed change. Certain other changes to an approved device require the submission of a new PMA, such as when the design change causes a different intended use, mode of operation, and technical basis of operation, or when the design change is so significant that a new generation of the device will be developed, and the data that were submitted with the original PMA are not applicable for the change in demonstrating a reasonable assurance of safety and effectiveness.

Ongoing Regulation by the FDA

Even after the FDA permits a device to be marketed, numerous and pervasive regulatory requirements continue to apply. These include:

- Establishment registration and device listing with the FDA;
- QSR requirements, which require manufacturers, including third-party manufacturers, to follow stringent design, testing, control, supplier/contractor selection, compliant handling, documentation and other quality assurance procedures during all aspects of the design and manufacturing process;
- Labeling regulations, advertising and promotion requirements, restrictions on sale, distribution or sale of a device, each including the FDA prohibition against the promotion of products for any uses other than those authorized by the FDA, which are commonly known as "off-label" uses;
- The Medical Device Reporting, or MDR, regulations, which require that a manufacturer report to the FDA if a device it markets may have caused or contributed to a death or serious injury, or has malfunctioned and the device or a similar device that it markets would be likely to cause or contribute to a death or serious injury, if the malfunction were to recur;
- Medical device correction and removal reporting regulations, which require that manufacturers report to the FDA field corrections or removals if undertaken to reduce a risk to health posed by the device or to remedy a violation of the FDCA that may present a risk to health;
- Recall requirements, including a mandatory recall if there is a reasonable probability that the device would cause serious adverse health consequences or death;

- An order of repair, replacement, or refund;
- Device tracking requirements; and
- Post-market study and surveillance requirements.

After a device receives 510(k) clearance, any modification that could significantly affect its safety or effectiveness, or that would constitute a major change in its intended use, will require a new 510(k). The FDA requires each manufacturer to make this determination initially, but the FDA can review any such decision and can disagree with a manufacturer's determination. If the FDA disagrees with a manufacturer's determination not to seek a new 510(k) clearance, the FDA may retroactively require it to seek 510(k) clearance. The FDA could also require the manufacturer to cease marketing and distribution and/or recall the modified device until 510(k) clearance is obtained. Also, in these circumstances, the manufacturer may be subject to significant regulatory fines and penalties.

FDA regulations require us to register as a medical device manufacturer with the FDA. Additionally, some states also require medical device manufacturers and/or distributors doing business within the state to register with the state or apply for a state license, which could subject our facility to state inspection as well as FDA inspection on a routine basis for compliance with the QSR and any applicable state requirements. These regulations require that we manufacture our products and maintain related documentation in a prescribed manner with respect to manufacturing, testing and control activities.

Manufacturing processes for medical devices are required to comply with the applicable portions of the QSR, which cover the methods and the facilities and controls for the design, manufacture, testing, production, processes, controls, quality assurance, labeling, packaging, distribution, installation and servicing of finished devices intended for human use. The QSR also requires, among other things, maintenance of a device master file, device history file, and complaint files. As a manufacturer, we are subject to periodic scheduled or unscheduled inspections by the FDA. Failure to maintain compliance with the QSR requirements could result in the shutdown of, or restrictions on, manufacturing operations and the recall or seizure of marketed products, which would have a material adverse effect on our business. The discovery of previously unknown problems with any of our products, including unanticipated adverse events or adverse events of increasing severity or frequency, whether resulting from the use of the device within the scope of its clearance or off-label by a physician in the practice of medicine, could result in restrictions on the device, including the removal of the product from the market or voluntary or mandatory device recalls.

The FDA has broad regulatory compliance and enforcement powers. If the FDA determines that a manufacturer has failed to comply with applicable regulatory requirements, it can take a variety of compliance or enforcement actions, which may result in any of the following sanctions:

- Warning letters, untitled letters, fines, injunctions, consent decrees and civil penalties;
- Recalls, withdrawals, or administrative detention or seizure of our products;
- Operating restrictions or partial suspension or total shutdown of production;
- Refusing or delays in processing, clearing, or approving submissions or applications for new products or modifications to existing products;
- Suspension or withdrawal of 510(k) clearances or PMA approvals that have already been granted;
- FDA refusal to issue certification to foreign governments needed to export our products for sale in other countries; or
- Criminal prosecution.

Our facilities, records and manufacturing processes are subject to periodic unscheduled inspections by the FDA. Failure to comply with the applicable United States medical device regulatory requirements could result in, among other things, warning letters, untitled letters, fines, injunctions, consent decrees, civil penalties, unanticipated expenditures, repairs, replacements, refunds, recalls or seizures of products, operating restrictions, total or partial suspension of production, the FDA's refusal to issue certificates to foreign governments needed to export products for sale in other countries, the FDA's refusal to grant future premarket clearances or approvals, withdrawals or suspensions of current product clearances or approvals and criminal prosecution.

Regulation of Medical Devices in the European Union

The European Union, or EU, has adopted specific directives regulating the design, manufacture, clinical investigations, conformity assessment, labeling and adverse event reporting for medical devices. EU directives must be implemented into the national laws of the EU member states and national laws may vary from one member state to another.

In the EU, there is currently no premarket government review of medical devices. However, the EU requires that all medical devices placed on the market in the EU must meet the relevant essential requirements laid down in the Council Directive 93/42/EEC, or the Medical Devices Directive, and the Council Directive 90/385/EEC, or the Active Implantable Medical Devices Directive. The most fundamental essential requirement is that a medical device must be designed and manufactured in such a way that it will not compromise the clinical condition or safety of patients, or the safety and health of users and others. In addition, the device must achieve the performances intended by the manufacturer and be designed, manufactured, and packaged in a suitable manner. The European Commission has adopted various standards applicable to medical devices. These include standards governing common requirements, such as sterilization and safety of medical electrical equipment and product standards for certain types of medical devices. There are also harmonized standards relating to design and manufacture. While not mandatory, compliance with these standards is viewed as the easiest way to satisfy the essential requirements as a practical matter. Compliance with a standard developed to implement an essential requirement also creates a rebuttable presumption that the device satisfies that essential requirement.

To demonstrate compliance with the essential requirements laid down in Annex I to the Medical Devices Directive, medical device manufacturers must undergo a conformity assessment procedure, which varies according to the type of medical device and its (risk) classification. Conformity assessment procedures require an assessment of available clinical evidence, literature data for the product, and post-market experience in respect of similar products already marketed. Except for low-risk medical devices (Class I non-sterile, non-measuring devices), where the manufacturer can self-declare the conformity of its products with the essential requirements (except for any parts which relate to sterility or metrology), a conformity assessment procedure requires the intervention of a Notified Body. Notified Bodies are independent organizations designated by EU countries to assess the conformity of devices before being placed on the market. A Notified Body would typically audit and examine a product's technical dossiers and the manufacturers' quality system (which must, in particular, comply with ISO 13485:2016 related to Medical Devices Quality Management Systems). If satisfied that the relevant product conforms to the relevant essential requirements, the Notified Body issues a certificate of conformity, which the manufacturer uses as a basis for its own declaration of conformity. The manufacturer may then apply the CE Mark to the device, which allows the device to be placed on the market throughout the EU.

Notified Body certificates of conformity are valid for a fixed duration (which shall not exceed five years). Throughout the term of the certificate, the manufacturer will be subject to periodic surveillance audits to verify continued compliance with the applicable requirements. In particular, there will be a new audit by the Notified Body before it will renew the relevant certificate(s).

As a general rule, demonstration of conformity of medical devices and their manufacturers with the essential requirements must be based, among other things, on the evaluation of clinical data supporting the safety and performance of the products during normal conditions of use. Specifically, a manufacturer must demonstrate that the device achieves its intended performance during normal conditions of use, that the known and foreseeable risks, and any adverse events, are minimized and acceptable when weighed against the benefits of its intended performance, and that any claims made about the performance and safety of the device are supported by suitable evidence. All manufacturers placing medical devices into the market in the EU must comply with the EU medical device vigilance system. Under this system, incidents must be reported to the relevant authorities of the EU member states, and manufacturers are required to take Field Safety Corrective Actions, or FSCAs, to reduce a risk of death or serious deterioration in the state of health associated with the use of a medical device that is already placed on the market. An incident is defined as any malfunction or deterioration in the characteristics and/or performance of a device, as well as any inadequacy in the labeling or the instructions for use which, directly or indirectly, might lead to or might have led to the death of a patient or user or of other persons or to a serious deterioration in their state of health. An FSCA may include the recall, modification, exchange, destruction or retrofitting of the device. FSCAs must be communicated by the manufacturer or its legal representative to its customers and/or to the end users of the device through Field Safety Notices.

The advertising and promotion of medical devices is subject to some general principles set forth by EU directives. According to the Medical Devices Directive, only devices that are CE-marked may be marketed and advertised in the EU in accordance with their intended purpose. Directive 2006/114/EC concerning misleading and comparative advertising and Directive 2005/29/EC on unfair commercial practices, while not specific to the advertising of medical devices, also apply to the advertising thereof and contain general rules, for example requiring that advertisements are evidenced, balanced and not misleading. Specific requirements are defined at national level. EU member states laws related to the advertising and promotion of medical devices, which vary between jurisdictions, may limit or restrict the advertising and promotion of products to the general public and may impose limitations on promotional activities with healthcare professionals.

Many EU member states have adopted specific anti-gift statutes that further limit commercial practices for medical devices, in particular vis-à -vis healthcare professionals and organizations. Additionally, there has been a recent trend of increased regulation of payments and transfers of value provided to healthcare professionals or entities. In addition, many EU member states have adopted national “Sunshine Acts” which impose reporting and transparency requirements (often on an annual basis), similar to the requirements in the United States, on medical device manufacturers. Certain countries also mandate implementation of commercial compliance programs.

On May 25, 2017, Regulation 2017/745, or the EU Medical Devices Regulation, entered into force, which repeals and replaces the Medical Devices Directive and the Active Implantable Medical Devices Directive. Unlike directives, which must be implemented into the national laws of the EU member states, regulations are directly applicable, without the need for adoption of EU member state laws implementing them, in all EU member states and are intended to eliminate current differences in the regulation of medical devices among EU member states. The Medical Devices Regulation, among other things, is intended to establish a uniform, transparent, predictable and sustainable regulatory framework across the EU for medical devices and ensure a high level of safety and health while supporting innovation.

The Medical Devices Regulation was originally intended to become applicable three years after publication, but in April 2020 the transition period was extended by the European Parliament and the Council of the EU by an additional year – until May 26, 2021. Devices lawfully placed on the market pursuant to the Medical Devices Directive and the Active Implantable Medical Devices Directive prior to May 26, 2021 may generally continue to be made available on the market or put into service until May 26, 2025. Once applicable, the new regulations will among other things:

- Strengthen the rules on placing devices on the market and reinforce surveillance once they are available;
- Establish explicit provisions on manufacturers’ responsibilities for the follow-up of the quality, performance and safety of devices placed on the market;
- Improve the traceability of medical devices throughout the supply chain to the end-user or patient through a unique identification number;
- Set up a central database to provide patients, healthcare professionals and the public with comprehensive information on products available in the European Union, or EU; and
- Strengthen the rules for the assessment of certain high-risk devices, which may have to undergo an additional check by experts before they are placed on the market.

The aforementioned EU rules are generally applicable in the European Economic Area, or EEA, which consists of the 27 EU member states plus Norway, Liechtenstein and Iceland. Other countries, such as Switzerland, have entered into Mutual Recognition Agreements and allow the marketing of medical devices that meet EU requirements.

The EU-UK Trade and Cooperation Agreement, or TCA, came into effect on January 1, 2021. The TCA does not specifically refer to medical devices. However, as a result of Brexit, the Medical Devices Regulation will not be implemented in the UK, and previous legislation that mirrored the Medical Devices Regulation in the UK law has been revoked. The regulatory regime for medical devices in the UK will continue to be based on the requirements derived from current EU legislation, and the UK may choose to retain regulatory flexibility or align with the Medical Devices Regulation going forward. CE markings will continue to be recognized in the UK, and certificates issued by EU recognized Notified Bodies will be valid in the UK, until June 30, 2023. For medical devices placed on the UK market after this period, the UK Conformity Assessment, or UKCA, marking will be mandatory. In contrast, UKCA marking and certificates issued by UK Notified Bodies will not be recognized on the EU market. The TCA does provide for cooperation and exchange of information in the area of product safety and compliance, including market surveillance, enforcement activities and measures, standardization related activities, exchanges of officials, and coordinated product recalls (or other similar actions). For medical devices that are locally manufactured but use components from other countries, the "rules of origin" criteria will need to be reviewed. Depending on which countries products will ultimately be sold in, manufacturers may start seeking alternative sources for components if this would allow them to benefit from no tariffs. The rules for placing medical devices on the Northern Ireland market will differ from those in the UK.

Healthcare Fraud and Abuse Laws

In the United States, we are subject to a number of federal and state healthcare regulatory laws that restrict business practices in the healthcare industry. These laws include, but are not limited to, federal and state anti-kickback, false claims, transparency and other healthcare fraud and abuse laws.

The U.S. federal Anti-Kickback Statute prohibits, among other things, any person or entity from knowingly and willfully offering, paying, soliciting, receiving or providing any remuneration, directly or indirectly, overtly or covertly, to induce or in return for purchasing, leasing, ordering, or arranging for or recommending the purchase, lease, or order of any good, facility, item or service reimbursable, in whole or in part, under Medicare, Medicaid or other federal healthcare programs. The term "remuneration" has been broadly interpreted to include anything of value, including cash, improper discounts, and free or reduced-price items and services. Among other things, the Anti-Kickback Statute has been interpreted to apply to arrangements between medical device manufacturers on the one hand and prescribers and purchasers on the other. Although there are a number of statutory exceptions and regulatory safe harbors protecting some common activities from prosecution, the exceptions and safe harbors are drawn narrowly. The government can exercise enforcement discretion in taking action against unprotected activities. Further, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation. The majority of states also have anti-kickback laws, which establish similar prohibitions, and in some cases may apply to items or services reimbursed by any third-party payor, including commercial insurers and self-pay patients.

The federal false claims, including the civil False Claims Act, prohibit, among other things, any person or entity from knowingly presenting, or causing to be presented, a false, fictitious or fraudulent claim for payment to, or approval by, the federal government, knowingly making, using, or causing to be made or used a false record or statement material to a false or fraudulent claim to the federal government, or knowingly making a false statement to avoid, decrease or conceal an obligation to pay money to the U.S. federal government. A claim includes "any request or demand" for money or property presented to the U.S. government. Actions under the civil False Claims Act may be brought by the Attorney General or as a qui tam action by a private individual in the name of the government. Moreover, a claim including items or services resulting from a violation of the U.S. federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the federal civil False Claims Act. In addition, various states have enacted false claim laws analogous to the federal False Claims Act, although many of these state laws apply where a claim is submitted to any third-party payor and not merely a federal healthcare program.

The federal Health Insurance Portability and Accountability Act of 1996 created additional federal criminal statutes that prohibit, among other actions, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program, including private third-party payors, knowingly and willfully embezzling or stealing from a healthcare benefit program, willfully obstructing a criminal investigation of a healthcare offense, and knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false, fictitious or fraudulent statement in connection with the delivery of or payment for healthcare benefits, items or services. Similar to the U.S. federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation.

The federal Physician Payments Sunshine Act requires certain manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program, with specific exceptions, to report annually to CMS, information related to payments or other transfers of value made to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors), and teaching hospitals, and applicable manufacturers and applicable group purchasing organizations to report annually to CMS ownership and investment interests held by physicians and their immediate family members. Beginning in 2022, such obligations will include payments and other transfers of value provided in the previous year to additional healthcare professionals, including physician assistants, nurse practitioners, clinical nurse specialists, certified nurse anesthetists, anesthesiologist assistants and certified nurse midwives.

Violations of fraud and abuse laws, including federal and state anti-kickback and false claims laws, may be punishable by criminal and civil sanctions, including fines and civil monetary penalties, the possibility of exclusion from federal healthcare programs (including Medicare and Medicaid), disgorgement and corporate integrity agreements, which impose, among other things, rigorous operational and monitoring requirements on companies. Similar sanctions and penalties, as well as imprisonment, also can be imposed upon executive officers and employees of such companies.

Coverage and Reimbursement

In the United States, our currently cleared products are not separately reimbursed by any third-party payors and if covered, are paid for as part of the procedure in which the product is used. Outside of the United States, there are many reimbursement programs through private payors as well as government programs. In some countries, government reimbursement is the predominant program available to patients and hospitals. Our commercial success depends in part on the extent to which governmental authorities, private health insurers and other third-party payors provide coverage for and establish adequate reimbursement levels for the procedures in which our products are used. Failure by physicians, hospitals, ambulatory surgery centers and other users of our products to obtain coverage and adequate reimbursement from third-party payors for procedures in which our products are used, or adverse changes in government and private third-party payors' coverage and reimbursement policies, may adversely impact demand for our products.

Based on our experience to date, third-party payors generally reimburse for the procedures in which our products are used if medical necessity is met and a prior approval is completed with a favorable response. Some payors are moving toward a managed care system and control their healthcare costs by establishing coverage policies that categorically restrict coverage of certain procedures, or by limiting authorization for procedures, including elective procedures using our devices. No uniform policy of coverage and reimbursement among payors in the United States exists and coverage and reimbursement for procedures can differ significantly from payor to payor. Third-party payors are increasingly auditing and challenging the prices charged for medical products and services with concern for upcoding, miscoding, using inappropriate modifiers, or billing for inappropriate care settings. Some third-party payors must approve coverage for new or innovative devices or procedures before they will reimburse healthcare providers who use the products or therapies. Even though a new product may have been cleared for commercial distribution by the FDA, we may find limited demand for our product unless reimbursement approval can be obtained and/or maintained from governmental and private third-party payors.

In addition to uncertainties surrounding coverage policies, there are periodic changes to reimbursement levels. Third-party payors regularly update reimbursement amounts and also from time to time revise the methodologies used to determine reimbursement amounts. This includes routine updates to payments to physicians, hospitals and ambulatory surgery centers for procedures during which our products are used. These updates could directly impact the demand for our products.

We believe the overall escalating cost of medical products and services being paid for by the government and private health insurance has led to, and will continue to lead to, increased pressures on the healthcare and medical device industry to reduce the costs of products and services. Third-party payors are developing increasingly sophisticated methods of controlling healthcare costs through prospective reimbursement and capitation programs, group purchasing, redesign of benefits, and exploration of more cost-effective methods of delivering healthcare. In the United States, some insured individuals enroll in managed care programs, which monitor and often require pre-approval of the services that a member will receive. Some managed care programs pay their providers on a per capita (patient) basis, which puts the providers at financial risk for the services provided to their patients by paying these providers a predetermined payment per member per month and, consequently, may limit the willingness of these providers to use our products.

In international markets, reimbursement and healthcare payment systems vary significantly by country, and many countries have instituted price ceilings on specific product lines and procedures. In the European Union, member states are facing increased pressure to limit public healthcare spending. There can be no assurance that procedures using our products will be covered for a specific indication, that our products will be considered cost-effective by third-party payors, that an adequate level of reimbursement will be available or that the third-party payors' reimbursement policies will not adversely affect our ability to sell our products profitably. More and more, local, product specific reimbursement law is applied as an overlay to medical device regulation, which has provided an additional layer of clearance requirement.

Healthcare Reform

The United States and some foreign jurisdictions are considering or have enacted a number of legislative and regulatory proposals to change the healthcare system in ways that could affect our ability to sell our products profitably. Among policy makers and payors in the United States and elsewhere, there is significant interest in promoting changes in healthcare systems with the stated goals of containing healthcare costs, improving quality or expanding access. Current and future legislative proposals to further reform healthcare or reduce healthcare costs may limit coverage of or lower reimbursement for the procedures associated with the use of our products. The cost containment measures that payors and providers are instituting and the effect of any healthcare reform initiative implemented in the future could impact our revenue from the sale of our products.

The implementation of the Affordable Care Act, or ACA, in the United States, for example, has changed healthcare financing and delivery by both governmental and private insurers substantially, and affected medical device manufacturers significantly. The ACA, among other things, provided incentives to programs that increase the federal government's comparative effectiveness research, and implemented payment system reforms including a national pilot program on payment bundling to encourage hospitals, physicians and other providers to improve the coordination, quality and efficiency of certain healthcare services through bundled payment models. Additionally, the ACA expanded eligibility criteria for Medicaid programs and created a new Patient-Centered Outcomes Research Institute to oversee, identify priorities in, and conduct comparative clinical effectiveness research, along with funding for such research. Since its enactment, there have been judicial, executive and political challenges to certain aspects of the ACA. On June 17, 2021, the U.S. Supreme Court dismissed the most recent judicial challenge to the ACA brought by several states without specifically ruling on the constitutionality of the ACA. It is unclear how healthcare reform measures of the Biden administration or other efforts, if any, to challenge, repeal or replace the ACA will impact the law or our business.

In addition, other legislative changes have been proposed and adopted since the ACA was enacted. For example, the Budget Control Act of 2011, among other things, reduced Medicare payments to providers by 2% per fiscal year, effective on April 1, 2013 and, due to subsequent legislative amendments to the statute, will remain in effect through 2030, with the exception of a temporary suspension from May 1, 2020 through March 31, 2021, unless additional Congressional action is taken. Additionally, the American Taxpayer Relief Act of 2012, among other things, further reduced Medicare payments to several providers, including hospitals, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. The Medicare Access and CHIP Reauthorization Act of 2015 repealed the formula by which Medicare made annual payment adjustments to physicians and replaced the former formula with fixed annual updates and a new system of incentive payments that began in 2019 that are based on various performance measures and physicians' participation in alternative payment models, such as accountable care organizations.

We expect additional state and federal healthcare reform measures to be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare products and services, which could result in reduced demand for our products or additional pricing pressure.

Data Privacy and Security Laws

Numerous state, federal and foreign laws, including consumer protection laws and regulations, govern the collection, dissemination, use, access to, confidentiality and security of personal information, including health-related information. In the United States, numerous federal and state laws and regulations, including data breach notification laws, health information privacy and security laws, including HIPAA, and federal and state consumer protection laws and regulations (e.g., Section 5 of the FTC Act), that govern the collection, use, disclosure, and protection of health-related and other personal information could apply to our operations or the operations of our partners. In addition, certain state and non-U.S. laws, such as the CCPA, the CPRA and the GDPR, govern the privacy and security of personal information, including health-related information in certain circumstances, some of which are more stringent than HIPAA and many of which differ from each other in significant ways and may not have the same effect, thus complicating compliance efforts. Failure to comply with these laws, where applicable, can result in the imposition of significant civil and/or criminal penalties and private litigation. Privacy and security laws, regulations, and other obligations are constantly evolving, may conflict with each other to complicate compliance efforts, and can result in investigations, proceedings, or actions that lead to significant civil and/or criminal penalties and restrictions on data processing.

In Europe, the GDPR went into effect on May 25, 2018 and introduces strict requirements for processing the personal data of European Union data subjects. Companies that must comply with the GDPR face increased compliance obligations and risk, including more robust regulatory enforcement of data protection requirements and potential fines for noncompliance of up to €20 million or 4% of the annual global revenues of the preceding financial year of the noncompliant company, whichever is greater.

Among other requirements, the GDPR regulates transfers of personal data subject to the GDPR to third countries that have not been found to provide adequate protection to such personal data, including the United States, and the efficacy and longevity of current transfer mechanisms between the EU and the United States remains uncertain. For example, in 2016, the EU and United States agreed to a transfer framework for data transferred from the EU to the United States, called the Privacy Shield, but the Privacy Shield was invalidated in July 2020 by the Court of Justice of the European Union.

Further, from January 1, 2021, companies have to comply with the GDPR and also the United Kingdom General Data Protection Regulation, or the UK GDPR, which, together with the amended UK Data Protection Act 2018, retains the GDPR in UK national law. The UK GDPR mirrors the fines under the GDPR, i.e., fines up to the greater of €20 million (£17.5 million) or 4% of global turnover. The relationship between the United Kingdom and the European Union in relation to certain aspects of data protection law remains unclear, and it is also unclear how United Kingdom data protection laws and regulations will develop in the medium to longer term, and how data transfers to and from the United Kingdom will be regulated in the long term. Currently there is a four- to six-month grace period agreed in the EU and United Kingdom Trade and Cooperation Agreement, ending June 30, 2021 at the latest, while the parties discuss an adequacy decision. The European Commission published a draft adequacy decision on February 19, 2021. If adopted, the decision will enable data transfers from EU member states to the United Kingdom for a four-year period, subject to subsequent extensions.

Environmental Matters

Based on our current operations, environmental protection requirements do not have a significant financial and operational effect on the capital expenditures, earnings and competitive position of our Company in the current financial year and are not expected to have a significant effect in the reasonably foreseeable future.

Manufacturing Services Agreement

On August 21, 2020, the Company entered into a Manufacturing Services Agreement with GMI Corporation ("GMI"), dated as of August 21, 2020 ("MSA"), for the manufacture and supply of the Company's IB-STIM device based upon the Company's product specifications as set forth in the MSA.

The Company provides the necessary equipment to GMI and retains ownership. GMI bears the risk of loss of and damage to the equipment and consigned materials. Performance under the MSA is initiated by orders issued by the Company and accepted by GMI.

The initial term of the MSA was 24 months and automatically renews for terms of twelve months unless either party provides a written termination notice to the other party within 180 days prior to the end of the then-current term.

GMI was established in 1990 and manufactures our IB-Stim device in its 69,000 square foot facility, of which approximately 1,000 square feet is dedicated to producing our product, located in Indiana.

In connection with the MSA, the Company entered into a quality agreement with GMI, dated as of August 24, 2020, for GMI to test product provided by the Company and perform quality assurance services.

Employees

As of September 30, 2022, we had 16 full-time employees and one part-time employee.

Facilities

Our corporate headquarter is located in Carmel, Indiana, where we leased an office space for employees, pursuant to a lease agreement with SEPRO DEVELOPMENT COMPANY II, LLC. The three-year term of this lease commenced March 1, 2021 and is scheduled to end on February 28, 2023. Over the term of this lease, base rent is $1,675.88 through March 2023, and $1,716.75 thereafter. The lease may be extended for one year with an annual base rent of $21.50 per rentable square foot.

We also lease 981 rentable square feet of space in Versailles, Indiana, where we lease a total of 3,825 rentable square feet of office space pursuant to two lease agreements with Hashbo Properties, LLC. The lease term of each lease agreement commenced January 1, 2022 and is scheduled to end December 31, 2023, with an automatic one year renewal. Rents are payable monthly at a rate of $1,664 and $469.85, respectively.

Legal Proceedings

From time to time, the Company may be involved in litigation relating to claims arising out of operations in the normal course of business. As of September 30, 2022, other than those described below, there were no pending or threatened legal proceedings that could reasonably be expected to have a material effect on the results of the Company's operations. There are also no proceedings in which any of the Company's directors, officers or affiliates is an adverse party to the Company or has a material interest adverse to the Company's interest.

On February 6, 2019, plaintiff Ritu Bhambhani, M.D., initiated a lawsuit against Innovative Health Solutions, Inc. and others in the United States District Court for the District of Maryland. Plaintiffs Bhambhani and Sudhir Rao subsequently amended the complaint, with the Third Amended Complaint ("Complaint") containing the most recent set of allegations. The Complaint asserted claims under the RICO Act, as well as of fraudulent misrepresentation, intentional misrepresentation by concealment, and civil conspiracy and sought compensatory damages in excess of $5 million, pre-judgment interest, punitive damages, attorney's fees, court costs and designation of the case as a class action. The Complaint states that the Company, distributors of the Company's product, and medical billing and coding consultants allegedly made misrepresentations to the plaintiffs that the Company's NeuroStim device and related procedures could be billed to, and reimbursed by, Medicare and other insurance payors as a surgically implantable neurostimulator. Plaintiffs claim to have suffered damages when Medicare administrative contractors declined to pay plaintiffs for their use of the device.

On February 11, 2022, the Company filed a motion for summary judgment based upon the plaintiffs not being proper parties to assert claims against the Company. On June 14, 2022, the Court granted the Company's motion for summary judgment and dismissed the Complaint.

On July 14, 2022, plaintiffs Ritu Bhambhani and Sudhir Rao filed a notice of appeal with the Fourth Circuit Court of Appeals. The Company filed a motion to dismiss. On January 4, 2023, the Court issued an order that stated it was deferring a ruling on the motion to dismiss the appeal and that it would address those arguments at the same time that it addressed the substantive merits of the case. The parties' appellate briefing is scheduled to be concluded in early April 2023. While it is too early to predict the ultimate outcome of this matter, we continue to believe we have meritorious defenses, that the dismissal of the Complaint should be upheld, and intend to continue to defend this matter vigorously.

On July 14, 2022, plaintiffs Ritu Bhambhani, LLC; Box Hill Surgery Center, LLC; Pain and Spine Specialists of Maryland, LLC; and SimCare ASC, LLC initiated a lawsuit against the Company and others in the United States District Court for the District of Maryland. The plaintiffs in this lawsuit are business entities owned or partially owned by the plaintiffs that initiated the litigation described above. The Complaint asserted claims under the RICO Act, as well as fraudulent misrepresentation, intentional misrepresentation by concealment, and civil conspiracy and seeks compensatory damages in excess of $75,000, pre-judgment interest, punitive damages, attorney's fees, and court costs. The Complaint states that the Company, distributors of the Company's product, and medical billing and coding consultants allegedly made misrepresentations to the plaintiffs that the Company's NeuroStim device and related procedures could be billed to, and reimbursed by, Medicare and other insurance payors as a surgically implantable neurostimulator. Plaintiffs claim to have suffered damages when Medicare administrative contractors declined to pay plaintiffs for their use of the device.

The Company has filed a motion to dismiss all claims, but no ruling has been issued. While it is too early to predict the ultimate outcome of this matter, we believe we have meritorious defenses and intend to defend this matter vigorously.

MANAGEMENT

Our directors were elected to serve until the next annual meeting of stockholders and until their respective successors will have been elected and will and will have qualified. The following table sets forth the name, age, and position held with respect to our present executive officers and directors and our director nominees.

Directors and Executive Officers

The following table sets forth certain information with respect to our directors and executive officers:

Name	Age	Position
Brian Carrico	41	President, Chief Executive Officer, and Director
John Seale	63	Chief Financial Officer
Dan Clarence*	63	Chief Operating Officer
Adrian Miranda*	53	Chief Medical Officer, Senior Vice President of Science and Technology
Thomas Carrico*	66	Chief Regulatory Officer
Christopher Robin Brown	69	Director of Innovation and Director
Gary Peterson*	57	Director of Design and Engineering and Director
Timothy Henrichs**	50	Director
Bradley Mitch Watkins**	48	Director
Beth Keyser**	54	Director

*Dan Clarence, Adrian Miranda, Thomas Carrico and Gary Peterson are current members of our board of directors and have effectively resigned from the board of directors immediately upon the effectiveness of the registration statement of which this prospectus forms a part.

**Timothy Henrichs, Bradley Mitch Watkins, and Beth Keyser have accepted nomination to our board of directors and will become members of our board of directors immediately upon the effectiveness of the registration statement of which this prospectus forms a part.

Brian Carrico, President, Chief Executive Officer and Director

Brian Carrico joined the Company in 2012. During his tenure, Mr. Carrico has held multiple leadership positions of increasing responsibility, including Vice President of Sales and President before becoming CEO on January 1, 2018. As an early employee in the Company's life cycle, Mr. Carrico was instrumental in setting the strategic agenda for the Company, raising start-up capital, championing new product development, and bringing the Company's technology to market. Prior to joining Neuraxis, Mr. Carrico worked selling in the operating room at Bard Medical and in the Cath lab at St. Jude Medical. He attended Indiana State University and holds a Bachelor of Science in Business Marketing.

John Seale, Chief Financial Officer

John Seale is a certified public accountant and a certified information technology professional. He has served as our Chief Financial Officer since August 2022 and is also the managing partner of RBSK Partners PC ("RBSK"), a CPA firm that offers a blend of accounting, audit, tax and specialized advisory services to individuals and business clients and has been with RBSK since 1984. Mr. Seale, through RBSK, has prepared the Company's financial statements since 2017. Mr. Seale specializes in delivering services to clients in a variety of industries, including health care, manufacturing, professional services, agriculture, warehousing, real estate and not-for-profits. Mr. Seale is also a qualified to perform peer reviews of CPA firms in accordance with standards established by the Peer Review Board of the AICPA.

Mr. Seale is a member of the American Institute of CPAs (AICPA), the Indiana CPA Society, the Ohio CPA Society and the Association of Certified Fraud Examiners. He formerly served on the Indiana Society's Peer Review Committee and the Review Acceptance Board, is a former member of the AICPA Information Technology Executive Committee and was the designated audit committee financial expert on the board of directors of MainSource Financial Group.

Dan Clarence, Chief Operating Officer

Dan Clarence, a proven senior executive with results oriented general management skills and a consistent track record of successful sales and marketing initiatives over his career of thirty plus years, has served as our COO since 2018. Mr. Clarence attained a bachelor's degree from Central Michigan University, followed by Graduate Studies at the University of Chicago MBA program.

In his role as VP of Sales and Senior Director of Sales at Euro-Pro/Shark Ninja, a multi-Billion dollar privately held corporation, from 2011 to 2018, Mr. Clarence was responsible for pioneering the Wal-Mart/Sam's Club business.

Adrian Miranda, Chief Medical Officer, Senior Vice President of Science and Technology

Adrian Miranda has served as our Chief Medical Officer since 2018 and brings a unique background of research and clinical expertise to his role. Prior to joining Neuraxis, Dr Miranda was an Assistant professor at the Medical College of Wisconsin. He is a board-certified pediatric gastroenterologist. He obtained his undergraduate degree in Biology from San Diego State University and obtained his medical degree from the Medical College of Wisconsin. He completed his residency and subspecialty training in pediatric gastroenterology at Children's Hospital of Wisconsin.

As a physician scientist, he has spent the past 20 years of his career investigating the pathophysiology of visceral and somatic pain, as well as exploring new therapeutic options. His focus has been on studying the effects of adverse early life events, neuroplasticity and the development of chronic pain. He has an extensive publication record and has lectured nationally and internationally.

Thomas Carrico, Chief Regulatory Officer

Thomas Carrico has served as our Chief Regulatory Officer since November 2017. He joined the Company in February 2012 as Director of Regulatory Affairs. Prior to and during his early years with Neuraxis, he was President & Clinic Director at Spine and Neuromuscular Associates in Lawrenceburg, Indiana from January 2002 to December 2018. He has over 40 years of experience in the healthcare field and has been involved in the study and application of techniques and treatments that directly affect the autonomic nervous system, especially regarding homeostasis and balance of the parasympathetic and the sympathetic nervous system. Dr. Carrico has a history of working with attorneys while serving on state and national boards, which has positioned him to integrate into regulatory responsibilities at the Company. Dr. Carrico received his undergraduate education from Indiana University and his Doctorate from Palmer College of Chiropractic.

Christopher Robin Brown, Director of Innovation, Founder and Director

Dr. Brown is a co-founder of the Company. He developed clinical protocol, initial practice guidelines, designed and implemented the practitioner certification program, initiated the company 401K, and personally financed the first two years of the Company. After developing the technique of transillumination to isolate auricular neurovascular bundles, he authored and designed the initial studies establishing neurovascular and tissue energy transfer theories upon which the devices' use are based. Dr. Brown establish initial communications with Dr. Thomas Carrico (Chief Regulatory Officer), Dr. Adrian Miranda (Chief Medical Officer), John Seale (Accountant & CFO) and our IP attorneys at Barnes and Thornburg. Dr. Brown is listed as the sole or principal inventor on all Neuraxis patents and is currently active in further device development working closely with compliance, product design and engineering.

Upon graduation from the Indiana University School of Dentistry in 1982, while serving as clinic chief in the United States Army Reserve (USAR) dental corps at Fort Benjamin Harrison in Indianapolis, Indiana, Dr. Brown started a private practice (current) concentrating in head, neck, and facial pain developing the first hospital based facial pain clinic in Indiana. He received his master's degree in Biomechanical Trauma in 1996 from Lynn University, one of only 12 dentists in the United States to hold the combination of DDS and MPS degrees. Dr. Brown has authored several textbook chapters, published peer reviewed articles on the physics of soft tissue trauma, pain, financial management, was regional editor for a national facial pain management Journal, and has lectured extensively nationally and internationally. He served on the Board of Directors of the American Academy of Pain Management for 15 years, helping grow the organization from 800 members to over 5000. Throughout his tenure, he developed educational tracks, served as Industry liaison, one term as treasurer and one term as President. He served on the national board of The Alliance of TMD practitioners, serving one term as president.

Throughout his career, Dr. Brown has been active in the purchasing and management of several destressed clinics, re-structuring them into profitable enterprises. He has performed extensive volunteer work overseas providing surgical care in the Dominican Republic, local dental clinics serving the underprivileged, and recently provided dental screenings for the deployment of soldiers in the USAR and National Guard.

Gary Peterson, Director of Design and Engineering

Gary Peterson is our founder, Director of Design and Engineering, and Director. Mr. Peterson was the Chief Executive Officer of the Company from the time of founding in 2011 until January 1, 2018. Mr. Peterson then moved to a member of the board of directors and Director of Design and Engineering of the Company.

Timothy Henrichs, Director

Timothy Henrichs has been a finance executive for the last 14 years. Mr. Henrichs currently serves as the Chief Financial Officer of HomeRenew Buyer, Inc. (d/b/a Renovo Home Partners), a privately held short-term home improvement installer of bathrooms, kitchens, windows, doors, cabinets, roofing and siding across the United States. Prior to joining Renovo Home Partners, Mr. Henrichs served as the Executive Vice President and Chief Financial Officer from 2008 to 2022 of Follett Corporation, a privately held retailer and distributor of print and digital course materials, textbooks, trade books, library books and general merchandise and developer of software technology to the educational market including 80,000 schools. From 2005 to 2008, Mr. Henrichs served as the Global Controller of General Electric Company's Healthcare Clinical Systems division responsible for the manufacture and distribution of patient monitoring, maternal and infant care, ultrasound, diagnostic cardiology and anesthesiology equipment. From 2003 to 2005, Mr. Henrichs served as the Financial Reporting Manager at Federal Signal Corporation. From 1995 to 2003, Mr. Henrichs served in various roles of increasing responsibility at Ernst & Young LLP in Chicago, Illinois and Frankfurt, Germany including Capital Markets and Mergers and Acquisitions Transaction Support, ultimately serving as a Senior Manager in the Audit and Assurance practice. Mr. Henrichs holds a B.B.A in Accounting from the University of Notre Dame and is a Certified Public Accountant with an inactive license in the State of Illinois.

Bradley Mitch Watkins, Director

Bradley Mitch Watkins has overseen four companies through their early commercialization periods within the medical device sector over the last 12 years. He has reported to the CEO or BOD directly and operated as the lead for all field operations. These duties have groomed Mr. Watkins with a wide array of responsibilities beyond sales, including marketing, clinical study design, manufacturing, research and development, FDA submissions as well as fiscal oversight are all areas of experience and competence. Mr. Watkins has been the National Sales Manager of Terumo Interventional Systems since 2015, where he has led multiple new technology sales teams within the peripheral IV and Electrophysiology markets. He now manages corporate accounts and GPO contracts for the Cardiovascular line of products. Over his 18 years in a multitude of medical device markets, Mr. Watkins has overseen $410 million in company acquisitions in an array of leadership roles. He has reported directly to CEOs and Board of Directors and has thrived in early commercialization, recruitment, and strategic company direction. Mr. Watkins received his bachelor's degree in Behavioral Science from the University of Maryland. Mr. Watkins agreed to join the Company's board of directors with proven expertise in commercial operational efficiency and sales effectiveness for startups and large corporations.

Beth Keyser, Director

With more than 20 years' experience in executive roles in population health, Beth Keyser is skilled at understanding the unique, complex needs of multiple market segments and devises solutions that meet their specific goals. Ms. Keyser is the President, BCBS of Indiana at Anthem, Inc. since 2020. From 2018 to 2020, Ms. Keyser served as the President, Create at Brighton Health Plan Solutions. From 2015 to 2020, Ms. Keyser served as the Senior Vice President, International and Hawaii Markets at Sharecare, Inc. Ms. Keyser received her master's degree in Executive Master of Science, Health Administration, from University of Alabama at Birmingham.

Family Relationships

Brian Carrico, our Chief Executive Officer and Director, is the son of Thomas Carrico, our Chief Regulatory Officer. There are no other family relationships between or among any of our executive officers or other directors.

Role of the Board

It is the paramount duty of the board to oversee our management in the competent and ethical operation of the Company on a day-to-day basis and to assure that the long-term interests of the stockholders are being served. To satisfy this duty, the directors take a proactive, focused approach to their positions, and set standards to ensure that we are committed to business success through maintenance of ambitious standards of responsibility and ethics.

Director Terms; Qualifications

Our directors are elected for a term of one year and until their successors qualified, nominated, and appointed or elected.

When considering whether directors and nominees have the experience, qualifications, attributes and skills to enable the board of directors to satisfy its oversight responsibilities effectively in light of the Company's business and structure, the board of directors focuses primarily on the industry and transactional experience, and other background, in addition to any unique skills or attributes associated with a director.

Director or Officer Involvement in Certain Legal Proceedings

There are no material proceedings to which any director or officer, or any associate of any such director or officer, is a party that is adverse to our Company or any of our subsidiaries or has a material interest adverse to our Company or any of our subsidiaries. No director or executive officer has been a director or executive officer of any business which has filed a bankruptcy petition or had a bankruptcy petition filed against it during the past ten years. No director or executive officer has been convicted of a criminal offense or is the subject of a pending criminal proceeding during the past ten years. No director or executive officer has been the subject of any order, judgment or decree of any court permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities during the past ten years. No director or officer has been found by a court to have violated a federal or state securities or commodities law during the past ten years.

Directors and Officers Liability Insurance

The Company has and plans on maintaining directors' and officers' liability insurance insuring its directors and officers against liability for acts or omissions in their capacities as directors or officers, subject to certain exclusions. Such insurance may also insure the Company against losses, which it may incur in indemnifying its officers and directors. In addition, officers and directors also have indemnification rights under applicable laws, and the Company's Articles of Incorporation and Bylaws.

Director Independence

The listing rules of Nasdaq require that independent directors must comprise a majority of a listed company's board of directors. In addition, the rules of Nasdaq require that, subject to specified exceptions, each member of a listed company's audit, compensation, and nominating and governance committees be independent. Audit committee members must also satisfy the independence criteria set forth in Rule 10A-3 under the Exchange Act. Under the rules of Nasdaq, a director will only qualify as an "independent director" if, in the opinion of that company's board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Our board of directors has undertaken a review of the independence of our directors and considered whether any director has a material relationship with it that could compromise his or her ability to exercise independent judgment in carrying out his or her responsibilities. Based upon information requested from and provided by each director concerning his background, employment and affiliations, including family relationships, the board of directors has determined that three are "independent" as that term is defined under the applicable rules and regulations of the SEC and the listing standards of Nasdaq. In making these determinations, our board of directors considered the current and prior relationships that each non-employee director has with the Company and all other facts and circumstances our board of directors deemed relevant in determining their independence.

Board Committees

As of the effectiveness of the registration statement of which this prospectus forms a part, the following three standing committees will be established: audit committee; compensation committee; and nominating and governance committee, or nominating committee. Each of our independent directors, Timothy Henrichs, Bradley Mitch Watkins, and Beth Keyser, will serve on each committee. Our board has adopted written charters for each of these committees, and those charters will be effective upon the effectiveness of the registration statement of which this prospectus forms a part. Upon completion of this offering, copies of the charters will be available on our website. Our board may establish other committees as it deems necessary or appropriate from time to time.

Audit Committee

The Audit Committee, among other things, will be responsible for:

- appointing; approving the compensation of; overseeing the work of; and assessing the independence, qualifications, and performance of the independent auditor;
- reviewing the internal audit function, including its independence, plans, and budget;

- approving, in advance, audit and any permissible non-audit services performed by our independent auditor;
- reviewing our internal controls with the independent auditor, the internal auditor, and management;
- reviewing the adequacy of our accounting and financial controls as reported by the independent auditor, the internal auditor, and management;
- overseeing our financial compliance system; and
- overseeing our major risk exposures regarding the Company's accounting and financial reporting policies, the activities of our internal audit function, and information technology.

The board of directors has affirmatively determined that each member of the Audit Committee meets the additional independence criteria applicable to audit committee members under SEC rules and Nasdaq listing rules. Effective upon the completion of this offering the board of directors will adopt a written charter setting forth the authority and responsibilities of the Audit Committee. The board of directors has affirmatively determined that each member of the Audit Committee is financially literate, and that Mr. Henrichs meets the qualifications of an Audit Committee financial expert.

The Audit Committee will consist of Timothy Henrichs, Bradley Mitch Watkins, and Beth Keyser. Mr. Henrichs will chair the Audit Committee. We believe that, after consummation of this offering, the functioning of the Audit Committee will comply with the applicable requirements of the rules and regulations of the Nasdaq listing rules and the SEC.

Compensation Committee

The Compensation Committee will be responsible for:

- reviewing and making recommendations to the Board with respect to the compensation of our officers and directors, including the CEO;
- overseeing and administering the Company's executive compensation plans, including equity-based awards;
- negotiating and overseeing employment agreements with officers and directors; and
- overseeing how the Company's compensation policies and practices may affect the Company's risk management practices and/or risk-taking incentives.

The Compensation Committee will consist of Timothy Henrichs, Bradley Mitch Watkins, and Beth Keyser, and Mr. Watkins will serve as chair of the Compensation Committee. The board of directors has affirmatively determined that each member of the Compensation Committee meets the independence criteria applicable to compensation committee members under SEC rules and Nasdaq listing rules. The Company believes that, after the consummation of the offering, the composition of the Compensation Committee will meet the requirements for independence under, and the functioning of such Compensation Committee will comply with, any applicable requirements of the rules and regulations of Nasdaq listing rules and the SEC.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee, among other things, will be responsible for:

- reviewing and assessing the development of the executive officers and considering and making recommendations to the Board regarding promotion and succession issues;
- evaluating and reporting to the Board on the performance and effectiveness of the directors, committees and the board of directors as a whole;

- working with the board to determine the appropriate and desirable mix of characteristics, skills, expertise and experience, including diversity considerations, for the full Board and each committee;
- annually presenting to the board a list of individuals recommended to be nominated for election to the board;
- reviewing, evaluating, and recommending changes to the Company's committee charters;
- recommending to the board individuals to be elected to fill vacancies and newly created directorships;
- overseeing the Company's compliance program, including the Code of Conduct; and
- overseeing and evaluating how the Company's corporate governance and legal and regulatory compliance policies and practices, including leadership, structure, and succession planning, that may affect the Company's major risk exposures.

The Nominating and Corporate Governance Committee will consist of Timothy Henrichs, Bradley Mitch Watkins, and Ms. Keyser will serve as chair. The Company's board of directors has determined that each member of the Nominating and Corporate Governance Committee is independent within the meaning of the independent director guidelines of Nasdaq listing rules.

Compensation Committee Interlocks and Insider Participation

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

Code of Business Conduct and Ethics

The Company's board of directors has adopted a code of business conduct and ethics ("Code of Conduct") applicable to its employees, directors and officers, in accordance with applicable U.S. federal securities laws and the corporate governance rules of Nasdaq. The Code of Conduct will be effective upon the effectiveness of the registration statement of which this prospectus forms a part and publicly available on the Company's website following completion of this offering. Any substantive amendments or waivers of the Code of Conduct may be made only by the Company's board of directors and will be promptly disclosed as required by applicable U.S. federal securities laws and the corporate governance rules of Nasdaq.

EXECUTIVE OFFICER AND DIRECTOR COMPENSATION

Executive Officers Compensation

Summary Compensation Table

The following table sets forth information concerning all compensation earned by or paid to our Chief Executive Officer and two other persons who served as executive officers as, at, or during the year ended December 31, 2022, and who earned compensation exceeding $100,000 during 2022 (the "Named Executive Officers"), for services as executive officers for the last two years.

Name and Principal Position	Year	Salary ($)
Brian Carrico	2022	373,578
Chief Executive Officer	2021	369,231
Thomas Carrico	2022	287,196
Chief Regulatory Officer	2021	297,347
Adrian Miranda	2022	266,346
Chief Medical Officer	2021	254,231

Outstanding Equity Awards at Fiscal Year-End

The following table sets forth information regarding equity awards held by the Named Executive Officers as of December 31, 2022.

Name	Number of Securities Underlying Unexercised Options, Exercisable (#)	Number of Securities Underlying Unexercised Options, Not Exercisable (#)	Option Exercise Price ($)	Option Expiration Date
Brian Carrico	640,000	—	3.47	09/13/29
Thomas Carrico	612,472	—	3.47	09/13/29
Adrian Miranda	674,408	—	3.47	09/13/29

(1) All option awards were granted under the Innovative Health Solutions, Inc. 2017 Stock Compensation Plan and vested fully upon grant.

Innovative Health Solutions, Inc. 2017 Stock Compensation Plan, As Amended

On October 12, 2017, the Company adopted the Innovative Health Solutions, Inc. 2017 Stock Compensation Plan, as amended on September 13, 2019, September 9, 2021, and November 1, 2022 (collectively, the "2017 Plan"). The purpose of the 2017 Plan is to grant incentive stock options, nonqualified stock options, or restricted stock awards to our officers, employees, directors, advisors, and consultants. The maximum numbers of shares of common stock that may be issued pursuant to awards granted were 2,638,788. Cancelled and forfeited stock options and stock awards may again become available for grant under the 2017 Plan. As of the date of September 30, 2022, options to purchase 2,638,788 shares of common stock have been granted under the 2017 Plan and remain outstanding, and 0 shares remain available for issuance under the 2017nPlan. The following summary briefly describes the principal features of the 2017 Plan and is qualified in its entirety by reference to the full text of the 2017 Plan, which is filed as an exhibit to the registration statement of which this prospectus forms a part.

Purpose of the 2017 Plan: The purposes of the 2017 Plan are to encourage ownership of shares by eligible employees and key non-employees in order to attract and retain such eligible employees in the employ of the Company or an affiliated entity, or to attract such key non-employees to provide services to the Company or an affiliated entity, and to provide additional incentive for such persons to promote the long-term success of the Company or an affiliated entity.

Administration of the Plan: The 2017 Plan is administered by the board of directors, or the committee to which the board of directors delegates the power to act. Among other things, the administrator has the authority to select persons who will receive awards, determine the types of awards and the number of shares to be covered by awards, and to establish the terms, conditions, restrictions and other provisions of awards. The administrator has authority to establish, amend and rescind rules and regulations relating to the 2017 Plan.

Eligible Recipients: Persons eligible to receive awards under the 2017 Plan are those officers, employees, directors, advisors, and consultants of the Company or an affiliated entity who are selected by the administrator.

Shares Available under the 2017 Plan: The maximum number of shares of our common stock that may be delivered to participants under the 2017 Plan is 2,638,788 shares, subject to adjustment for certain corporate changes affecting the shares, such as stock splits. No new grants will be made under the 2017 Plan, and shares subject to an award under the 2017 Plan for which the award is canceled, forfeited or expires will become available for grants under the 2022 Plan described below. Shares subject to an award that is settled in cash will not again be made available for grants under the 2017 Plan.

Stock Options

General. Subject to the provisions of the 2017 Plan, the administrator has the authority to determine all grants of stock options, although there are currently no shares of common stock remaining reserved for grants under the 2017 Plan.

Option Price. The exercise price for stock options is determined at the time of grant. The exercise price may not be less than the fair market value on the date of grant. Additionally, incentive stock option grants to any person owning more than 10% of our voting stock must have an exercise price of not less than 110% of the fair market value on the grant date.

Exercise of Options. An option may be exercised only in accordance with the terms and conditions for the option agreement as established by the administrator at the time of the grant. The option must be exercised by notice to us, accompanied by payment of the exercise price. Payments may be made in cash or, at the option of the administrator, by actual or constructive delivery of shares of common stock to the holder of the option based upon the fair market value of the shares on the date of exercise.

Expiration or Termination. Options, if not previously exercised, will expire on the expiration date established by the administrator at the time of grant. In the case of incentive stock options, such term cannot exceed ten years provided that in the case of holders of more than 10% of our voting stock, such term cannot exceed five years. Options will terminate before their expiration date only if the holder's service with our company or an affiliate terminates before the expiration date and the holder is terminated for cause. The option may remain exercisable until the expiration date of the option after terminations of employment for any reason other than for cause, including terminations as a result of death, disability or retirement.

Incentive and Non-Qualified Options. An incentive stock option is an option that is intended to qualify under certain provisions of the Internal Revenue Code, for more favorable tax treatment than applies to non-qualified stock options. Any option that does not qualify as an incentive stock option will be a non-qualified stock option. Under the Code, certain restrictions apply to incentive stock options. For example, the exercise price for incentive stock options may not be less than the fair market value of the shares on the grant date and the term of the option may not exceed ten years. In addition, an incentive stock option may not be transferred, other than by will or the laws of descent and distribution and is exercisable during the holder's lifetime only by the holder. In addition, no incentive stock options may be granted to a holder that is first exercisable in a single year if that option, together with all incentive stock options previously granted to the holder that also first become exercisable in that year, relate to shares having an aggregate market value in excess of $100,000, measured at the grant date.

Restricted Stock Awards: Restricted stock awards could have also been granted under the 2017 Plan, although there are currently no shares of common stock remaining reserved for grants under the 2017 Plan. A restricted stock award is a grant of shares of common stock or of a right to receive shares in the future.

*Other Material Provisions***:** Awards are evidenced by a written agreement, in such form as may be approved by the administrator. In the event of various changes to the capitalization of our company, such as stock splits, stock dividends and similar re-capitalizations, an appropriate adjustment will be made by the administrator to the number of shares covered by outstanding awards or to the exercise price of such awards. The administrator is also permitted to include in the written agreement provisions that provide for certain changes in the award in the event of a change of control of our company, including acceleration of vesting. Except as otherwise determined by the administrator at the date of grant, awards will not be transferable, other than by will or the laws of descent and distribution. Prior to any award distribution, we are permitted to deduct or withhold amounts sufficient to satisfy any employee withholding tax requirements. Our board of directors also has the authority, at any time, to discontinue the granting of awards. The Plan may be amended by the board of directors and such amendment shall become effective upon adoption by the board of directors; provided, however, that any amendment shall be subject to the approval of the stockholders of the Company at or before the next annual meeting of the stockholders of the Company if such stockholder approval is required by applicable laws. No amendment that would adversely affect any outstanding award made under the Plan can be made without the consent of the holder of such award.

No new grants can be made under the 2017 Plan. The terms and conditions of awards granted under the 2017 Plan prior to the effective date of the 2022 Plan will not be affected by the adoption or approval of the 2022 Plan, and the 2017 Plan will remain effective with respect to such awards.

Neuraxis, Inc. 2022 Omnibus Securities and Incentive Plan

On November 1, 2022, the Company adopted the Neuraxis, Inc. 2022 Omnibus Securities and Incentive Plan (the "2022 Plan"). The purpose of the 2022 Plan is to attract, retain and provide incentives to key management employees and non-employee directors of, and non-employee consultants to, the Company and its affiliates, and to align the interests of such employees, non-employee directors and non-employee consultants with those of the Company's stockholders. The maximum numbers of shares of common stock that may be issued pursuant to awards granted are 600,000. Cancelled and forfeited stock options and stock awards may again become available for grant under the 2022 Plan. As of the date of this prospectus, no options to purchase shares of common stock have been granted under the 2022 Plan and remain outstanding, and 600,000 shares of common stock remain available for issuance under the 2022 Plan. The following summary briefly describes the principal features of the 2022 Plan and is qualified in its entirety by reference to the full text of the 2022 Plan.

Purpose of the 2022 Plan: The purposes of the 2022 Plan is to benefit the stockholders of the Company, by assisting the Company to attract, retain and provide incentives to key management employees and non-employee directors of, and non-employee consultants to, the Company and its affiliates, and to align the interests of such employees, non-employee directors and non-employee consultants with those of the Company's stockholders.

Administration of the 2022 Plan: The 2022 Plan shall be administered by the board of directors or the committee designated by the board of directors. Among other things, the administrator has the authority to select persons who will receive awards, determine the time or times when an award shall be made, what type of award shall be granted, the term of an award, the date or dates on which an award vests (including acceleration of vesting), the form of any payment to be made pursuant to an award, the terms and conditions of an award (including the forfeiture of the award (and/or any financial gain) if the holder of the award violates any applicable restrictive covenant thereof), the restrictions under a restricted stock award and the number of common stock which may be issued under an award, all as applicable. In addition, subject to the express provisions of the 2022 Plan, the administrator is authorized to construe the 2022 Plan and the respective award agreements executed thereunder, to prescribe such rules and regulations relating to the 2022 Plan as it may deem advisable to carry out the intent of the 2022 Plan, to determine the terms, restrictions and provisions of each award, and to make all other determinations necessary or advisable for administering the 2022 Plan.

Eligible Recipients: Persons eligible to receive awards under the 2022 Plan will be those officers, employees, directors, advisors, and consultants of the Company or an affiliated entity who are selected by the administrator.

Shares Available under the Plan: The maximum number of shares of our common stock that may be delivered to participants under the 2022 Plan is 600,000 shares, subject to adjustment for certain corporate changes affecting the shares, such as stock splits. Shares subject to an award under the 2022 Plan for which the award is lapses, expires, is canceled, terminated unexercised or ceases to be exercisable again become available for grants under the 2022 Plan.

Stock Options

General. Subject to the provisions of the 2022 Plan, the administrator has the authority to determine all grants of stock options.

Option Price. The exercise price for stock options is determined at the time of grant. The exercise price may not be less than the fair market value on the date of grant. Additionally, incentive stock option grants to any person owning more than 10% of our voting stock must have an exercise price of not less than 110% of the fair market value on the grant date.

Exercise of Options. An option may be exercised only in accordance with the terms and conditions for the option agreement as established by the administrator at the time of the grant. The option must be exercised by notice to us, accompanied by payment of the exercise price. Payments may be made in cash or, at the option of the administrator, by actual or constructive delivery of shares of common stock to the holder of the option based upon the fair market value of the shares on the date of exercise.

Expiration or Termination. Options, if not previously exercised, will expire on the expiration date established by the administrator at the time of grant. In the case of incentive stock options, such term cannot exceed ten years provided that in the case of holders of more than 10% of our voting stock, such term cannot exceed five years. Options will terminate before their expiration date if the holder's service with our company or a subsidiary terminates before the expiration date. The option may remain exercisable for specified periods after certain terminations of employment, including terminations as a result of death, disability or retirement, with the precise period during which the option may be exercised to be established by the administrator and reflected in the grant evidencing the award.

Incentive and Non-Qualified Options. As described elsewhere in this summary, an incentive stock option is an option that is intended to qualify under certain provisions of the Code, for more favorable tax treatment than applies to non-qualified stock options. Any option that does not qualify as an incentive stock option will be a non-qualified stock option. Under the Code, certain restrictions apply to incentive stock options. For example, generally, the exercise price for incentive stock options may not be less than the fair market value of the shares on the grant date and the term of the option may not exceed ten years. In addition, an incentive stock option may not be transferred, other than by will or the laws of descent and distribution, and is exercisable during the holder's lifetime only by the holder. In addition, to the extent that the aggregate fair market value of common stock with respect to which incentive stock options are exercisable for the first time by an individual during any calendar year under all plans of the Company and any parent corporation or subsidiary corporation thereof which provide for the grant of incentive stock options exceeds $100,000, the portion of such incentive stock options that exceeds such threshold shall be treated as non-qualified stock options. Incentive stock options shall be granted to employees only.

Restricted Stock Awards: Restricted stock awards can be granted under the 2022 Plan. A restricted stock award is a grant of shares of common stock or of a right to receive shares in the future. These awards will be subject to such conditions, restrictions and contingencies as the administrator shall determine at the date of grant. Those may include requirements for continuous service and/or the achievement of specified performance goals.

Unrestricted Stock Awards: Unrestricted stock awards can also be granted under the 2022 Plan. An unrestricted stock award is a grant of shares of common stock which is not subject to restrictions, in consideration for past services rendered thereby to the Company or an affiliate or for other valid consideration.

Restricted Stock Unit Awards: Restricted stock unit awards ("RSUs") can be granted under the 2022 Plan upon the satisfaction of predetermined individual service related vesting requirements. The holder of a restricted stock unit shall be entitled to receive a cash payment equal to the fair market value of shares of common stock, for each unit awarded to the holder.

Performance Stock Unit Awards: Performance stock unit awards can be granted under the 2022 Plan. A holder of performance stock units shall be entitled to receive a cash payment equal to the dollar value or number of shares of common stock assigned to such units if the holder and/or the Company satisfy the predetermined performance goals and objectives.

Distribution Equivalent Rights: Distribution equivalent right awards can be granted under the 2022 Plan. A distribution equivalent right award entitles the holder to receive bookkeeping credits, cash payments and/or common stock distributions equal in amount to the distributions that would have been made to the holder had the holder held a specified number of common stock during the period the holder held the distribution equivalent right.

*Stock Appreciation Right*s: Stock appreciation rights can also be granted under the 2022 Plan, which is a right, granted alone or in connection with a related Option, to receive a payment on the date of exercise. The base value of the stock appreciation right shall be set forth by the administrator and shall not be less than the fair market value of the common stock at the date of grant for the stock appreciation right which is not a tandem stock appreciation right. No stock appreciation right shall be exercisable after the expiration of ten (10) years from the date of its grant. Upon the exercise of some or all of the portion of a stock appreciation right, the holder shall receive a payment from the Company, in cash or in the form of common stock having an equivalent fair market value or in a combination of both. If the administrator grants a stock appreciation right which is intended to be a tandem stock appreciation right, the tandem stock appreciation right shall be granted at the same time as the related option.

Other Material Provisions: Awards are evidenced by a written agreement, in such form as may be approved by the administrator. In the event of various changes to the capitalization of our company, such as stock splits, stock dividends and similar re-capitalizations, an appropriate adjustment will be made by the administrator to the number of shares covered by outstanding awards or to the exercise price of such awards. The administrator is also permitted to include in the written agreement provisions that provide for certain changes in the award in the event of a change of control of our company, including acceleration of vesting. Except as otherwise determined by the administrator at the date of grant, awards will not be transferable, other than by will or the laws of descent and distribution. Prior to any award distribution, we are permitted to deduct or withhold amounts sufficient to satisfy any employee withholding tax requirements. Our board of directors also has the authority, at any time, to discontinue the granting of awards. The 2022 Plan may be amended by the board of directors and such amendment shall become effective upon adoption by the board of directors; provided, however, that any amendment shall be subject to the approval of the stockholders of the Company at or before the next annual meeting of the stockholders of the Company if such stockholder approval is required by applicable laws. No amendment that would adversely affect any outstanding award made under the 2022 Plan can be made without the consent of the holder of such award. The 2022 Plan shall continue in effect, unless sooner terminated, until the tenth (10th) anniversary of the date on which it is adopted by the board of directors.

Employment Agreements

Brian Carrico, our Chief Executive Officer, entered into an employment agreement with the Company, dated August 9, 2022, which has a five-year initial term and provides for a base salary of $330,000, which shall be increased each year by not less than 3% per annum. Mr. Carrico also will receive an one-time incentive payment in the amount of $494,732, which amount consists of accrued and unpaid salary and a bonus to incentivize Mr. Carrico to remain with the Company for future service. Neither the accrued and unpaid salary or bonus were the subject of any contract or agreement between Mr. Carrico and the Company prior to the execution of the employment agreement. The agreement contemplated that the incentive payment would be paid by December 15, 2022, but due to administrative impracticability, payment will now be made with a portion of the proceeds from this offering. See "*Use of Proceeds*." In addition, Mr. Carrico is entitled to payment of a deferred bonus in an amount equal to (i) the aggregate of the strike price or exercise price of all 640,000 unexercised options to purchase stock or shares of the Company held by Mr. Carrico (the "Aggregate Strike Price") plus (ii) a tax gross-up payment on the Aggregate Strike Price reasonably calculated by the Company at the highest marginal rates so that after payment of all ordinary income taxes on such Aggregate Strike Price, there remains an amount sufficient to pay such ordinary income taxes. The special deferred bonus will be paid in substantially equal 20% installments on January 2 on each of 2024, 2025, 2026, 2027, and 2028, with a condition that on or before each scheduled payment date, Mr. Carrico shall exercise at least 128,000 of the stock options.

If the employment agreement is terminated by the Company without cause, Mr. Carrico will receive any accrued compensation (as defined in the employment agreement) and is entitled to severance payments as follows:

- If termination occurs during the initial term, the severance payment shall be the amount equal to the greater of (a) three times Mr. Carrico's base salary as of the termination date; and (b) three times the total amount of Mr. Carrico's bonus payments the Company paid Mr. Carrico over the one year prior to the termination date, to be paid in substantially equal monthly installments over the course of the three years.

- If termination occurs after the initial term, the severance payment shall be the amount equal to the greater of (a) one and one half (1.5) times Mr. Carrico's base salary as of the termination date; and (b) one and one half (1.5) times the total amount of Mr. Carrico's bonus payments the Company paid Mr. Carrico over the one (1) year prior to the termination date, to be paid in substantially equal monthly installments over the course of 18 months following the termination date.

- In addition, as part of the severance payment, we agreed to pay Mr. Carrico monthly COBRA premiums for continuation of health coverage for 18 months post termination.

If the employment agreement is terminated by the Company for cause, Mr. Carrico will receive any unpaid base salary that has been earned at the time of such termination, reimbursement of any expenses properly incurred prior to the Mr. Carrico's termination date; and accrued and unused paid time off ("PTO"), if any, in accordance with the Company's PTO policy in effect on Mr. Carrico's termination date.

Mr. Carrico may terminate the employment agreement without good reason upon more than thirty (30) days' prior written notice or for good reason without prior written consent, and will receive accrued compensation (as defined in the employment agreement) and the unpaid balance of the deferred bonus.

Pursuant to the employment agreement, Mr. Carrico also agreed to (i) not disclose to any unauthorized person or use for his own account any confidential information without the prior written consent of the Company or the board of directors, (ii) will not, directly or indirectly encourage, solicit, induce (or attempt to encourage, solicit or induce) any employee or agent of the Company that was employed (or otherwise engaged) at the time of his separation during his employment and for 24 months after his separation from that employment for any reason; (iii) will not, directly or indirectly, have any ownership interest in, work for, advise, manage, act as an agent or consultant for, or have any business connection or business or employment relationship with any entity or person which competes with Company; (iv) will not, directly or indirectly, have any ownership interest in, work for, advise, manage, act as an agent or consultant for, or have any business connection or business or employment relationship with any entity or person which competes with the Company during his employment and, (v) will not, directly or indirectly and in a competitive capacity own, manage, finance, operate, control or participate in ownership, management, or operation of, act as an agent, consultant, or be employed with, any business engaged in the design, manufacture, marketing, sale or servicing of any service or product with which Mr. Carrico was involved during his last year of employment with the Company; or which the Company is developing, producing, marketing, selling or servicing (or plans to develop, produce, market, sale or service) and about which Mr. Carrico gained any confidential information in the course of his employment with the Company for a period of 24 months after his separation from the Company.

Dan Clarence, our Chief Operating Officer, entered into an employment agreement with the Company, dated August 9, 2022, which provides has a two-year initial term and provides for a base salary of $275,000 with annual compensation increase. Mr. Clarence also will receive a one-time incentive payment in the amount of $116,897.24, which amount includes accrued and unpaid salary and a bonus to incentivize Mr. Clarence to remain with the Company for future service. Neither the accrued and unpaid salary or bonus were the subject of any contract or agreement between Mr. Clarence and the Company prior to the execution of the employment agreement. The agreement contemplated that the incentive payment would be paid by December 15, 2022, but due to administrative impracticability, payment will now be made with a portion of the proceeds from this offering. See "*Use of Proceeds*." In addition, Mr. Clarence shall be entitled to payment of a deferred bonus in an amount equal to (i) the aggregate of the strike price or exercise price of all 137,636 unexercised options to purchase stock or shares of the Company held by Mr. Clarence (the "Aggregate Strike Price") plus (ii) a tax gross-up payment on the Aggregate Strike Price reasonably calculated by the Company at the highest marginal rates so that after payment of all ordinary income taxes on such Aggregate Strike Price, there remains an amount sufficient to pay such ordinary income taxes. The special deferred bonus will be paid in substantially equal 20% installments on January 2 on each of 2024, 2025, 2026, 2027, and 2028, with a condition that on or before each scheduled payment date, Mr. Clarence shall exercise at least 27,527 of the stock options.

If the employment agreement is terminated by the Company without cause occurs during the term of the agreement, Mr. Clarence will receive any accrued compensation (as defined in the employment agreement) and is entitled to certain amount of severance payments as follows:

- If termination occurs during the initial term, the Company shall provide Mr. Clarence with severance compensation in the form of salary continuation at his Base Salary as of the termination date and ending the later of (i) 6 months or (ii) on the expiration date of the initial term.

- If termination occurs after the initial term, the severance payment shall be the amount equal to one half (1/2) of Mr. Clarence's Base Salary as of the termination date.

- In addition, if termination occurs during the initial term, as part of the severance payment, we agreed to pay Mr. Clarence reimbursement of his monthly COBRA premiums for continuation of health coverage for 18 months post termination.

If the employment agreement is terminated by the Company for cause, Mr. Clarence will receive any unpaid base salary that has been earned at the time of such termination, reimbursement of any expenses properly incurred prior to the Mr. Clarence's termination date; and accrued and unused PTO, if any, in accordance with the Company's PTO policy in effect on Mr. Clarence's termination date.

Mr. Clarence may terminate the employment agreement without good reason upon more than thirty (30) days' prior written notice or for good reason without prior written consent and will receive accrued compensation (as defined in the employment agreement) and the unpaid balance of the deferred bonus.

Pursuant to the employment agreement, Mr. Clarence also agreed to (i) not disclose to any unauthorized person or use for his own account any confidential information without the prior written consent of the Company or the board of directors, (ii) will not, directly or indirectly encourage, solicit, induce (or attempt to encourage, solicit or induce) any employee or agent of the Company that was employed (or otherwise engaged) at the time of his separation during his employment and for 24 months after his separation from that employment for any reason; (iii) will not, directly or indirectly, have any ownership interest in, work for, advise, manage, act as an agent or consultant for, or have any business connection or business or employment relationship with any entity or person which competes with Company; (iv) will not, directly or indirectly, have any ownership interest in, work for, advise, manage, act as an agent or consultant for, or have any business connection or business or employment relationship with any entity or person which competes with the Company during his employment and, (v) will not, directly or indirectly and in a competitive capacity own, manage, finance, operate, control or participate in ownership, management, or operation of, act as an agent, consultant, or be employed with, any business engaged in the design, manufacture, marketing, sale or servicing of any service or product with which Mr. Clarence was involved during his last year of employment with the Company; or which the Company is developing, producing, marketing, selling or servicing (or plans to develop, produce, market, sale or service) and about which Mr. Clarence gained any confidential information in the course of his employment with the Company for a period of 24 months after his separation from the Company.

Adrian Miranda, our Chief Medical Officer and Senior Vice President of Science and Technology, entered into an employment agreement with the Company, dated August 17, 2022, which has a two-year initial term and provides for a base salary of $300,000 with annual compensation increase. In addition, Dr. Miranda shall be entitled to payment of a special deferred bonus in an amount equal to (i) the aggregate of the strike price or exercise price of all 674,408 unexercised options to purchase stock or shares of the Company held by Dr. Miranda (the "Aggregate Strike Price") plus (ii) a tax gross-up payment on the Aggregate Strike Price reasonably calculated by the Company at the highest marginal rates so that after payment of all ordinary income taxes on such Aggregate Strike Price, there remains an amount sufficient to pay such ordinary income taxes. The deferred bonus will be paid in substantially equal 20% installments on January 2 on each of 2024, 2025, 2026, 2027, and 2028, with a condition that on or before each scheduled payment date, Dr. Miranda shall exercise at least 134,881 of the stock options.

If the employment agreement is terminated by the Company without cause occurs during the term of the agreement, Dr. Miranda will receive any accrued compensation (as defined in the employment agreement) and is entitled to certain amount of severance payments as follows:

- If termination occurs during the initial term, the Company shall provide Dr. Miranda with severance compensation in the form of salary continuation at his Base Salary as of the termination date and ending the later of (i) 6 months or (ii) on the expiration date of the initial term.

- If termination occurs after the initial term, the severance payment shall be the amount equal to one half (1/2) of Dr. Miranda's Base Salary as of the termination date.

- In addition, if termination occurs during the initial term, as part of the severance payment, we agreed to pay Dr. Miranda reimbursement of his monthly COBRA premiums for continuation of health coverage for 18 months post termination.

If the employment agreement is terminated by the Company for cause, Dr. Miranda will receive any unpaid base salary that has been earned at the time of such termination, reimbursement of any expenses properly incurred prior to the Dr. Miranda's termination date; and (iii) accrued and unused PTO, if any, in accordance with the Company's PTO policy in effect on Dr. Miranda's termination date.

Dr. Miranda may terminate the employment agreement without good reason upon more than thirty (30) days' prior written notice or for good reason without prior written consent, and will receive accrued compensation (as defined in the employment agreement) and the unpaid balance of the special deferred bonus.

Pursuant to the employment agreement, Dr. Miranda also agreed to (i) not disclose to any unauthorized person or use for his own account any confidential information without the prior written consent of the Company or the board of directors, (ii) will not, directly or indirectly encourage, solicit, induce (or attempt to encourage, solicit or induce) any employee or agent of the Company that was employed (or otherwise engaged) at the time of his separation during his employment and for 24 months after his separation from that employment for any reason; (iii) will not, directly or indirectly, have any ownership interest in, work for, advise, manage, act as an agent or consultant for, or have any business connection or business or employment relationship with any entity or person which competes with Company; (iv) not, directly or indirectly, have any ownership interest in, work for, advise, manage, act as an agent or consultant for, or have any business connection or business or employment relationship with any entity or person which competes with the Company during his employment and (v) will not, directly or indirectly and in a competitive capacity own, manage, finance, operate, control or participate in ownership, management, or operation of, act as an agent, consultant, or be employed with, any business engaged in the design, manufacture, marketing, sale or servicing of any service or product with which Dr. Miranda was involved during his last year of employment with the Company; or which the Company is developing, producing, marketing, selling or servicing (or plans to develop, produce, market, sale or service) and about which Dr. Miranda gained any confidential information in the course of his employment with the Company for a period of 24 months after his separation from the Company.

Thomas Carrico, Chief Regulatory Officer, entered into an employment agreement with the Company, dated August 9, 2022, which has a two-year initial term and provides for a base salary of $275,000 with annual compensation increase. Mr. Carrico will also receive a one-time incentive payment in the amount of $141,243.17, which amount includes accrued and unpaid salary and a bonus to incentivize Mr. Carrico to remain with the Company for future service. Neither the accrued and unpaid salary or bonus were the subject of any contract or agreement between Mr. Carrico and the Company prior to the execution of the employment agreement. The agreement contemplated that the incentive payment would be paid by December 15, 2022, but due to administrative impracticability, payment will now be made with a portion of the proceeds from this offering. See "*Use of Proceeds*." In addition, Mr. Carrico shall be entitled to payment of a deferred bonus in an amount equal to (i) the aggregate of the strike price or exercise price of all 612,472 unexercised options to purchase stock or shares of the Company held by Mr. Carrico (the "Aggregate Strike Price") plus (ii) a tax gross-up payment on the Aggregate Strike Price reasonably calculated by the Company at the highest marginal rates so that after payment of all ordinary income taxes on such Aggregate Strike Price, there remains an amount sufficient to pay such ordinary income taxes. The special deferred bonus will be paid in substantially equal 20% installments on January 2 on each of 2024, 2025, 2026, 2027, and 2028, with a condition that on or before each scheduled payment date, Mr. Carrico shall exercise at least 122,494 of the stock options.

If the employment agreement is terminated by the Company without cause occurs during the term of the agreement, Mr. Carrico will receive any accrued compensation (as defined in the employment agreement) and is entitled to certain amount of severance payments as follows:

- If termination occurs during the initial term, the Company shall provide Mr. Carrico with severance compensation in the form of salary continuation at his Base Salary as of the termination date and ending the later of (i) 6 months or (ii) on the expiration date of the initial term.

- If termination occurs after the initial term, the severance payment shall be the amount equal to one half (1/2) of Mr. Carrico's Base Salary as of the termination date.

- In addition, if termination occurs during the initial term, as part of the severance payment, we agreed to pay Mr. Carrico reimbursement of his Medicare, Medicare Supplement and prescription drug coverage insurance premiums for continuation of health coverage for 18 months post termination.

If the employment agreement is terminated by the Company for cause, Mr. Carrico will receive any unpaid base salary that has been earned at the time of such termination, reimbursement of any expenses properly incurred prior to the Mr. Carrico's termination date; and (iii) accrued and unused PTO, if any, in accordance with the Company's PTO policy in effect on Mr. Carrico's termination date.

Mr. Carrico may terminate the employment agreement without good reason upon more than thirty (30) days' prior written notice or for good reason without prior written consent, and will receive accrued compensation (as defined in the employment agreement) and the unpaid balance of the special deferred bonus.

Pursuant to the employment agreement, Mr. Carrico also agreed to (i) not disclose to any unauthorized person or use for his own account any confidential information without the prior written consent of the Company or the board of directors, (ii) will not, directly or indirectly encourage, solicit, induce (or attempt to encourage, solicit or induce) any employee or agent of the Company that was employed (or otherwise engaged) at the time of his separation during his employment and for 24 months after his separation from that employment for any reason; (iii) will not, directly or indirectly, have any ownership interest in, work for, advise, manage, act as an agent or consultant for, or have any business connection or business or employment relationship with any entity or person which competes with Company; (iv) not, directly or indirectly, have any ownership interest in, work for, advise, manage, act as an agent or consultant for, or have any business connection or business or employment relationship with any entity or person which competes with the Company during his employment and (v) will not, directly or indirectly and in a competitive capacity own, manage, finance, operate, control or participate in ownership, management, or operation of, act as an agent, consultant, or be employed with, any business engaged in the design, manufacture, marketing, sale or servicing of any service or product with which Mr. Carrico was involved during his last year of employment with the Company; or which the Company is developing, producing, marketing, selling or servicing (or plans to develop, produce, market, sale or service) and about which Mr. Carrico gained any confidential information in the course of his employment with the Company for a period of 24 months after his separation from the Company.

Christopher Robin Brown, our Director of Innovation, entered into an employment agreement with the Company, dated August 9, 2022, which has a two-year initial term and provides for a base salary of $200,000 with annual compensation increase. Mr. Brown also will receive a one-time incentive payment in the amount of $250,843.88, which amount includes accrued and unpaid salary and a bonus to incentivize Mr. Brown to remain with the Company for future service. Neither the accrued and unpaid salary or bonus were the subject of any contract or agreement between Mr. Brown and the Company prior to the execution of the employment agreement. The agreement contemplated that the incentive payment would be paid by December 15, 2022, but due to administrative impracticability, payment will now be made with a portion of the proceeds from this offering. See "*Use of Proceeds*."

If the employment agreement is terminated by the Company without cause, Mr. Brown will receive any accrued compensation (as defined in the employment agreement) and is entitled to certain amount of severance payments as follows:

- If termination occurs during the initial term, the Company shall provide Mr. Brown with severance compensation in the form of salary continuation at his Base Salary as of the termination date and ending the later of (i) 3 months or (ii) on the expiration date of the initial term.

- If termination occurs after the initial term, the severance payment shall be the amount equal to one fourth (1/4th) of Mr. Brown's Base Salary as of the termination date.

- In addition, if termination occurs during the initial term, as part of the severance payment, we agreed to pay Mr. Brown reimbursement of his Medicare, Medicare Supplement and prescription drug coverage insurance premiums for continuation of health coverage for eighteen (18) months post termination.

If the employment agreement is terminated by the Company for cause, Mr. Brown will receive any unpaid base salary that has been earned at the time of such termination, reimbursement of any expenses properly incurred prior to the Mr. Brown's termination date; and accrued and unused PTO, if any, in accordance with the Company's PTO policy in effect on Mr. Brown's termination date.

Mr. Brown may terminate the employment agreement without good reason upon more than thirty (30) days' prior written notice or for good reason without prior written consent, and will receive accrued compensation (as defined in the employment agreement) and the unpaid balance of the special deferred bonus.

Pursuant to the employment agreement, Mr. Brown also agreed to (i) not disclose to any unauthorized person or use for his own account any confidential information without the prior written consent of the Company or the board of directors, (ii) will not, directly or indirectly encourage, solicit, induce (or attempt to encourage, solicit or induce) any employee or agent of the Company that was employed (or otherwise engaged) at the time of his separation during his employment and for 24 months after his separation from that employment for any reason; (iii) will not, directly or indirectly, have any ownership interest in, work for, advise, manage, act as an agent or consultant for, or have any business connection or business or employment relationship with any entity or person which competes with Company; (iv) not, directly or indirectly, have any ownership interest in, work for, advise, manage, act as an agent or consultant for, or have any business connection or business or employment relationship with any entity or person which competes with the Company during his employment and (v) will not, directly or indirectly and in a competitive capacity own, manage, finance, operate, control or participate in ownership, management, or operation of, act as an agent, consultant, or be employed with, any business engaged in the design, manufacture, marketing, sale or servicing of any service or product with which Mr. Brown was involved during his last year of employment with the Company; or which the Company is developing, producing, marketing, selling or servicing (or plans to develop, produce, market, sale or service) and about which Mr. Brown gained any confidential information in the course of his employment with the Company for a period of 24 months after his separation from the Company.

Gary Peterson, our Director of Design and Engineering, entered into an employment agreement with the Company, dated August 9, 2022, which has a two-year initial term and provides for a base salary of $200,000 with annual compensation increase and a one-time incentive payment in the amount of $53,277.01, which amount includes accrued and unpaid salary and a bonus incentivize Mr. Carrico to remain with the Company for future service. Neither the accrued and unpaid salary or bonus were the subject of any contract or agreement between Mr. Peterson and the Company prior to the execution of the employment agreement. The agreement contemplated that the incentive payment would be paid by December 15, 2022, but due to administrative impracticability, payment will now be made with a portion of the proceeds from this offering. See "*Use of Proceeds*."

If the employment agreement is terminated by the Company without cause, Mr. Peterson will receive accrued compensation (as defined in the employment agreement) and certain amount of severance payments as follows:

- If termination occurs during the initial term, the Company shall provide Mr. Peterson with severance compensation in the form of salary continuation at his Base Salary as of the termination date and ending the later of (i) 6 months or (ii) on the expiration date of the initial term.

- If termination occurs after the initial term, the severance payment shall be the amount equal to one half (1/2) of Mr. Peterson's Base Salary as of the termination date.

- In addition, if termination occurs during the initial term, as part of the severance payment, we agreed to pay Mr. Peterson reimbursement of his COBRA premiums for continuation of health coverage for 18 months post termination.

If the employment agreement terminates for any reason except termination by the Company for cause occurs, Mr. Peterson will receive any unpaid base salary that has been earned at the time of such termination, reimbursement of any expenses properly incurred prior to the Mr. Peterson's termination date; and accrued and unused PTO, if any, in accordance with the Company's PTO policy in effect on Mr. Peterson's termination date.

Mr. Peterson may terminate the employment agreement without good reason upon more than thirty (30) days' prior written notice or for good reason without prior written consent, and will receive accrued compensation (as defined in the employment agreement) and the unpaid balance of the special deferred bonus.

Pursuant to the employment agreement, Mr. Peterson also agreed to (i) not disclose to any unauthorized person or use for his own account any confidential information without the prior written consent of the Company or the board of directors, (ii) will not, directly or indirectly encourage, solicit, induce (or attempt to encourage, solicit or induce) any employee or agent of the Company that was employed (or otherwise engaged) at the time of his separation during his employment and for 24 months after his separation from that employment for any reason; (iii) will not, directly or indirectly, have any ownership interest in, work for, advise, manage, act as an agent or consultant for, or have any business connection or business or employment relationship with any entity or person which competes with Company; (iv) not, directly or indirectly, have any ownership interest in, work for, advise, manage, act as an agent or consultant for, or have any business connection or business or employment relationship with any entity or person which competes with the Company during his employment and (v) will not, directly or indirectly and in a competitive capacity own, manage, finance, operate, control or participate in ownership, management, or operation of, act as an agent, consultant, or be employed with, any business engaged in the design, manufacture, marketing, sale or servicing of any service or product with which Mr. Peterson was involved during his last year of employment with the Company; or which the Company is developing, producing, marketing, selling or servicing (or plans to develop, produce, market, sale or service) and about which Mr. Peterson gained any confidential information in the course of his employment with the Company for a period of 24 months after his separation from the Company.

Director Compensation

Currently, none of our directors is compensated for their service as directors, and we do not expect to compensate our current directors in the future. Following completion of this offering, we do expect to compensate our independent directors $100,000 annually, with an additional $20,000 payable to the Chair of each of our board of directors, apportioned equally between cash and RSUs and payable quarterly as of March 31, June 30, September 30 and December 31 of each year, beginning with March 31, 2023. The RSUs will be granted under the 2022 Plan, and the number of RSUs granted will be determined at the discretion of the Compensation Committee based on one or more accepted valuation methodologies, such as the Black-Scholes model. The RSUs will vest upon the third anniversary of issuance.

PRINCIPAL STOCKHOLDERS

The following table sets forth certain information, as of October 31, 2022, with respect to the holdings of: (i) each person who is the beneficial owner of more than 5% of our common stock, (ii) each of our directors, (iii) each executive officer, and (iv) all of our executive officers and directors as a group.

Beneficial ownership of the common stock is determined in accordance with the rules of the SEC and includes any shares of our common stock over which a person exercises sole or shared voting or investment power, or of which a person has a right to acquire ownership at any time within 60 days of October 31, 2022. Applicable percentage ownership in the following table is based on (i) 3,903,094 shares of common stock issued and outstanding on October 31, 2022, plus an aggregate of 2,026,540 shares of common stock issuable upon conversion of our Series A Preferred Stock and an aggregate of 461,907 shares of common stock issuable upon conversion of our Series Seed Preferred Stock, as all shares of our preferred stock are expected to convert into shares of common stock in connection with this offering, and (ii) after the offering, assumes the issuance of [●] shares of common stock in the offering, which excludes shares of common stock which may be sold upon exercise of the Underwriter's over-allotment option, (iii) plus, for each individual, any securities that person has the right to acquire within 60 days of October 31, 2022 through exercise of warrants, stock options or otherwise.

To the best of our knowledge, each of the persons named in the table has sole voting and investment power with respect to the shares of our common stock beneficially owned by such person, except to the extent such power may be shared with a spouse. To our knowledge, none of the shares listed below are held under a voting trust or similar agreement. To our knowledge, there is no arrangement, including any pledge by any person of securities of the Company, the operation of which may at a subsequent date result in a change in control of the Company.

Name of Owner	Shares of Common Stock Owned Beneficially	Percent of Class Before the Offering	Percent of Class After the Offering
5% Holders			
Masimo Corporation (1)	1,642,654	23.7%	[●]%
Brian P. Hannasch (2)	674,991	10.5%	[●]%
Executive Officers and Directors (3)			
Brian Carrico (4)	694,236	9.9%	[●]%
John Seale	—	—	—
Dan Clarence (5)	551,417	8.5%	[●]%
Adrian Miranda (6)	674,408	9.6%	[●]%
Thomas Carrico (7)	632,472	9.1%	[●]%
Christopher Robin Brown	1,585,673	25.0%	[●]%
Gary Peterson	1,086,240	17.1%	[●]%
Timothy Henrichs*	—	—	—
Bradley Mitch Watkins*	—	—	—
Beth Keyser*	—	—	—
Officers and directors as a group (10 persons)	5,224,446	62.1%	[●]%

*Timothy Henrichs, Bradley Mitch Watkins, Beth Keyser have accepted nomination to our board of directors and will become members of our board of directors immediately upon the effectiveness of the registration statement of which this prospectus forms a part.

(1) The business address for Masimo Corporation is 52 Discovery, Irvine, California 92618. Shares of common stock beneficially owned includes 1,063,096 shares of common stock issuable upon the conversion of Series A Preferred Stock, and 579,558 shares of common stock issuable upon the exercise of prefunded warrants.

(2) The business address for Mr. Hannasch is 8815 West State Road 46, Columbus, Indiana 47201. Shares of common stock beneficially owned includes 491,419 shares of common stock issuable upon the conversion of Series A Preferred Stock, and 105,704 shares of common stock issuable upon the exercise of warrants.

(3) The business address for each executive officer and director is 11550 N. Meridian Street, Suite 325 Carmel, IN. 46032.

(4) Shares of common stock beneficially owned includes 640,000 shares of common stock issuable upon the exercise of stock options.

(5) Shares of common stock beneficially owned consists of 10,598 shares of common stock issuable upon the conversion of Series A Preferred Stock, 56,137 shares of common stock issuable upon conversion of Series Seed Preferred Stock, and 137,636 shares of common stock issuable upon the exercise of stock options.

(6) Shares of common stock beneficially owned consists of 674,408 shares of common stock issuable upon the exercise of stock options.

(7) Shares of common stock beneficially owned includes 612,472 shares of common stock issuable upon the exercise of stock options.

CERTAIN RELATIONSHIPS AND RELATED PERSONS TRANSACTIONS

SEC rules require us to disclose any transaction since the beginning of our last fiscal year or any currently proposed transaction in which we are a participant in which the amount involved exceeded or will exceed $120,000 and in which any related person has or will have a direct or indirect material interest. A related person is any executive officer, director, nominee for director, or holder of 5% or more of our common stock, or an immediate family member of any of those persons.

The Company has two demand notes receivable from its two founding shareholders, Christopher Robin Brown and Gary Peterson, related to the sale of common stock on January 1, 2016. Both notes initial balances were $506,400, with interest calculated monthly based on applicable federal rates. No payments have been received on the notes. As of September 30, 2022, the balances of both notes were $[●].

The Company has loans payable to Christopher Robin Brown, one of our founders and a member of our board of directors, related to funding needs for operations with original principal amounts of $55,000 and $50,000 each bearing interest at 15% per annum. As of September 30, 2022, the outstanding balances of the loans were $20,051 and $38,000, respectively. We will use a portion of the proceeds from this offering to repay these loans payable. See "*Use of Proceeds*."

John Seale, our Chief Financial Officer, is also the managing partner of RBSK. Mr. Seale, through RBSK, has prepared the Company's financial statements since 2017. For the nine months ended September 30, 2022, and the fiscal years ended December 31, 2021 and 2020, the Company paid RBSK $78,241, $80,394 and $167,489, respectively, for accounting services.

DESCRIPTION OF OUR SECURITIES

General

Our certificate of incorporation authorizes us to issue up to 101,120,000 shares of capital stock, consisting of 100,000,000 shares of common stock, par value $0.001 per share, and 1,120,000 shares of preferred stock, par value $0.001 per share, 1,000,000 of which are designated as Series A Preferred Stock and 120,000 of which are designated as Series Seed Preferred Stock.

As of September 30, 2022, there were 3,903,094 shares of our common stock, 506,367 shares of our Series A Preferred Stock, and 115,477 shares of our Series Seed Preferred Stock issued outstanding.

Common Stock

Our certificate of incorporation authorizes the issuance of 100,000,000 shares of common stock, par value $0.001 per share. The holders of common stock are entitled to one vote per share on each matter submitted to a vote at any meeting of stockholders. Shares of common stock do not carry cumulative voting rights and, therefore, a majority of the shares of outstanding common stock will be able to elect the entire board of directors and, if they do so, minority stockholders would not be able to elect any persons to the board of directors. Our bylaws provide that a majority of our issued and outstanding shares constitutes a quorum for stockholders' meetings, except respecting certain matters for which a greater percentage quorum is required by statute or the bylaws.

Our common stockholders have no pre-emptive rights to acquire additional shares of common stock or other securities. The common stock is not subject to redemption and carries no subscription or conversion rights. In the event of our liquidation, the shares of common stock are entitled to share equally in corporate assets after satisfaction of all liabilities and after the payment of liquidation preferences, if any, on any outstanding shares of preferred stock.

Holders of common stock are entitled to receive such dividends as the board of directors may, from time to time, declare out of funds legally available for the payment of dividends. We seek growth and expansion of our business through the reinvestment of profits, if any, and do not anticipate that we will pay dividends in the foreseeable future.

Dividend Rights

Subject to preferences that may apply to any shares of preferred stock outstanding at the time, the holders of our common stock are entitled to receive dividends out of funds legally available if our Board, in its discretion, determines to declare and pay dividends and then only at the times and in the amounts that our Board may determine.

Voting Rights

Holders of our common stock are entitled to one vote for each share held on all matters properly submitted to a vote of stockholders on which holders of common stock are entitled to vote. We have not provided for cumulative voting for the election of directors in our Certificate of Incorporation.

No Pre-emptive or Similar Rights

Our common stock is not entitled to pre-emptive rights, and is not subject to conversion, redemption or sinking fund provisions.

Right to Receive Liquidation Distributions

If we become subject to a liquidation, dissolution or winding-up, the assets legally available for distribution to our stockholders would be distributable ratably among the holders of our common stock and any participating preferred stock outstanding at that time, subject to prior satisfaction of all outstanding debt and liabilities and the preferential rights of and the payment of liquidation preferences, if any, on any outstanding shares of preferred stock.

Preferred Stock

Our certificate of incorporation authorizes the issuance of 1,120,000 shares of preferred stock, par value $0.001 per share, 1,000,000 of which are designated as Series A Preferred Stock and 120,000 of which are designated as Series Seed Preferred Stock. As of the date of hereof, there are 506,635 shares of our Series A Preferred Stock, and 115,477 shares of our Series Seed Preferred Stock outstanding. The requisite holder of our outstanding Series A Preferred Stock and Series Seed Preferred Stock have delivered a consent, dated December 22, 2022, to automatically convert all shares of preferred stock into shares of common stock (on a 4-for-1 basis) upon consummation of this offering.

Voting Rights

The Series A Preferred Stock and Series Seed Preferred Stock shall vote together with the Common Stock on an as-converted basis, and not as separate classes.

Conversion

The Series A Preferred and Series Seed initially convert 1:1 to Common Stock at any time at option of holder, subject to adjustments for stock dividends, splits, combinations, and similar events and as described below under "Anti-dilution Provisions." Due to a 4-for-1 stock split that occurred in September of 2021, each (1) share of Series A Preferred and Series Seed is currently convertible to four (4) shares of common stock.

Dividends

The Series A Preferred will carry an annual 8% cumulative dividend, payable upon any liquidation, dissolution or winding up of the Company (the "Accruing Dividend"). For any other dividends or distributions, participation with common stock on an as-converted basis.

Liquidation

In the event of any liquidation, dissolution or winding up of the Company, the proceeds shall be paid in the following priority:

- First, to the Series A Preferred in proportion to each holder's respective pro rata Series A original purchase price, plus any pro rata share of the Accruing Dividend until the entire Series A original purchase price and Accruing Dividend are paid;
- Second, to the Series Seed Preferred Stock in proportion to each holder's respective pro rata Series Seed original purchase price until the entire amount of the Series Seed original purchase price is paid;
- Thereafter, the Series A Preferred Stock and Series Seed Preferred Stock participate with the common stock pro rata on an as-converted basis.

A merger or consolidation (other than one in which stockholders of the Company own a majority by voting power of the outstanding shares of the surviving or acquiring corporation) and a sale, lease, transfer, exclusive license or other disposition of all or substantially all of the assets of the Company will be treated as a liquidation event (a "Deemed Liquidation Event"), thereby triggering payment of the liquidation preferences described.

Anti-dilution Provisions

The Series A Preferred have full-ratchet anti-dilution protection so that the conversion price will be reduced to 80% of the price at which any future shares are issued, if less than the Series A original purchase price.

Stockholders' Agreement:

All stockholders of the Company currently are subject to the Innovative Health Solutions, Inc. Amended and Restated Shareholders' Agreement dated as of October 12, 2017, as amended on January 30, 2019 (collectively, the "Stockholders' Agreement"). The Stockholders' Agreement contains provisions restricting the transfer of the Company's shares by our current stockholders, provisions related to certain preemptive rights and rights of first offer, and certain corporate governance requirements and restrictions, among other things. Upon the effectiveness of the registration statement of which this prospectus forms a part, the Stockholders' Agreement will terminate and be of no further force or effect pursuant to an amendment to the Stockholders' Agreement dated January [●], 2023.

Restrictions on Transfer: As a general matter, the Stockholders' Agreement currently provides that no stockholder may transfer the whole or any part of their shares, except as otherwise permitted by the Stockholders' Agreement. The Company's board of directors may, however, waive in writing any or all of the restrictions on transfer set forth in the Stockholders' Agreement. Furthermore, transfers to any one or more members of a class consisting of a stockholder's spouse, descendants, guardian or conservator, or to a trust for the benefit of any one or more members of such class (a "Family Transferee") are free of any restrictions on transfer; *provided, however*, that such no such transfer shall be permitted unless the transferring stockholder retains the sole legal and equitable rights to vote the shares being transferred to the Family Transferee.

Preemptive Rights and Rights of First Offer: Except as otherwise permitted in the Stockholders' Agreement, a stockholder may not transfer any or all of the shares of the Company owned by that stockholder to any transferee unless (i) the stockholder desiring to effectuate the transfer shall have first made the offer to sell to the Company, then to non-transferring stockholders within the circumstances and time periods prescribed in the Stockholders' Agreement and (ii) that offer shall not have been accepted by the Company or the non-transferring stockholders within the prescribed circumstances and time periods.

Governance Provisions: The Stockholders' Agreement currently requires the stockholders to vote in such a manner as to ensure the current directors of the Company are elected, appointed, and maintained as directors. Furthermore, certain extraordinary business decisions must be approved affirmatively by one of Gary Peterson or Christopher Robin Brown ("Group 1 Stockholders"), before the Company may implement them ("Extraordinary Decisions"). Such Extraordinary Decisions include (a) amending the Company's certificate of incorporation, (b) amending the Company's Bylaws, (c) amending the Stockholders' Agreement, (d) acquiring substantially all of the assets of the Company or another business (with certain exceptions), (e) incurring debt or liability in excess of $100,000 in each instance, (f) issuing options or equity in the Company, (g) undertaking a matter outside the ordinary course of business, (h) substantially changing the scope of an officer's duties with the Company, (i) terminating a Group 1 Stockholder's employment with the Company, (j) making distributions, and (k) conducting certain affiliate transactions.

Transfers during Lifetime and upon Death: The Stockholders' Agreement also currently prescribes that, upon the termination of an employment agreement between the Company and any stockholders except for the Group 1 Stockholders for any reason other than death, the Company may purchase all of the stockholder's shares of the Company at an agreed value established by the Board each year or the fair market value as of the date of such termination. Furthermore, upon the death of a stockholder, the Company shall have the right, for the longer of 3 months following receipt of notice of the death or 6 months from the date of death, to purchase such stockholder's shares at an agreed value established by the Board or the fair market value.

Investor Agreements

Masimo Side Letters

On April 9, 2020, the Company entered into a side letter with Masimo (the "Masimo Side Letter") in connection with Masimo's purchase of shares of our Series A Preferred Stock under that certain purchase agreement (the "Masimo Series A Purchase Agreement"). Pursuant to the Masimo Side Letter, Masimo is entitled to specify one

individual to serve as a non-voting observer at all meetings of the board of directors and certain information and inspection rights. The Company also agreed to not enter into any agreement or arrangement with any investor providing for rights, benefits, powers, preferences, priorities or privileges more favorable to such investor than the rights, benefits, powers, preferences, priorities or privileges provided to Masimo under the Masimo Series A Purchase Agreement, unless Massimo is offered such opportunity.

The Company entered into a new letter agreement with Masimo, dated December 22, 2022, pursuant to which Masimo has agreed to relinquish its rights under the Masimo Side Letter immediately upon the effectiveness of the registration statement of which this prospectus forms a part.

Brian Hannasch Side Letters

On September 6, 2019, the Company entered into an investor rights agreement with Brian Hannasch (the "Investor Rights Agreement") in connection with Brian Hannasch's purchase of shares of our Series A Preferred Stock under certain purchase agreements (the "Series A Purchase Agreements"). Pursuant to the Investor Rights Agreement, Mr. Hannasch is entitled to certain information and inspection rights. As long as Mr. Hannasch holds at least 125,000 shares of Series A Preferred Stock, he is considered a major investor and, as such, is entitled to right of first offer if the Company proposes to sell any new securities, which shall terminate immediately before the consummation of this offering, or when the Company becomes subject to periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act, or upon the closing of a Deemed Liquidation Event, and may appoint one (1) observer to attend and be present at the meeting of board of directors. The Company also agreed not to, without Mr. Hannasch's approval (so long as Mr. Hannasch holds at least 125,000 shares of Series A Preferred Stock), (i) make any loan to any person, subsidiarity or other entity except expenditures in the ordinary course of business or under an employee stock option plan, (ii) own any securities of any subsidiarity or other entity unless it is wholly owned by the Company, (iii) guarantee any indebtedness except for trade accounts arising in the ordinary course of business, (iv) make any investment inconsistent with any investment policy approved by the board of directors, (v) enter into any material transaction with insiders of the Company outside the ordinary and usual course of business, (vi) authorize any plan for the issuance of any employee incentive equity rights, management incentive plans payable on the basis of equity proceeds or amend the 2017 Stock Compensation plan, or (vii) allow previous common stockholders who own more than $100,000 of common stock, except for certain common stockholders as indicated in the Investor Rights Agreement, to participate in the purchase of Series A Preferred Stock, unless such common stockholder purchases at least $100,000 of Series A Preferred Stock valued at the Series A original issue price.

The Company entered into a new letter agreement with Brian Hannasch, dated July 7, 2022, pursuant to which Mr. Hannasch has agreed to relinquish his rights under the Investor Rights Agreement immediately upon the effectiveness of the registration statement of which this prospectus forms a part.

Warrants

As of September 30, 2022, warrants to purchase an aggregate of 1,156,074 shares of our common stock were outstanding.

On September 6, 2019, we issued warrants to purchase 20,000 shares of common stock (now 80,000 shares after giving effect to the Company's 4-to-1 stock split in September 2021) to Brian P. Hannasch, in connection with certain his purchase of our Series A Preferred Stock. Pursuant to the terms of the warrants, the warrant exercise price is equal to $0.01 per share, subject to certain adjustments. If unexercised, these warrants will expire on the 10th anniversary of their issuance dates. The warrants will neither expire nor be automatically exercised upon the closing of this offering. The warrants provide that the holder thereof may elect to exercise the warrant on a net "cashless" basis at any time prior to the expiration thereof. Assuming the closing of this offering occurs, the fair market value of one share of our common stock in connection with any cashless exercise shall be the based on the average of the daily closing prices per share for the 30 consecutive trading day period ending on the second trading day prior to such date.

On April 9, 2020, we issued pre-funded warrants to purchase 144,890 shares of Series A Preferred Stock (which are convertible into 579,558 shares of common stock) to Masimo, in connection with its purchase of our Series A Preferred Stock. Pursuant to the terms of the warrants, the warrant exercise price is equal to $0.0001 per share, subject to adjustments, and these warrants will not expire. The aggregate purchase price of these warrants, in the amount of approximately $2.7 million, equating to $18.87 per warrant share, was pre-funded to the Company and, consequently, no additional consideration shall be required to be paid by Masimo to effect any exercise of the warrants, except for the payment of the exercise price. The warrants will neither expire nor be automatically exercised upon the closing of this offering. The warrants provide that Masimo may elect to exercise the warrant on a net "cashless" basis at any time prior to the expiration thereof. Assuming the closing of this offering occurs, the fair market value of one share of our Series A Preferred Stock in connection with any cashless exercise shall be (i) the closing price or last sale price of a share of common stock reported for the business day immediately before the date on which Masimo delivers this warrant together with its notice of exercise to the Company, multiplied by the number of shares of common stock into which a share of Series A Preferred Stock is then convertible, if the common stock is then traded on a trading market, or (ii) the fair market value of Series A Preferred Stock, as mutually determined in writing by the Company and Masimo. Masimo may not exercise the warrant in excess of that number of shares which would cause the aggregate number of shares of common stock beneficially owned by Masimo to exceed 19.99% of the total number of issued and outstanding shares of common stock following such exercise, or the combined voting power of the securities beneficially owned by Masimo to exceed 19.99% of the combined voting power of all of the securities of the Company then outstanding following such exercise.

We have entered into SPAs to provide for advances of up to $3.0 million in proceeds to us, subject to our satisfaction of certain conditions. Pursuant to the SPAs, from June through November of 2022, we issued Notes with an aggregate principal amount of $3,333,333, which amount included OID of $333,333, and legal fees of $130,000, resulting in advance proceeds to us of $3.0 million. In connection with the issuance of the Notes, we also issued five-year warrants exercisable for an aggregate of 706,221 shares of common stock with an exercise price of the lower of (a) $5.90 and (b) a 12% discount to the price per share in any subsequent offering by the Company. For more information regarding the SPAs, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Recent Developments*." The warrants provide that the holder may elect to exercise the warrant on a net "cashless" basis at any time after the six-month anniversary of the issuance date of the warrants, the market price of one share of common stock is greater than the exercise price of the warrants and the shares to be issued pursuant to the warrants are not registered under an effective registration statement. A holder may not exercise the warrant in excess of that number of shares which would cause the aggregate number of shares of common stock beneficially owned by such holder to exceed 4.99% of the total number of issued and outstanding shares of common stock following such exercise, or the combined voting power of the securities beneficially owned by such holder to exceed 4.99% of the combined voting power of all of the securities of the Company then outstanding following such exercise. The warrants will neither expire nor be automatically exercised upon the closing of this offering.

Certain Anti-Takeover Provisions of Delaware Law, Our Certificate of Incorporation and Our Bylaws

Section 203 of the DGCL provides that if a person acquires 15% or more of the voting stock of a Delaware corporation, such person becomes an "interested stockholder" and may not engage in certain "Business Combinations" with such corporation for a period of three years from the time such person acquired 15% or more of such corporation's voting stock, unless: (1) the board of directors of such corporation approves the acquisition of stock or the merger transaction before the time that the person becomes an interested stockholder, (2) the interested stockholder owns at least 85% of the outstanding voting stock of such corporation at the time the merger transaction commences (excluding voting stock owned by directors who are also officers and certain employee stock plans), or (3) the merger transaction is approved by the board of directors and at a meeting of stockholders, not by written consent, by the affirmative vote of 2/3 of the outstanding voting stock which is not owned by the interested stockholder. A Delaware corporation may elect in its certificate of incorporation or Bylaws not to be governed by this particular Delaware law.

Our certificate of incorporation, our bylaws and the DGCL contain provisions that could have the effect of rendering more difficult, delaying, or preventing an acquisition deemed undesirable by our board of directors. These provisions could also make it difficult for stockholders to take certain actions, including electing directors who are not nominated by the members of our board of directors or taking other corporate actions, including effecting changes in our management. For instance, our certificate of incorporation does not provide for cumulative voting in the election of directors. Our board of directors are empowered to elect a director to fill a vacancy created by the expansion of the board of directors or the resignation, death, or removal of a director in certain circumstances; and our advance notice provisions in our bylaws require that stockholders must comply with certain procedures in order to nominate candidates to our board of directors or to propose matters to be acted upon at a stockholders' meeting.

Our authorized but unissued common stock will be available for future issuances without stockholder approval and could be utilized for a variety of corporate purposes, including future offerings to raise additional capital, acquisitions and employee benefit plans. The existence of authorized but unissued and unreserved common stock could render more difficult or discourage an attempt to obtain control of us by means of a proxy contest, tender offer, merger or otherwise.

Certificate of incorporation and Bylaws

Among other things, our certificate of incorporation and our bylaws:

- do not provide for cumulative voting in the election of directors;
- provides for the exclusive right of the board of directors to elect a director to fill a vacancy created by the expansion of the board of directors or the resignation, death, or removal of a director by stockholders;
- requires that a special meeting of stockholders may be called only by the Board of Directors, or by a committee of the Board of Directors that has been designated by the Board of Directors;
- limits the liability of, and providing indemnification to, our directors and officers;
- controls the procedures for the conduct and scheduling of stockholder meetings;
- grants the ability to remove directors only for cause by the affirmative vote of at least two-thirds of the voting power of all of the then outstanding shares of voting stock of the Company entitled to vote at an election of directors; and
- provides for advance notice procedures that stockholders must comply with in order to nominate candidates to the board of directors or to propose matters to be acted upon at a stockholders' meeting.

The combination of these provisions will make it more difficult for our existing stockholders to replace our board of directors as well as for another party to obtain control of us by replacing our board of directors. Since our board of directors has the power to retain and discharge our officers, these provisions could also make it more difficult for existing stockholders or another party to effect a change in management.

These provisions are intended to enhance the likelihood of continued stability in the composition of our board of directors and its policies and to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to reduce our vulnerability to hostile takeovers and to discourage certain tactics that may be used in proxy fights. However, such provisions could have the effect of discouraging others from making tender offers for our shares of common stock and may have the effect of delaying changes in our control or management. As a consequence, these provisions may also inhibit fluctuations in the market price of our common stock.

Forum for Litigation

Article VIII of our Certificate of Incorporation identifies the Court of Chancery of the State of Delaware (referring to Delaware State Courts) as the exclusive forum for certain litigation, including any derivative action. To the extent that the applicability such provision may be sought in connection with actions arising under the Securities Act or Exchange Act, pursuant to Section 27 of the Exchange Act, exclusive federal jurisdiction is created over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder, which would result in federal courts instead having jurisdiction over such claims. Pursuant to Section 22 of the Securities Act, concurrent jurisdiction is created for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. Accordingly, there is uncertainty as to whether a court would enforce such provision in an action arising under the Securities Act or Exchange Act.

The Company does not intend for such exclusive forum provision to apply to claims arising under the Securities Act or the Exchange Act. With respect to claims arising under the Securities Act, note that investors cannot waive compliance with the federal securities laws and rules and regulations thereunder.

Limitation of Liability and Indemnification

Our bylaws provide that we will indemnify our directors to the fullest extent authorized or permitted by applicable law. Under our Bylaws, we are required to indemnify each of our directors and officers if the basis of the indemnitee's involvement was by reason of the fact that the indemnitee is or was our director or officer or was serving at our request as a director, officer, employee or agent for another entity. We must indemnify our officers and directors against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the indemnitee in connection with such action, suit or proceeding if the indemnitee acted in good faith and in a manner the indemnitee reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the indemnitee's conduct was unlawful. Our bylaws also require us to advance expenses (including attorneys' fees) incurred by a director or officer in defending any civil, criminal, administrative or investigative action, suit or proceeding, provided that such person will repay any such advance if it is ultimately determined that such person is not entitled to indemnification by us. Any claims for indemnification by our directors and officers may reduce our available funds to satisfy successful third-party claims against us and may reduce the amount of money available to us.

Transfer Agent and Registrar

Vstock Transfer LLC is the Company's transfer agent with respect of our common stock. The principal business address of 18 Lafayette Place, Woodmere, NY 11598. Phone: 212-828-8436.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has no public market for the Company's common stock, and a liquid trading market for its common stock may not develop or be sustained after this offering. Future sales of substantial amounts of the Company's common stock in the public market, or the anticipation of these sales, could materially and adversely affect market prices prevailing from time to time, and could impair the Company's ability to raise capital through sales of equity or equity-related securities.

Only a limited number of shares of the Company's common stock will be available for sale in the public market for a period of several months after completion of this offering due to contractual and legal restrictions on resale described below. Nevertheless, sales of a substantial number of shares of the Company's common stock in the public market after such restrictions lapse, or the perception that those sales may occur, could materially and adversely affect the prevailing market price of its common stock. Although the Company intends to list its common stock on the Nasdaq, the Company cannot assure you that there will be an active market for its common stock.

Of the shares to be outstanding immediately after the completion of this offering, we expect that the shares to be sold in this offering will be freely tradable without restriction under the Securities Act unless purchased by our "affiliates," as that term is defined in Rule 144 under the Securities Act; these restricted securities may be sold in the public market only if registered or pursuant to an exemption from registration, such as Rule 144 or Rule 701 under the Securities Act.

Rule 144

In general, under Rule 144 as currently in effect, once the Company has been subject to the public company reporting requirements of Section 13 or Section 15(d) of the Exchange Act for at least 90 days, a person who is not deemed to have been one of the Company's affiliates for purposes of the Securities Act at any time during the 90 days preceding a sale and who has beneficially owned the shares of its common stock proposed to be sold for at least six months is entitled to sell those shares without complying with the manner of sale, volume limitation or notice provisions of Rule 144, subject to compliance with the public information requirements of Rule 144. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than Company affiliates, then that person would be entitled to sell those shares without complying with any of the requirements of Rule 144.

In general, under Rule 144, as currently in effect, the Company's affiliates or persons selling shares of its common stock on behalf of its affiliates are entitled to sell upon expiration of the market standoff agreements and lock-up agreements described above, within any three-month period, a number of shares that does not exceed the greater of:

(a) 1% of the number of shares of the Company's capital stock then outstanding; or

(b) the average weekly trading volume of the Company's common stock during the four calendar weeks preceding the filing of a notice on Form 144 with respect to that sale.

Sales under Rule 144 by the Company's affiliates or persons selling shares of its common stock on behalf of its affiliates are also subject to certain manner of sale provisions and notice requirements and to the availability of current public information about the Company.

Rule 701

Rule 701 generally allows a stockholder who purchased shares of the Company's common stock pursuant to a written compensatory plan or contract and who is not deemed to have been an affiliate of the Company during the immediately preceding 90 days to sell these shares in reliance upon Rule 144, but without being required to comply with the public information, holding period, volume limitation, or notice provisions of Rule 144. Rule 701 also permits affiliates of the Company to sell their Rule 701 shares under Rule 144 without complying with the holding period requirements of Rule 144. All holders of Rule 701 shares, however, are required to wait until 90 days after the date of this prospectus before selling such shares pursuant to Rule 701 and until expiration of the lock-up period described below.

Lock-Up Agreements

In connection with this offering, the Company, and its officers, directors and 5% stockholders have agreed to a "lock-up" period, in the case of the Company, a period of 180 days after the date the registration statement, of which this prospectus forms a part is declared effective, and in the case of our directors and executive officers and our 5% and greater stockholders, a period of 180 days after the date the registration statement, of which this prospectus forms a part, is declared effective, with respect to the shares that they beneficially own, including shares issuable upon the exercise of convertible securities and options that are currently outstanding or which may be issued. This means that, for a period of 180 days following the closing of this offering, such persons may not offer, sell, pledge or otherwise dispose of these securities without the prior written consent of the Underwriter. Officers' and directors' 180-day restricted period is subject to extension upon certain events and the terms of the lock-up agreements may be waived at the Underwriter's discretion. The lock-up restrictions, specified exceptions and the circumstances under which the 180-day lock-up period may be extended are described in more detail under "Underwriting."

MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of some of the possible U.S. tax consequences that should be anticipated in connection with an investment in our common stock. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended (the "Code"), the U.S. Treasury regulations promulgated thereunder and administrative and judicial interpretations thereof, all as in effect on the date hereof and all of which are subject to change, possibly with retroactive effect. There can be no assurance that their Internal Revenue Service (the "IRS") will not challenge one or more of the tax consequences described herein, and we have not obtained, and do not intend to obtain, an opinion of counsel or ruling from the IRS with respect to the U.S. federal income tax considerations relating to the purchase, ownership, or disposition of our common stock. **Each prospective investor is urged to consult their own tax advisor about the tax consequences of an investment in our common stock in light of the investor's own circumstances**.

Consequences For U.S. Holders

The following discussion describes the material U.S. federal income tax consequences relating to the ownership and disposition of our common stock by U.S. Holders. As used in this discussion, the term "U.S. Holder" means a beneficial owner of our common stock that is, for U.S. federal income tax purposes, (1) an individual who is a citizen or resident of the United States, (2) a corporation (or entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof, or the District of Columbia, (3) an estate the income of which is subject to U.S. federal income tax regardless of its source, or (4) a trust (i) with respect to which a court within the United States is able to exercise primary supervision over its administration and one or more United States persons have the authority to control all of its substantial decisions, or (ii) that has elected to be treated as a domestic trust for U.S. federal income tax purposes.

This discussion applies to U.S. Holders that purchase our common stock pursuant to this offering and hold such common stock as capital assets. This discussion does not address all of the U.S. federal income tax consequences that may be relevant to specific U.S. Holders in light of their particular circumstances, or to U.S. Holders subject to special treatment under U.S. federal income tax law (such as certain financial institutions, insurance companies, broker-dealers and traders in securities or other persons that generally mark their securities to market for U.S. federal income tax purposes, tax-exempt entities, retirement plans, regulated investment companies, real estate investment trusts, certain former citizens or residents of the United States, persons who hold our common stock as part of a "straddle", "hedge", "conversion transaction", "synthetic security" or integrated investment, persons that have a "functional currency" other than the U.S. dollar, persons that own directly, indirectly or through attribution 10% or more of the voting power of our common stock, corporations that accumulate earnings to avoid U.S. federal income tax, persons subject to special tax accounting rules under Section 451(b) of the Code, partnerships and other pass-through entities, and investors in such pass-through entities). This discussion does not address any U.S. state or local or non-U.S. tax consequences or any U.S. federal estate, gift or alternative minimum tax consequences. If an entity treated as a partnership for U.S. federal income tax purposes holds our common stock, the U.S. federal income tax consequences relating to an investment in our common stock will depend in part upon the status and activities of such entity and the particular partner. Any such entity should consult its own tax advisor regarding the U.S. federal income tax consequences applicable to it and its partners of the purchase, ownership and disposition of our common stock.

Distributions

A U.S. Holder that receives a distribution with respect to our common stock generally will be required to include the gross amount of such distribution in income as a dividend when actually or constructively received, to the extent of the U.S. Holder's pro rata share of our current and/or accumulated earnings and profits (as determined under U.S. federal income tax principles). To the extent a distribution received by a U.S. Holder is not a dividend because it exceeds the U.S. Holder's pro rata share of our current and accumulated earnings and profits, it will be treated first as a tax-free return of capital and reduce (but not below zero) the adjusted tax basis of the U.S. Holder's common stock. To the extent the distribution exceeds the adjusted tax basis of the U.S. Holder's common stock, the remainder will be taxed as capital gain.

Sale, Exchange or Other Disposition of our Common Stock

A U.S. Holder generally will recognize capital gain or loss for U.S. federal income tax purposes upon the sale, exchange or other disposition of our common stock in an amount equal to the difference, if any, between the amount realized (i.e., the amount of cash plus the fair market value of any property received) on the sale, exchange or other disposition, and such U.S. Holder's adjusted tax basis in the shares that were transferred. Such capital gain or loss generally will be long-term capital gain or long-term capital loss if, on the date of sale, exchange or other disposition, the transferred shares were held by the U.S. Holder for more than one year. Long-term capital gains of individual investors are generally subject to lower tax rates than those imposed on ordinary income. Any capital gain of a non-corporate U.S. Holder that is not long-term capital gain is taxed at ordinary income rates. Capital losses might not be permitted to offset the full amount of an individual's ordinary income.

Medicare Tax on Net Investment Income

Certain U.S. Holders who are individuals, estates or trusts are subject to an additional 3.8% U.S. federal income tax on all or a portion of their "net investment income," which generally includes dividends on the shares, and net gains from the disposition of common stock. U.S. Holders that are individuals, estates or trusts should consult their tax advisors regarding the applicability of the Medicare tax.

Information Reporting and Backup Withholding

Generally, we must report annually to the IRS (with a copy of such report provided to you) the amount of dividends paid to you, your name and address, and the amount of tax withheld, if any. Backup withholding may apply to amounts subject to reporting if the U.S. Holder (1) fails to provide an accurate United States taxpayer identification number or otherwise establish a basis for exemption, or (2) is described in certain other categories of persons. However, U.S. Holders that are corporations generally are excluded from these information reporting and backup withholding tax rules. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules generally will be allowed as a refund or a credit against a U.S. Holder's U.S. federal income tax liability if the required information is furnished by the U.S. Holder on a timely basis to the IRS.

Foreign Account Tax Compliance Act

The Foreign Account Tax Compliance Act ("FATCA") generally imposes withholding tax at a rate of 30% on dividends on and gross proceeds from the sale or other disposition of securities that are beneficially owned by certain U.S. persons where held in a "foreign financial institution" (as specially defined under those rules), unless such institution enters into an agreement with the U.S. government to, among other things, withhold on certain payments and to collect and provide to the U.S. tax authorities substantial information regarding the U.S. account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners), or otherwise establishes an exemption. If a U.S. Holder owns our common stock in a foreign financial institution, they should obtain specific advice from an expert on the implications of FATCA.

Consequences to Non-U.S. Holders

The following is a summary of the material U.S. federal income tax considerations for Non-U.S. Holders relating to the purchase, ownership and disposition of the common stock purchased in this offering. A "Non-U.S. Holder" is a beneficial owner of our securities (other than a partnership or an entity or arrangement treated as a partnership for U.S. federal income tax purposes) that, for U.S. federal income tax purposes, is not a U.S. holder. This summary is for general information purposes only and does not purport to be a complete analysis of all the potential tax considerations.

Distributions

Subject to the discussion below regarding effectively connected income, any dividend (including any taxable constructive stock dividend) paid to a Non-U.S. Holder generally will be subject to U.S. withholding tax either at a rate of 30% of the gross amount of the dividend, or such lower rate as may be specified by an applicable income tax treaty. In order to receive a reduced treaty rate, a Non-U.S. Holder must provide us with an IRS Form W-8BEN, IRS Form W-8BEN-E or other applicable IRS Form W-8 properly certifying qualification for the reduced rate. These forms must be updated periodically. A Non-U.S. Holder eligible for a reduced rate of U.S. withholding tax pursuant to an income tax treaty may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. If a Non-U.S. Holder holds our common stock through a financial institution or other agent acting on the Non-U.S. Holder's behalf, the Non-U.S. Holder will be required to provide appropriate documentation to the agent, which then may be required to provide certification to us or our paying agent, either directly or through other intermediaries.

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

Gain on Sale, Exchange or Other Taxable Disposition of Common Stock

Subject to the discussion below regarding backup withholding and foreign accounts, a Non-U.S. Holder generally will not be required to pay U.S. federal income tax on any gain realized upon the sale, exchange or other taxable disposition of our common stock unless:

- the gain is effectively connected with the Non-U.S. Holder's conduct of a U.S. trade or business (and, if required by an applicable income tax treaty, the gain is attributable to a permanent establishment or fixed base maintained by the Non-U.S. Holder in the United States);

- the Non-U.S. Holder is a non-resident alien individual who is present in the United States for a period or periods aggregating 183 days or more during the calendar year in which the sale or disposition occurs, and certain other conditions are met; or

- shares of our common stock constitute U.S. real property interests by reason of our status as a "United States real property holding corporation" (a USRPHC) for U.S. federal income tax purposes at any time within the shorter of the five-year period preceding the Non-U.S. Holder's disposition of, or the non- U.S. holder's holding period for, our common stock.

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

If the Non-U.S. Holder is described in the first bullet above, they will be required to pay tax on the net gain derived from the sale, exchange or other taxable disposition under regular graduated U.S. federal income tax rates, and a corporate Non-U.S. Holder described in the first bullet above also may be subject to the branch profits tax at a rate of 30%, or such lower rate as may be specified by an applicable income tax treaty. An individual Non-U.S. Holder described in the second bullet above will be required to pay a flat 30% tax (or such lower rate specified by an applicable income tax treaty) on the gain derived from the sale, exchange or other taxable disposition, which gain may be offset by U.S. source capital losses for the year (provided the Non-U.S. Holder has timely filed U.S. federal income tax returns with respect to such losses). Non-U.S. Holders should consult their own tax advisors regarding any applicable income tax or other treaties that may provide for different rules.

Information Reporting and Backup Withholding

Generally, we must report annually to the IRS (with a copy of such report provided to you) the amount of dividends paid to you, your name and address, and the amount of tax withheld, if any. Pursuant to applicable income tax treaties or other agreements, the IRS may make these reports available to tax authorities in your country of residence.

Payments of dividends on or of proceeds from the disposition of our common stock made to you may be subject to backup withholding unless you establish an exemption, for example, by properly certifying your non-U.S. status on an IRS Form W-8BEN or IRS Form W-8BEN-E or other applicable IRS Form W-8. Notwithstanding the foregoing, backup withholding may apply if either we or our paying agent has actual knowledge, or reason to know, that you are a U.S. person. Backup withholding is not an additional tax; rather, the U.S. federal income tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund or credit may generally be obtained from the IRS, provided that the required information is furnished to the IRS in a timely manner.

UNDERWRITING

In connection with this offering, we will enter into an underwriting agreement with Alexander Capital L.P. as the Underwriter of this offering. The Underwriter, and each other underwriter named in the underwriting agreement, if any, has severally agreed to purchase from us, on a firm commitment basis, the number of shares, set forth opposite its name below, at the public offering price, less the underwriting discount set forth on the cover page of this prospectus.

Underwriter	Number of Shares
Alexander Capital L.P.	[●]
Total	[●]

The Underwriter is committed to purchase all of the shares offered by us other than those covered by the option to purchase additional securities described below, if they purchase any such securities. The obligations of the Underwriter may be terminated upon the occurrence of certain events specified in the underwriting agreement. Furthermore, pursuant to the underwriting agreement, the Underwriter's obligations are subject to customary conditions, representations and warranties contained in the underwriting agreement, such as receipt by the Underwriter of the officers' certificates and legal opinions.

The Company has agreed to indemnify the Underwriter against specified liabilities, including liabilities under the Securities Act of 1933, as amended, and to contribute to payments the Underwriter may be required to make in respect thereof.

The Underwriter is offering the shares, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel and other conditions specified in the underwriting agreement. The Underwriter reserves the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Over-allotment Option

We have granted the Underwriter an over-allotment option. This option, which is exercisable for up to 45 days after the date of this prospectus, permits the Underwriter to purchase up to a total of [●] shares of common stock (equal to fifteen percent (15%) of the aggregate number of shares of common stock sold in this offering) and exercisable at a price per share equal to the public offering price less the underwriting discounts and commissions set forth on the cover of this prospectus in any combination thereof. We will be obligated, pursuant to the option, to sell these additional shares of common stock to the Underwriter to the extent the option is exercised.

Discount

The following table shows the public offering price, underwriting discount and proceeds, before expenses, to us. The information assumes either no exercise or full exercise by the Underwriter of its over-allotment option.

	Per Share	Total Without Over-Allotment Option	Total With Over Allotment Option
Public offering price	$ [●]	$ [●]	$ [●]
Underwriting discount ([●]%)	$ [●]	$ [●]	$ [●]
Proceeds, before expenses, to us	$ [●]	$ [●]	$ [●]

The Underwriter proposes to offer the shares offered by us to the public at the public offering price per share set forth on the cover of this prospectus. In addition, the Underwriter may offer some of the shares to other securities dealers at such price less a concession of $[●] per share.

The Company will pay the out-of-pocket accountable expenses of the Underwriter in connection with this offering. The underwriting agreement, however, provides that in the event the offering is terminated, any advance expense deposits paid to the Underwriter will be returned to the extent that offering expenses are not actually incurred in accordance with FINRA Rule 5110(g)(4)(A). The Company will receive a $25,000 advance expense deposit towards accountable expenses.

The Company has agreed to pay the Underwriter an Underwriter's fee of seven percent (7%) of the amount raised in the Offering. If any capital is raised in a pre-Offering bridge round, the placement fee will be equal to a nine percent (9%) cash fee, plus the Underwriter's Warrants. The Company has agreed to pay for a certain amount of the Underwriter's accountable expenses including actual accountable road show expenses for the offering; prospectus tracking and compliance software for the offering; the reasonable and documented fees and disbursements of the Underwriter's counsel up to an amount of $[●]; background checks of the Company's officers and directors; preparation of bound volumes and cube mementos in such quantities as the Underwriter may reasonably request. In addition, we have also agreed to pay to the underwriters a non-accountable expense allowance in the amount of 1% of the gross offering amount (including shares purchased upon exercise of the over-allotment option).

The Company estimates that the total expenses of the offering payable by us, excluding underwriting discounts and commissions, will be approximately $[●].

We have been advised by the Underwriter that it proposes to offer the shares offered by us to the public at the public offering price per share set forth on the cover of this prospectus. In addition, the Underwriter may offer some of the Shares to other securities dealers at such price less a concession of $[●] per Share. After the initial offering, the public offering price and concession to dealers may be changed.

Underwriter Warrants

Upon the closing of this offering, we have agreed to issue to the Underwriter a five-year warrant to purchase up to six percent (6%) of the common stock sold by us in this offering. The Underwriter's Warrants will be exercisable at a per share exercise price equal to one hundred twenty percent (120%) of the public offering price per share). The Underwriter's Warrants will be exercisable at any time, and from time to time, in whole or in part, during the period from the effective date of the offering, which period shall not extend further than five years from the date of commencement of sales in this offering in compliance with Financial Industry Regulatory Authority, or FINRA, Rule 5110. The Underwriter's Warrants are also exercisable on a cashless basis. The Underwriter's Warrants have been deemed compensation by FINRA and are therefore subject to a 180-day lock-up pursuant to FINRA Rule 5110. Except as permitted by Rule 5110, the Underwriter (or permitted assignees under the Rule) will not sell, transfer, assign, pledge, or hypothecate the Underwriter's Warrants or the securities underlying the Underwriter's Warrants, nor will any of them engage in any hedging, short sale, derivative, put, or call transaction that would result in the effective economic disposition of the option or the underlying securities for a period of 180 days from the commencement of sales under this prospectus. The exercise price and number of securities upon exercise of the Warrants may be adjusted in certain circumstances including in the event of a share dividend, extraordinary cash dividend or our recapitalization, reorganization, merger or consolidation. However, the Underwriter's Warrant exercise price or underlying shares will not be adjusted for issuances of shares of common stock at a price below the Underwriter's Warrant exercise price.

The Underwriter's Warrants include piggy-back registration and mandatory registration rights in favor of the Underwriter. The piggy-back registration rights provide that the Company will, subject to certain limitations, include common stock underlying the Underwriter's Warrants in any registration statement filed by the Company while the Underwriter's Warrants are exercisable. The mandatory registration rights require the Company to prepare and file at the written request of the warrant holder, on a one-time basis, a registration statement on Form F-3 covering any remaining unregistered common stock underlying the Underwriter's Warrants so long as such warrants are exercisable. The underwriting agreement and the accompanying exhibits, including the form of the Underwriter's Warrant agreement, have been filed with this offering's registration statement as Exhibit No. 1.1.

Discretionary Accounts

The Underwriter does not intend to confirm sales of the securities offered hereby to any accounts over which they have discretionary authority.

Lock-Up Agreements

Pursuant to the underwriting agreement and certain "lock-up" agreements, the Company, its executive officers, directors and certain holders of the Company's common stock and securities exercisable for or convertible into its common stock outstanding immediately upon the closing of this offering, have agreed, subject to certain exceptions, not to offer, sell, assign, transfer, pledge, contract to sell, or otherwise dispose of or announce the intention to otherwise dispose of, or enter into any swap, hedge or similar agreement or arrangement that transfers, in whole or in part, the economic risk of ownership of, directly or indirectly, engage in any short selling of any common stock or securities convertible into or exchangeable or exercisable for any common stock, whether currently owned or subsequently acquired, without the prior written consent of the Underwriter, for a period of 180 days from the date of effectiveness of the registration statement, of which this prospectus forms a part.

Right of First Refusal

We have granted the Underwriter a right of first refusal, for a period of 12 months from the closing of this offering, to act as sole investment banker, sole book runner and/or sole Underwriter at the Underwriter's discretion, for each and every future public or private equity financing for the Company, or any successor to or subsidiary of the Company. The right of first refusal may be terminated by the Company for cause, which including a material breach by the Underwriter or a material failure by the Underwriter to provide services as contemplated.

Electronic Offer, Sale and Distribution of Shares

A prospectus in electronic format may be made available on the websites maintained by the Underwriter, if any, participating in this offering and the Underwriter participating in this offering may distribute prospectuses electronically. The Underwriter may agree to allocate a number of shares for sale to its online brokerage account holders. Internet distributions will be allocated by the Underwriter that will make internet distributions on the same basis as other allocations. Other than the prospectus in electronic format, the information on these websites is not part of, nor incorporated by reference into, this prospectus or the registration statement of which this prospectus forms a part, has not been approved or endorsed by us or the Underwriter in its capacity as the Underwriter, and should not be relied upon by investors.

Stabilization

In connection with this offering, the Underwriter may engage in stabilizing transactions, over-allotment transactions, covered transactions, penalty bids and purchases to cover positions created by short sales.

- Stabilizing transactions permit bids to purchase shares of common stock so long as the stabilizing bids do not exceed a specified maximum and are engaged in for the purpose of preventing or retarding a decline in the market price of the common stock while the offering is in progress.

- Over-allotment transactions involve sales by the Underwriter of shares of common stock in excess of the number of shares of common stock the Underwriter is obligated to purchase. This creates a covered short position which may be either a covered short position or a naked short position. In a covered short position, the number of shares of common stock over-allotted by the Underwriter is not greater than the number of shares of common stock that they may purchase in the over-allotment option. In a naked short position, the number of shares of common stock involved is greater than the number of shares of common stock in the over-allotment option. The Underwriter may close out any short position by exercising its over-allotment option and/or purchasing shares of common stock in the open market.

- Covered transactions involve purchases of shares of common stock in the open market after the distribution has been completed in order to cover syndicate short positions. In determining the source of shares of common stock to close out the short position, the Underwriter will consider, among other things, the price of shares of common stock available for purchase in the open market as compared with the price at which it may purchase shares of common stock through exercise of the over- allotment option. If the Underwriter sells more shares of common stock than could be covered by exercise of the over-allotment option and, therefore, have a naked short position, the position can be closed out only by buying shares of common stock in the open market. A naked short position is more likely to be created if the Underwriter is concerned that after pricing there could be downward pressure on the price of the shares of common stock in the open market that could adversely affect investors who purchase in the offering.

- Penalty bids permits the Underwriter to reclaim a selling concession from a syndicate member when the shares of common stock originally sold by the Underwriter are purchased in stabilizing or covered transactions to cover short positions.

These stabilizing transactions, covered transactions and penalty bids may have the effect of raising or maintaining the market price of the shares of common stock or preventing or retarding a decline in the market price of its shares of common stock. As a result, the price of the common stock in the open market may be higher than it would otherwise be in the absence of these transactions. Neither the Company nor the Underwriter make any representation or prediction as to the effect that the transactions described above may have on the price of the Company's common stock. These transactions may be effected on the Nasdaq Capital Market, in the over-the-counter market or otherwise and, if commenced, may be discontinued at any time.

Passive Market Making

In connection with this offering, the Underwriter may engage in passive market making transactions in the Company's common stock on The Nasdaq Capital Market in accordance with Rule 103 of Regulation M under the Exchange Act, during a period before the commencement of offers or sales of the shares and extending through the completion of the distribution. A passive market maker must display its bid at a price not in excess of the highest independent bid of that security. However, if all independent bids are lowered below the passive market maker's bid, then that bid must then be lowered when specified purchase limits are exceeded.

Other Relationships

The Underwriter and their respective affiliates may, in the future provide various investment banking, commercial banking and other financial services for the Company and its affiliates for which they have received, and may in the future receive, customary fees. However, except as disclosed in this prospectus, the Company has no present arrangements with the Underwriter for any further services.

Offer Restrictions Outside the United States

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

LEGAL MATTERS

The validity of the common stock offered by us in this offering will be passed upon for us by Lucosky Brookman LLP, Woodbridge, New Jersey. Certain legal matters will be passed upon for the Underwriter by Carmel, Milazzo & Feil LLP, New York, New York.

EXPERTS

The financial statements as of December 31, 2021 and 2020, included in this registration statement have been so included in reliance upon the report of Rosenberg Rich Baker Berman, P.A., an independent registered public accounting firm, given on the authority of said firm as an expert in auditing and accounting.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of common stock offered by this prospectus. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement, some of which is contained in exhibits to the registration statement as permitted by the rules and regulations of the SEC. For further information with respect to us and our common stock, we refer you to the registration statement, including the exhibits filed as a part of the registration statement. Statements contained in this prospectus concerning the contents of any contract or any other document are not necessarily complete. If a contract or document has been filed as an exhibit to the registration statement, please see the copy of the contract or document that has been filed. Each statement in this prospectus relating to a contract or document filed as an exhibit is qualified in all respects by the filed exhibit.

We are subject to the information reporting requirements of the Exchange Act, and we will file reports, proxy statements and other information with the SEC. These reports, proxy statements and other information will be available on the website of the SEC referred to above. The information contained in, or that can be accessed through, our website is not part of this prospectus, and you should not consider the contents of our website in making an investment decision with respect to our common stock.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Unaudited Interim Financial Statements
For the Nine Months Ended September 30, 2022 and 2021

Financial Statements
For the Years Ended December 31, 2021 and 2020

Neuraxis, Inc.
Condensed Balance Sheet

	September 30, 2022 (Unaudited)	December 31, 2021
Assets		
Current Assets:		
Cash and cash equivalents	**$ 7,820**	$ 320,858
Accounts receivable, net	**320,244**	115,301
Inventories	**57,321**	39,180
Prepaids and other current assets	**16,151**	15,670
Total current assets	**401,536**	491,009
Property and Equipment, at cost:	**405,845**	404,455
Less - accumulated depreciation	**(310,506)**	(286,913)
Property and equipment, net	**95,339**	117,542
Other Assets:		
Deferred offering costs	694,524	—
Operating lease right of use asset	**108,030**	127,975
Intangible assets, net	**32,501**	23,956
Total Assets	**$ 1,331,930**	$ 760,482

Notes to financial statements are an integral part of these statements

Neuraxis, Inc.
Condensed Balance Sheet

	September 30, 2022 (Unaudited)	December 31, 2021
Liabilities		
Current Liabilities:		
Accounts payable	**$ 1,450,272**	$ 483,790
Accrued expenses	**817,821**	561,638
Current portion of long-term notes payable	**192,091**	192,356
Current portion of operating lease payable	**31,942**	27,582
Notes payable - related party	**58,051**	58,051
Notes payable - convertible notes	**28,973**	—
Customer deposits	**77,099**	69,337
Derivative liabilities	**1,586,124**	—
Warrant liabilities	**2,514,726**	32,102
Total current liabilities	**6,757,099**	1,424,856
Non-current Liabilities:		
Operating lease payable, net of current portion	**84,548**	109,594
Note payable, net of current portion	**51,692**	51,692
Total non-current liabilities	**136,240**	161,286
Total liabilities	**6,893,339**	1,586,142
Commitments and contingencies (see note 14)		
Stockholders' Equity (Deficit)		
Convertible Series A Preferred stock, $0.001 par value; 1,000,000 shares authorized; 506,637 issued and outstanding as of September 30, 2022 and December 31, 2021	**507**	507
Convertible Series Seed Preferred Stock, $0.001 par value; 120,000 shares authorized; 115,477 issued and outstanding as of September 30, 2022 and December 31, 2021	**115**	115
Common stock, $0.001 par value; 100,000,000 shares authorized; 3,903,094 and 3,856,008 issued and outstanding as of September 30, 2022 and December 31, 2021, respectively.	**3,903**	3,856
Additional paid in capital	**28,351,866**	28,321,229
Accumulated deficit	**(33,917,800)**	(29,151,367)
Total stockholders' equity (deficit)	**(5,561,409)**	(825,660)
Total Liabilities and Stockholders' Equity (Deficit)	**$ 1,331,930**	$ 760,482

Notes to financial statements are an integral part of these statements

Neuraxis, Inc.
Condensed Statements of Operations (Unaudited)

	For the Nine Months Ended September 30,	
	2022	**2021**
Net Sales	**$ 2,071,653**	$ 2,254,520
Cost of Goods Sold	**221,846**	398,318
Gross Profit	**1,849,807**	1,856,202
Selling Expenses	**344,892**	380,743
Research and Development	**144,239**	157,120
General and Administrative	**3,746,688**	3,447,069
Operating Loss	**(2,386,012)**	(2,128,730)
Other Income (Expense):		
Financing charges	**(1,473,892)**	—
Interest expense	**(161,291)**	(24,776)
Change in fair value of warrant liability	**(660,189)**	(22,007)
Change in fair value of derivative liability	**(68,032)**	—
Accretion of debt discount and issuance cost	**(28,973)**	—
Other income	**11,956**	—
Total other income (expense), net	**(2,380,421)**	(46,783)
Net Loss	**$ (4,766,433)**	$ (2,175,513)
Per-share Data		
Basic and diluted loss per share	**$ (1.34)**	$ (0.69)
Weighted Average Shares Outstanding		
Basic and diluted	**3,983,094**	3,936,008

Notes to financial statements are an integral part of these statements

Neuraxis, Inc.
Condensed Statements of Stockholders' Equity (Deficit) (Unaudited)

For the Nine Months Ended September 30, 2022, and 2021

	Convertible Series A Preferred Stock		Convertible Series Seed Preferred Stock		Common Stock		Additional Paid	Accumulated	Stockholder's Equity
	Shares	Amount	Shares	Amount	Shares	Amount	In Capital	Deficit	(Deficit)
Balance, January 1, 2021	479,612	$ 480	115,477	$ 115	3,856,008	$ 3,856	$ 27,762,611	$ (26,123,335)	$ 1,643,727
Stock based compensation	—	—	—	—	—	—	36,381.00	—	36,381
Sale of Convertible Series A Preferred Stock	27,025	27	—	—	—	—	509,977	—	510,004
Net loss for the nine months ended September 30, 2021	—	—	—	—	—	—	—	(2,175,513)	(2,175,513)
Balance, September 30, 2021	506,637	$ 507	115,477	$ 115	3,856,008	$ 3,856	$ 28,308,969	$ (28,298,854)	$ 14,599
Balance, January 1, 2022	**506,637**	**$ 507**	**115,477**	**$ 115**	**3,856,008**	**$ 3,856**	**$ 28,321,229**	**$ (29,151,367)**	**$ (825,660)**
Stock based compensation	—	—	—	—	—	—	**27,319**	—	**27,319**
Common stock commitment shares from convertible notes	—	—	—	—	**47,086**	**47**	**3,318**	—	**3,365**
Net loss for the nine months ended September 30, 2022	—	—	—	—	—	—	—	**(4,766,433)**	**(4,766,433)**
Balance, September 30, 2022	**506,637**	**$ 507**	**115,477**	**$ 115**	**3,903,094**	**$ 3,903**	**$ 28,351,866**	**$ (33,917,800)**	**$ (5,561,409)**

Notes to financial statements are an integral part of these statements

Neuraxis, Inc.
Condensed Statements of Cash Flows (Unaudited)

	For the Nine Months Ended September 30,	
	2022	**2021**
Cash Flows from Operating Activities		
Net Loss	**$ (4,766,433)**	$ (2,175,513)
Adjustments to reconcile net loss to net cash used by operating activities:		
Accretion of debt discount and issuance cost	**28,973**	—
Depreciation and amortization	**25,047**	27,925
Provisions for losses on accounts receivable	**42,795**	5,691
Non-cash lease expense	**19,945**	17,108
Stock based compensation	**27,319**	36,381
Finance Charges	**1,473,892**	—
Change in fair value of derivative liabilities	**68,032**	—
Change in fair value of warrant liabilities	**660,189**	22,007
Changes in operating assets and liabilities:		
Accounts receivable	**(247,738)**	18,500
Inventory	**(18,141)**	40,500
Prepaids and other current assets	**(481)**	134,377
Accounts payable	**359,652**	91,706
Accrued expenses	**256,184**	(239,906)
Customer deposits	**7,762**	—
Operating lease liability	**(20,686)**	(17,483)
Net cash used by operating activities	**(2,083,689)**	(2,038,707)
Cash Flows from Investing Activities		
Additions to property and equipment	**(11,390)**	—
Net cash used by investing activities	**(11,390)**	—
Cash Flows from Financing Activities		
Proceeds from sale of convertible Series A Preferred Stock, net of fees of $0 and $1,446,040, respectively	**—**	510,004
Principal payments on notes payable	**(122,265)**	(92,954)
Proceeds from notes payable	**122,000**	—
Proceeds from convertible notes	**1,870,000**	—
Offering costs paid	**(87,694)**	—
Net cash provided by financing activities	**1,782,041**	417,050
Net Decrease in Cash and Cash Equivalents	**(313,038)**	(1,621,657)
Cash and Cash Equivalents at Beginning of Period	**320,858**	1,895,475
Cash and Cash Equivalents at End of Period	**$ 7,820**	$ 273,818
Supplemental Disclosure of Non-cash Cash Activities		
Cash paid for interest	**$ 118,391**	$ 31,226
Cash paid for income taxes	**—**	—
Supplemental Schedule of Non-cash Investing and Financing Activities		
Fair value of warrant liabilities of warrants from convertible notes	**$ 1,822,435**	$ —
Fair value of derivative liabilities of conversion feature from convertible notes	**1,518,092**	—
Relative fair value of shares issued with convertible notes	**3,365**	—
Deferred offering costs in accounts payable	**606,830**	—

Notes to financial statements are an integral part of these statements

Neuraxis, Inc.
Notes to Condensed Unaudited Financial Statements

1. Basis of Presentation, Organization and Other Matters

Neuraxis, Inc. ("we," "us," the "Company," or "Neuraxis") was established in 2011 and incorporated in the state of Indiana on April 17, 2012, under the name of Innovative Health Solutions, Inc. The name was changed to Neuraxis, Inc. in March of 2022. Additionally, the Company filed a Certificate of Conversion to become a Delaware corporation on June 23, 2022. The authorized shares were increased, and a par value established. See Subsequent Events footnote.

On September 7, 2021, the Company's board of directors authorized a 4-for-1 stock split. They also increased the number of authorized common stock shares from 2,700,000 to 10,800,000. Furthermore, on September 9, 2021, the board authorized and increase of authorized shares of common stock from 10,800,000 to 13,400,000 in anticipation of a capital offering. All share and per share amounts for the common stock have been retroactively restated to give effect to the split.

As part of the conversion to a Delaware corporation, the total number of shares of all classes of stock which the Corporation shall have authority to issue is (1) 100,000,000 shares of Common Stock, par value $0.001 per share ("Common Stock") and (ii) 1,120,000 shares of Preferred Stock, par value $0.001 per share ("Preferred Stock"), 1,000,000 of which is hereby designated as "Series A Preferred Stock" and 120,000 of which is hereby designated as "Series Seed Preferred Stock" with the rights, preferences, powers, privileges and restrictions, qualifications and limitations set forth in this Article IV of the Delaware Certificate of Incorporation. All share amounts have been retroactively restated to give effect to these changes.

The Company is headquartered in Versailles, Indiana. The Company specializes in the development, production, and sale of medical neuromodulation devices.

The Company has developed three FDA cleared products, the IB-STIM (DEN180057, 2019), the NSS-2 Bridge (DEN170018, 2017), and the original 510(K) clearance (K140530, 2014).

- The IB-STIM is a percutaneous electrical nerve field stimulator (PENFS) device that is indicated in patients 11-18 years of age with functional abdominal pain associated with irritable bowel syndrome. The IB-STIM currently is the only product marketed and sold by the Company.

- The NSS-2 Bridge is a percutaneous nerve field stimulator (PNFS) device indicated for use in the reduction of the symptoms of opioid withdrawal. The NSS-2 Bridge device was licensed to Masimo Corporation in April 2020, and the Company received a one-time licensing fee of $250,000 from Masimo. Masimo markets and sells this product as its Masimo Bridge, and the Company will not receive any further licensing payments or other revenue from this product.

- The original 510(K) device was the EAD, an electroacupuncture device, now called NeuroStim. The EAD is no longer being manufactured, sold or distributed but reserved only for research purposes.

2. Summary of Significant Accounting Policies

The summary of significant accounting policies of Neuraxis, Inc. is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management, who is responsible for their integrity and objectivity. These accounting policies conform to U.S. generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Preparing the Company's financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Basis of Presentation

The Company's condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and following the requirements of the U.S. Securities and Exchange Commission ("SEC") for interim reporting. As permitted under those rules, certain footnotes or other financial information that are normally required by U.S. GAAP can be condensed or omitted. These interim financial statements have been prepared on the same basis as the Company's annual financial statements and, in the opinion of management, reflect all adjustments, consisting only of normal recurring adjustments, which are necessary for a fair statement of the Company's financial information. These interim results are not necessarily indicative of the results to be expected for the year ending December 31, 2022, or any other interim period or for any other future year. These unaudited condensed financial statements should be read in conjunction with the Company's audited financial statements and the notes thereto for the year ended December 31, 2021.

Use of Estimates and Critical Accounting Estimates and Assumptions

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods.

These significant accounting estimates or assumptions bear the risk of change due to the fact that there are uncertainties attached to these estimates or assumptions, and certain estimates or assumptions are difficult to measure or value.

Management bases its estimates on historical experience and on various assumptions that are believed to be reasonable in relation to the financial statements taken as a whole under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

Management regularly evaluates the key factors and assumptions used to develop the estimates utilizing currently available information, changes in facts and circumstances, historical experience and reasonable assumptions. After such evaluations, if deemed appropriate, those estimates are adjusted accordingly. The Company uses estimates in accounting for, among other items, revenue recognition, allowance for doubtful accounts, stock-based compensation, income tax provisions, excess and obsolete inventory reserve, and impairment of intellectual property. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The Company did not hold any cash equivalents as of September 30, 2022 and December 31, 2021.

Trade Accounts Receivable

Trade accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Management considers the following factors when determining the collectability of specific customer accounts: customer creditworthiness, past transaction history with the customer, current economic industry trends, and changes in customer payment terms. Based on management's assessment of the credit history with customers having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial. Interest is not charged on past due customer accounts.

Allowance for Doubtful Accounts

Trade accounts receivable are stated net of an allowance for doubtful accounts. We estimate allowance for doubtful accounts by evaluating specific accounts where information indicates our customers may have an inability to meet financial obligations, such as customer payment history, credit worthiness and receivable amounts outstanding for an extended period beyond contractual terms. We use assumptions and judgment, based on the best available facts and circumstances, to record an allowance to reduce the receivable to the amount expected to be collected. The allowance for doubtful accounts was $34,867 and $11,770 at September 30, 2022 and December 31, 2021, respectively. During the nine months ended September 30, 2022 and 2021, the Company recorded $42,795 and $5,691, respectively as a bad debt expense.

Customer Deposits

Customer deposits consists of billings and payments from clients in advance of revenue recognition. The Company will recognize the customer deposits over the next year. As of September 30, 2022, and December 31, 2021, the Company had customer deposits of $77,099 and $69,337, respectively

Inventories

Inventories are valued at the lower of cost or net realizable value. The inventory is comprised of finished medical devices on hand. Certain components within the devices have an expiration date that are removed from current inventory and expensed at the date of expiration. For the nine months ended September 30, 2022 and 2021, $0 and $48,488 were expensed as expired inventory, respectively.

Deferred Offering Costs

Deferred offering costs consist of costs incurred in connection with the preparation of an initial public offering. These costs, together with the underwriting discounts and commissions, will be charged to additional paid in capital upon completion of the proposed public offering or charged to operations if the proposed public offering is not completed. As of September 30, 2022 and December 31, 2021, the Company had deferred offering costs of $694,524 and $0, respectively.

Property and Equipment

Property and equipment are recorded at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Depreciation is calculated using the following estimated useful lives:

Classification	Years
Leasehold Improvements	10-20
Machinery and Equipment	7-10
Furniture and Fixtures	5-10

Depreciation expense was $23,592 and $26,470 during the nine months ended September 30, 2022 and 2021, respectively.

Research and Development

Costs for research and development are expensed as incurred. Research and development expense consists primarily of clinical research studies, new product development, and manufacturing improvements.

Intangible Assets

Intangible assets consist of patents and are stated at their historical cost and amortized on a straight-line basis over their expected useful lives. Capitalized patent costs, net of accumulated amortization, includes legal costs incurred for patent applications. In accordance with ASC 350, once a patent is granted, we amortize the capitalized patent costs over the remaining life of the patent using the straight-line method. If the patent is not granted, we write-off any capitalized patent costs at that time. We review intangible assets for impairment annually or when events or circumstances indicate that their carrying amount may not be recoverable. During the nine months ended September 30, 2022 and 2021, the Company recorded no impairment charges for intangible assets.

Amortization expense was $1,455 and $1,455 during the nine months ended September 30, 2022 and 2021, respectively.

Income Taxes

The Company has adopted accounting rules that prescribe when to recognize and how to measure the financial statements effect, if any, of income tax positions taken or expected to be taken on its income tax returns. These rules require management to evaluate the likelihood that, upon examination by relevant taxing jurisdictions, those income tax positions would be sustained.

Based on that evaluation, if it were more than 50% probable that a material amount of income tax would be imposed at the entity level upon examination by the relevant taxing authorities, a liability would be recognized in the accompanying balance sheet along with any interest and penalties that would result from that assessment. Should any such penalties and interest be incurred, the Company's policy would be to recognize them as operating expenses.

Based on the results of management's evaluation, adoption of the rules did not have a material effect on the Company's financial statements. Further, no interest or penalties have been accrued or charged to expense as of September 30, 2022 and 2021 and for the periods then ended.

The Company's income tax returns are subject to examination by the taxing authorities until the expiration of the related statutes of limitations on those tax returns. In general, the federal and state income tax returns have a three-year statute of limitations. As of September 30, 2022, the following tax years are subject to examination:

Jurisdiction	Open Years for Filed Returns
Federal	2019 – 2021
Indiana	2019 – 2021

Advertising Cost

Advertising costs are expensed as incurred and amounted to $14,900 and $28,828 for the nine months ended September 30, 2022 and 2021, respectively.

Derivative Financial Instruments

The Company evaluates its debt and equity issuances to determine if those contracts or embedded components of those contracts qualify as derivatives to be separately accounted for in accordance with paragraph 815-10-05-4 and Section 815-40-25 of the FASB Accounting Standards Codification. The result of this accounting treatment is that the fair value of the embedded derivative is marked-to-market on each balance sheet date and recorded as either an asset or a liability. In the event that the fair value is recorded as a liability, the change in fair value is recorded in the condensed consolidated statement of operations as other income or expense. Upon conversion, exercise, or cancellation of a derivative instrument, the instrument is marked to fair value at the date of conversion, exercise, or cancellation, and then the related fair value is reclassified to equity.

The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is re-assessed at the end of each reporting period. Equity instruments that are initially classified as equity that become subject to reclassification are reclassified to liability at the fair value of the instrument on the reclassification date. Derivative instrument liabilities will be classified in the balance sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument is expected within 12 months of the balance sheet date.

In accordance with Section 815-40-15 of the FASB Accounting Standards Codification ("Section 815-40-15") to determine whether an instrument (or an embedded feature) is indexed to the Company's own stock. Section 815-40-15 provides that an entity should use a two-step approach to evaluate whether an equity-linked financial instrument (or embedded feature) is indexed to its own stock, including evaluating the instrument's contingent exercise and settlement provisions.

The Company utilizes a Monte Carlo simulation model for warrants that have an option to convert at a variable number of shares to compute the fair value of the derivative and to mark to market the fair value of the derivative at each balance sheet date. The inputs utilized in the application of the Monte Carlo model included a starting stock price, an expected remaining term of each warrant as of the valuation date, estimated volatility, drift, and a risk-free rate. The Company records the change in the fair value of the derivative as other income or expense in the condensed consolidated statements of operations.

Fair Value Measurements

The Company accounts for financial instruments in accordance with ASC 820, Fair Value Measurements and Disclosures ("ASC 820"). ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1 – Quoted prices (unadjusted) for identical unrestricted assets or liabilities in active markets that the reporting entity has the ability to access as of the measurement date.

Level 2 – Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities: quoted prices in markets that are not active; or financial instruments for which all significant inputs are observable or can be corroborated by observable market date, either directly or indirectly.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. These unobservable inputs reflect that reporting entity's own assumptions about assumptions that market participants would use in pricing the asset or liability. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value require significant management judgment or estimation.

The Company's Level 1 assets/liabilities include cash, accounts receivable, accounts payable, prepaids, and other current assets. Management believes the estimated fair value of these accounts on September 30, 2022 approximate their carrying value as reflected in the balance sheets due to the short-term nature of these instruments or the use of market interest rates for debt instruments.

The Company's Level 2 assets/liabilities include certain of the Company's notes payable and capital lease obligations. Their carrying value approximates their fair values based upon a comparison of the interest rate and terms of such debt given the level of risk to the rates and terms of similar debt currently available to the Company in the marketplace.

The Company's Level 3 assets/liabilities include derivative liabilities. Inputs to determine fair value are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques, including option pricing models and discounted cash flow models. Unobservable inputs used in the models are significant to the fair values of the assets and liabilities.

The following tables provides a summary of the relevant assets and liabilities that are measured at fair value on recurring basis:

Fair Value Measurements as of September 30, 2022

	Total	(Level 1)	(Level 2)	(Level 3)
Liabilities:				
Warrant liabilities	$ 2,514,726	$ -	$ -	$ 2,514,726
Derivative liabilities	$ 1,586,124	$ -	$ -	$ 1,586,124
Total Liabilities	$ 4,100,850	$ -	$ -	$ 4,100,850

Fair Value Measurements as of December 31, 2021

	Total	(Level 1)	(Level 2)	(Level 3)
Liabilities:				
Warrant liabilities	$ 32,102	$ -	$ -	$ 32,102
Total Liabilities	$ 32,102	$ -	$ -	$ 32,102

The following table shows the valuation methodology and unobservable inputs for Level 3 assets and liabilities measured at fair value on recurring basis as of September 30, 2022 and December 31, 2021:

	Fair Value As of September 30, 2022	Fair Value As of December 31, 2021	Valuation Methodology	Unobservable Inputs
Warrant liabilities	$ 2,514,726	$ 32,102	Monte Carlo model	Project simulated cash flows
Derivative liabilities	$ 1,586,124	$ 0	Monte Carlo model	Project simulated cash flows

There were no transfers between any of the levels during the nine months ended September 30, 2022 and year ended December 31, 2021. In addition to assets and liabilities that are recorded at fair value on a recurring basis, the Company's assets and liabilities are also subject to nonrecurring fair value measurements. Generally, assets are recorded at fair value on a nonrecurring basis as a result of impairment charges.

Basic and Diluted Net Income (Loss) per Share

Earnings or loss per share ("EPS") is computed by dividing net income (loss), net of preferred stock dividends, by the weighted average number of shares of common stock outstanding during the period. Basic weighted average shares for the year ended September 30, 2022 include 80,000 vested warrants to purchase common shares. As the shares underlying these warrants can be purchased for little to no consideration ($0.01 per share exercise price), they are included in the computation of basic earnings per share. Diluted EPS is computed by dividing net income (loss) by the weighted average of all potentially dilutive shares of common stock that were outstanding during the periods presented. Preferred stock dividends (not declared or paid) were $1,997,307 and $1,425,209 as of September 30, 2022 and December 31, 2021, respectively.

Basic net loss per common share is computed by dividing net loss attributable to common stockholders by the weighted-average number of common shares outstanding during the period. Diluted net loss per common share is determined using the weighted-average number of common shares outstanding during the period, adjusted for the dilutive effect of common stock equivalents. In periods when losses are reported, which is the case for September 30, 2022 and 2021 presented in these financial statements, the weighted-average number of common shares outstanding excludes common stock equivalents because their inclusion would be anti-dilutive.

The Company had the following potentially dilutive common stock equivalents at September 30, 2022 and 2021:

	2022	2021
Convertible Series A Preferred Stock	2,026,540	2,026,540
Convertible Series Seed Preferred Stock	461,908	461,908
Options	2,638,788	2,638,788
Pre-Funded Warrants for Convertible Series A Preferred Stock	579,558	579,558
Convertible Bridge Debt		470,812
Warrants	496,516	25,704
Totals	6,674,122	5,732,498

The following table shows the calculation of the basic and diluted net loss per share and the effect of preferred stock dividends.

	For the Nine Months Ended September 30,	
	2022	2021
Numerator		
Net loss	**$ (4,766,433)**	(2,175,516)
Preferred stock dividends	**(572,098)**	(556,037)
	(5,338,531)	(2,731,553)
Denominator		
Weighted-average shares of common stock outstanding - basic and diluted	**3,983,094**	3,936,008
Basic and diluted net loss per share	**$ (1.34)**	$ (0.69)

Stock-Based Compensation

The Company accounts for all stock-based payments and awards under the fair value-based method. The Company recognizes its stock-based compensation expense using the straight-line method. Compensation cost is not adjusted for estimated forfeitures, but instead is adjusted upon an actual forfeiture of a stock option.

The Company accounts for the granting of stock options to employees and non-employees using the fair value method whereby all awards are measured at fair value on the date of the grant. The fair value of all employee stock options is expensed over the requisite service period with a corresponding increase to additional paid-in capital. Upon exercise of stock options, the consideration paid by the option holder is recorded in additional paid-in capital, while the par value of the shares received is reclassified from additional paid in capital to common stock. Stock options granted to employees are accounted for as liabilities when they contain conditions or other features that are indexed to other than a market, performance, or service condition.

Stock-based payments to non-employees are measured based on the fair value of the equity instrument issued. Compensation expense for non-employee stock awards is recognized over the requisite service period following the measurement of the fair value on the grant date.

The Company uses the Black-Scholes option-pricing model to calculate the fair value of stock options. The use of the Black-Scholes option-pricing model requires management to make assumptions with respect to the expected term of the option, the expected volatility of the common stock consistent with the expected term of the option, risk-free interest rates, the value of the common stock and expected dividend yield of the common stock. Changes in these assumptions can materially affect the fair value estimate.

Revenue Recognition

Neuraxis, Inc. specializes in the development, production, and sale of medical neuromodulation devices to healthcare providers primarily located in the United States. Patented and trademarked neuromodulation devices is the Company's major product line. Products are generally transferred at a point in time (rather than over time). Essentially all the Company's revenue is generated from purchase order contracts.

In accordance with FASB's ASC 606, Revenue from Contracts with Customers, ("ASC 606"), the Company recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration which the Company expects to be entitled in exchange for those goods or services, in an amount that reflects the consideration which the Company expects to be entitled in exchange for those goods or services. To determine revenue recognition for arrangements that the Company determines are within the scope of ASC 606, it performs the following five steps:

(i) identify the contract(s) with a customer;
(ii) identify the performance obligations in the contract;
(iii) determine the transaction price;
(iv) allocate the transaction price to the performance obligations in the contract; and
(v) recognize revenue when (or as) the entity satisfies a performance obligation.

The Company applies the five-step model to contracts when it determines that it is probable it will collect substantially all of the consideration it is entitled to in exchange for the goods or services it transfers to the customer. At contract inception, once the contract is determined to be within the scope of ASC 606, the Company assesses the goods or services promised within each contract and determines those that are performance obligations and assesses whether each promised good or service is distinct. The Company then recognizes as revenue the amount of the transaction price, after consideration of variability and constraints, if any, that is allocated to the respective performance obligation when the performance obligation is satisfied.

The Company estimates credit losses on accounts receivable by estimating expected credit losses over the contractual term of the receivable using a discounted cash flow method. When developing this estimate of expected credit losses, the Company considers all available information (past, current, and future) relevant to assessing the collectability of cash flows.

The Company offers a Patient Assistance Program for patients without insurance coverage for IB-Stim. This program extends potential self-pay discounts for IB-Stim devices, based upon household income and size.

Also, the Company offers providers an opt-in program to address adequate insurance claim payments on IB-Stim devices. This program may extend a rebates or invoice credit where the insurance payment and patient responsibility (i.e., deductible, co-payment, and/or co-insurance amounts required by the Payer) are less than the acquisition cost of the IB-Stim device. The Company recognizes revenue at such a time that collection of the amount due is assured.

The following table disaggregates the Company's revenue based on the customer's location by state for the periods ended September 30:

	2022	2021
Wisconsin	**$ 560,345**	$ 513,795
Ohio	**374,670**	454,565
California	**269,805**	463,782
Florida	**179,075**	78,830
Oregon	**41,825**	212,710
All other states	**645,933**	530,838
	$ 2,071,653	$ 2,254,520

The following economic factors affect the nature, amount, timing, and uncertainty of the Company's revenue and cash flows as indicated:

Type of customer: Based on dollar amounts of revenue, essentially all of the goods sold by the Company are sold to healthcare customers including hospitals and clinics. Sales to healthcare customers lack seasonality and have a mild correlation with economic cycles.

Geographical location of customers: Sales to customers located within the United States represent essentially all of the Company's sales.

Type of contract: Sales contracts consist of purchase order contracts that tend to be short-term (i.e., less than or equal to one year in duration).

The opening and closing balances of trade receivables, contract assets, and contract liabilities from contracts with customers are as follows:

	Trade Receivables	Contract Assets	Contract Liabilities
Balance 1/1/2021	$ 311,329	$ 0	$ 0
Balance 12/31/21 and 1/1/2022	$ 115,301	$ 0	$ 0
Balance 9/30/2022	$ 320,244	$ 0	$ 0

Company's Performance Obligations with Customers:

Timing of Satisfaction

The Company typically satisfies its performance obligations as goods are delivered.

Goods that are shipped to customers are typically shipped FOB shipping point with freight prepaid by the Company. As such, ownership of goods in transit transfer to the customer when shipped and the customer bears the associated risks (e.g., loss, damage, delay). In some cases, a customer will take delivery directly from the Company's inventory (i.e., consigned inventory), at which point ownership and the associated risks pass to the customer at that time.

Shipping and handling costs are recorded as general and administrative expenses in the Statement of Operations.

Significant Payment Terms

Payment for goods sold by the Company is typically due, after an invoice is sent to the customer, within 30 days. However, other payment terms are frequently negotiated with customers ranging from due upon receipt to due within 90 days. Some payment terms may call for payment only after the healthcare provider receives their insurance reimbursement. Invoices for goods are typically sent to customers within three calendar days of shipment. The Company does not offer discounts if the customer pays some or all of an invoiced amount prior to the due date.

None of the Company's contracts have a significant financing component.

Nature

Medical devices that the Company contracts to sell and transfer to customers are manufactured by one specific third-party manufacturer. The manufacture is located within the state of Indiana and maintains compliance with FDA manufacturing guidelines. In no case does the Company act as an agent (i.e., the Company does not provide a service of arranging for another party to transfer goods to the customer).

Returns, Refunds, etc.

Orders may not be cancelled after shipment. Customers may return devices within 10 days of delivery if the goods are found to be defective, nonconforming, or otherwise do not meet the stated technical specifications. At the option of the customer, the Company shall either:

- Refund the price paid for any defective or nonconforming products
- Supply and deliver to the customer replacement conforming products
- Reimburse the customer for the cost of repairing any defective or nonconforming products

At the time revenue is recognized, the Company estimates expected returns and excludes those amounts from revenue. The Company also maintains appropriate accounts to reflect the effects of expected returns on the Company's financial position and periodically adjusts those accounts to reflect its actual return experience. Historically, returns have been immaterial, and the Company currently does not provide a provision for this liability.

Warranties

In most cases, goods that customers purchase from the Company are covered by manufacturers' warranties. The Company does not sell warranties separately.

The manufacturer guarantees the product for the period up to the expiration date printed on the device's label or twelve months from the date of purchase, whichever comes first. The guarantee applies to flaws of material and workmanship. The Company's warranties provide customers with assurance that purchased devices comply with published specifications, inspection standards, and workmanship. At the time revenue is recognized, the Company estimates the cost of expected future warranty claims but does not exclude any amounts from revenue. The Company maintains appropriate accounts to reflect the effects of expected future warranty claims on the Company's financial position and periodically adjusts those accounts to reflect its actual warranty claim experience. Historically, warranty claims have been immaterial, and the Company currently does not provide a provision for this liability.

The Company typically satisfies its performance obligations for goods at a point in time. In most cases, goods are shipped by common carrier to customers under "FOB Shipping Point" terms. As such, customers typically obtain control of the goods upon shipment. The Company's management exercises judgment in determining when performance obligations for goods have been satisfied. In making such judgments, management typically relies on shipping information obtained from common carriers to evaluate when the customer has obtained control of the goods.

The Company's contracts with customers typically do not involve variable consideration. The information that the Company uses to determine the transaction price for a contract is similar to the information that the Company's management uses in establishing the prices of goods to be sold.

Leases

Effective January 1, 2021, the Company adopted Accounting Standards Updated ("ASU") No. 2016-02, *Leases (Topic 842)* ("ASU 2016-02" or "ASC 842"), using the full retrospective method, the cumulative effect of the accounting change is recognized as an adjustment to the opening balance of retained earnings in the first comparative period presented. At the inception of an arrangement, the Company determines whether the arrangement is or contains a lease based on the unique facts and circumstances present in the arrangement. Leases with a term greater than one year are recognized on the balance sheet as right-of-use assets and current and non-current lease liabilities, as applicable.

Operating lease liabilities and their corresponding right-of-use assets are initially recorded based on the present value of lease payments over the expected remaining lease term. Certain adjustments to the right-of-use asset may be required for items such as incentives received. The interest rate implicit in lease contracts is typically not readily determinable. As a result, the Company utilizes its incremental borrowing rate to discount lease payments, which reflects the fixed rate at which the Company could borrow on a collateralized basis the amount of the lease payments in the same currency, for a similar term, in a similar economic environment. Prospectively, the Company will adjust the right-of-use assets for straight-line rent expense, or any incentives received and remeasure the lease liability at the net present value using the same incremental borrowing rate that was in effect as of the lease commencement or transition date. The Company has elected not to recognize leases with an original term of one year or less on the balance sheet. The Company typically only includes an initial lease term in its assessment of a lease arrangement. Options to renew a lease are not included in the Company's assessment unless there is reasonable certainty that the Company will renew.

Assumptions made by the Company at the commencement date are re-evaluated upon occurrence of certain events, including a lease modification. A lease modification results in a separate contract when the modification grants the lessee an additional right of use not included in the original lease and when lease payments increase commensurate with the standalone price for the additional right of use. When a lease modification results in a separate contract, it is accounted for in the same manner as a new lease.

The Company elected the following practical expedients, which must be elected as a package and applied consistently to all of its leases at the transition date (including those for which the entity is a lessee or a lessor): i) the Company did not reassess whether any expired or existing contracts are or contain leases; ii) the Company did not reassess the lease classification for any expired or existing leases (that is, all existing leases that were classified as operating leases in accordance with ASC 840 are classified as operating leases, and all existing leases that were classified as capital leases in accordance with ASC 840 are classified as finance leases); and iii) the Company did not reassess initial direct costs for any existing leases.

For leases that existed prior to the date of initial application of ASC 842 (which were previously classified as operating leases), a lessee may elect to use either the total lease term measured at lease inception under ASC 840 or the remaining lease term as of the date of initial application of ASC 842 in determining the period for which to measure its incremental borrowing rate. In transition to ASC 842, the Company utilized the remaining lease term of its leases in determining the appropriate incremental borrowing rates.

In accordance with ASC 842, components of a lease should be split into three categories: lease components, non-lease components, and non-components. The fixed and in-substance fixed contract consideration (including any consideration related to non-components) must be allocated based on the respective relative fair values to the lease components and non-lease components.

Entities may elect not to separate lease and non-lease components. The Company has elected to account for lease and non-lease components together as a single lease component for all underlying assets and allocate all of the contract consideration to the lease component only.

Impairment of Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable. If events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable, we compare the carrying amount of the asset group to future undiscounted net cash flows, excluding interest costs, expected to be generated by the asset group and their ultimate disposition. If the sum of the undiscounted cash flows is less than the carrying value, the impairment to be recognized is measured by the amount by which the carrying amount of the asset group exceeds the fair value of the asset group. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs to sell.

Risks and Uncertainties

In 2021, the World Health Organization declared Coronavirus (COVID-19) a pandemic. The continued spread of COVID-19, or any similar outbreaks in the future, may adversely impact the local, regional, national, and global economies. The extent to which COVID-19 impacts the Company's results is dependent on the breadth and duration of the pandemic and could be affected by other factors the Company is not currently able to predict. These impacts may include, but are not limited to, additional costs for responding to COVID-19, potential shortages of labor, potential shortages of material and supplies, and loss of, or reduction to, revenue. Management believes the Company is taking appropriate actions to respond to the pandemic, however, the full impact is unknown and cannot be reasonably estimated at this time.

Concentrations of Credit Risk

The Company's business activity consists of the sale of medical neuromodulation devices to doctors, clinics, and hospitals across the country.

Receivables consist of unsecured amounts due from customers.

The table below sets forth the Company's customers that accounted for greater than 10% of its revenues in one of the periods ended September 30, 2022 and 2021, respectively.

	2022	Percentage of Sales	2021	Percentage of Sales
Hospital A	**$ 444,425**	21%	$ 444,565	20%
Hospital B	**362,500**	17%	426,285	19%
Hospital C	**248,725**	12%	259,860	12%
Hospital D	—	0%	215,920	10%
	$ 1,055,650	51%	$ 1,346,630	60%

From time to time, the Company's bank balances may exceed the FDIC limit of $250,000; however, management does not feel that this has a material impact on the financial condition. At September 30, 2022 and December 31, 2021, the Company's uninsured cash balances totaled $0 and $20,850, respectively.

Liquidity

We have incurred losses since inception and have funded our operations primarily with a combination of sales, debt, and the sale of capital stock. As of September 30, 2022, we had an stockholders' deficit of approximately $5.7 million. At September 30, 2022, we had short-term and long-term borrowings outstanding of approximately $279 thousand and $52 thousand, respectively. As of September 30, 2022, we had cash of approximately $8 thousand and a working capital deficit of approximately $5.8 million.

Our future capital requirements will depend upon many factors, including progress with developing, manufacturing, and marketing our technologies, the time and costs involved in preparing, filing, prosecuting, maintaining, and enforcing patent claims and other proprietary rights, our ability to establish collaborative arrangements, marketing activities and competing technological and market developments, including regulatory changes and overall economic conditions in our target markets. Our ability to generate revenue and achieve profitability requires us to successfully market and secure purchase orders for our products from customers currently identified in our sales pipeline and to new customers as well. The primary activity that will drive all customers and revenues is the adoption of insurance coverage by commercial insurance carriers nationally, so this is a top priority of the Company. These activities, including our planned research and development efforts, will require significant uses of working capital through the end of first quarter 2023 and beyond. Based on our current operating plans, we believe that our existing cash at the time of this filing will only be sufficient to meet our anticipated operating needs through March 2023.

Going Concern Evaluation

Management evaluates whether there are conditions or events that raise substantial doubt about the Company's ability to continue as a going concern for a period of one year from the date the financial statements are issued.

To date, the Company has experienced operating losses and negative cash flows from operations. Management believes that increased sales and acceptance of their product by insurance providers, will allow the Company to achieve profitability in the near term.

While the Company believes in the viability of its strategy to further implement its business plan and generate sufficient revenues and in its ability to raise additional funds by way of a public or private offering of its debt or equity securities, there can be no assurance that it will be able to do so on reasonable terms, or at all. The ability of the Company to continue as a going concern is dependent upon its ability to further implement its business plan and generate sufficient revenues and its ability to raise additional funds by way of a public or private offering. Because, under current accounting standards, neither future cash generated from operating activities, nor management's contingency plans to mitigate the risk and extend cash resources through the evaluation period, are considered probable, substantial doubt is deemed to exist about the Company's ability to continue as a going concern. As we continue to incur losses, our transition to profitability is dependent upon achieving a level of revenues adequate to support its cost structure. We may never achieve profitability, and unless and until doing so, we intend to fund future operations through additional dilutive or nondilutive financings. There can be no assurances, however, that additional funding will be available on terms acceptable to us, if at all.

The financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Recently Adopted Accounting Pronouncements

In August 2020, FASB issued ASU 2020-06, Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity's Own Equity (Subtopic 815-40), which simplifies accounting for convertible instruments by removing major separation models required under current GAAP. The ASU removes certain settlement conditions that are required for equity contracts to qualify for the derivative scope exception, and it also simplifies the diluted earnings per share calculation in certain areas. The guidance is effective for interim and annual periods beginning after December 15, 2021. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. FASB has specified that an entity should adopt the guidance as of the beginning of its annual fiscal year. The guidance is to be applied using either a full retrospective or modified retrospective method. In applying the full retrospective method, the cumulative effect of the accounting change should be recognized as an adjustment to the opening balance of retained earnings in the first comparative period presented. In applying the modified retrospective method, the cumulative effect of the accounting change should be recognized as an adjustment to the opening balance of retained earnings at the date of adoption**.** The Company early adopted ASU 2020-06 effective January 1, 2021, under the modified retrospective approach. The adoption of this guidance did not have a material impact on the Company's financial statements

Recently Issued Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which requires measurement and recognition of expected credit losses for financial assets held and requires enhanced disclosures regarding significant estimates and judgments used in estimating credit losses. In November 2019, the FASB issued ASU 2019-10, Financial Instruments – Credit Losses (Topic 326), Derivatives and Hedging (Topic 815) and Leases (Topic 842): Effective Dates, which amends the effective date of ASU 2016-13. Public business entities meeting the definition of an SEC filer, excluding entities eligible to be a Smaller Reporting Company ("SRC") as defined by the SEC, are required to adopt the standard for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. All other entities are required to adopt the standard for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. The Company meets the definition of an SRC and therefore the standard will not be effective until the beginning of 2023. The Company is evaluating the effect that ASU 2016-13 will have on its financial statements.

3. Related Party Transactions

The Company has two demand notes receivable from shareholders related to the sale of common stock on January 1, 2016. Both notes initial balances were $506,400, with interest calculated monthly based on applicable federal rates. No payments have been received on the notes. Since repayment is not assured, the Company provided an allowance for the entire balance of principal and interest as of December 31, 2019. The current allowance is $1,096,775 as of September 30, 2022. The current loan balances are as follows:

	Loan Receivable	Interest Receivable	Interest Income
September 30, 2022			
Shareholder 1	$ 506,400	$ 42,054	$ 6,506
Shareholder 2	506,400	41,920	6,506
	1,012,800	83,974	13,012
Allowance for Collection Risk	(1,012,800)	(83,974)	(13,012)
Net Balance	$ —	$ —	$ —

	Loan Receivable	Interest Receivable	Interest Income
December 31, 2021			
Shareholder 1	$ 506,400	$ 35,548	$ 827
Shareholder 2	506,400	35,414	827
	1,012,800	70,962	1,654
Allowance for Collection Risk	(1,012,800)	(70,962)	(1,654)
Net Balance	$ —	$ —	$ —

The Company has loans payable to shareholders related to funding needs for operations. The current loan details for all related party loans are as follows:

	Due Date	Interest Rate	Loan Balance	Interest & Service Fee Accrued	Interest Paid
September 30, 2022					
Shareholder 1	June, 2019	15.00%	$ 20,051	$ 7,409	$ —
Shareholder 1	June, 2019	15.00%	38,000	22,056	—
Other Convertibles	Various	5.00%	—	66,648	—
Total			$ 58,051	$ 96,113	$ —

	Due Date	Interest Rate	Loan Balance	Interest & Service Fee Accrued	Interest Paid
December 31, 2021					
Shareholder 2	Demand	0.15%	$ —	$ —	$ 10
Shareholder 1	June, 2019	15.00%	20,051	5,153	—
Shareholder 1	June, 2019	15.00%	38,000	17,781	—
Shareholder 3	June, 2019	15.00%	—	—	4,582
Other Convertibles	Various	5.00%	—	66,648	—
Total			$ 58,051	$ 89,582	$ 4,592

The Company's Chief Financial Officer, John Seale, CPA.CITP, is contracted for services through RBSK Partners PC (RBSK). Mr. Seale is RBSK's managing partner and majority shareholder. RBSK is engaged by the Company to provide accounting and tax services on a continuous basis. Fees paid to RBSK for services were $78,241 and $65,833 for the periods ended September 30, 2022 and 2021, respectively. The Company owed RBSK for open invoices of $64,013 and $4,978 as of September 30, 2022 and 2021, respectively.

5. Accrued Expenses

Accrued expenses consisted of the following:

	September 30, 2022	December 31, 2021
Wages	$ 480,779	$ 451,974
Employee benefits	24,792	11,734
Commissions	181,062	7,785
Property taxes	882	563
Interest expense	130,306	89,582
Total accrued expenses	$ 817,821	$ 561,638

6. Notes Payable

The Company borrowed $250,000 on December 16, 2021, from Channel Partners Capital. The note calls for 65 weekly payments of $4,923.08 with the final payment scheduled for March 16, 2023. The note's interest rate computes to a nominal rate of 40.856%. The principal outstanding at December 31, 2021 was $244,048. The Company borrowed $122,000 on September 16, 2022 to bring the principal balance back to $250,000. The terms of the note are the same as the previous note with the final payment scheduled for December 16, 2023. The principal outstanding at September 30, 2022 was $243,783. The Company believes that the advancement of additional funds is a minor modification to the terms of the existing loan since the difference in present value of the cash flows under the terms of the new loan is less than 10% of the present value of the remaining cash flows under the terms of the original loan. As a result, the modification was accounted for as a modification of debt.

The lender was granted and assigned a continuing security interest in all the Company's personal property assets including, but not limited to, business equipment, inventory, accounts, accounts receivable, intellectual property, chattel paper, instruments, deposit accounts, commercial tort claims, contract rights, licenses, claims, and general intangibles.

Future minimum principal payments are as follows:

2022	$ 40,949
2023	$ 202,834
Total	$ 243,783

Convertible Notes

During the nine months ended September 30, 2022, the Company conducted multiple closings of a private placement offering to accredited investors for aggregate gross proceeds of $2,222,223 or net proceeds of $1,870,000.

The 2022 Convertible Note Offering consisted of (a) a Convertible Promissory Note that accrues interest at the greater of Prime rate plus 8.5% or 12%. The notes convert into common shares at the lower of $4.72 or 30% discount to the price per share of any subsequent offering. The notes mature on the one-year anniversary date from issuance. (b) a five-year warrant to purchase common stock equal to one hundred percent (100%) of the shares into which the 2022 Convertible Notes can be converted into at issuance. The warrants have an exercise price at the lower of $5.90 per share or a 12.5% discount to the price per share of any subsequent offering. (c) shares of the Company's common stock equal to 10% of the principal amount of these notes, at a value per share equal to the conversion price. The 47,086 shares of common stock issued to investors had a relative fair value of $3,365

As an additional incentive for entering into the Convertible note offering, the Company offered an original issue discount equal to 10% of the principal amount of the notes. The Company also paid $130,000 to law firms related to this offering. The fees were recorded as a debt discount and amortized over the life of the note at the effective interest rate.

The Company has applied ASC 815, due to the potential for settlement in a variable quantity of shares. Since these convertible notes and warrants have the option to convert or be exercised at a variable amount, they are subject to derivative liability treatment. The conversion feature has been measured at fair value using a Monte Carlo model at the date of issuance and is adjusted to fair value at each reporting period. The fair value of the embedded derivative and the warrant liability at date of issuance was $1,518,092 and $1,822,435, respectively. See note 11.

The value of the incentives given to investors totaled $3,696,115. Since the value of the incentives given to investors was in excess of the principal value of the notes, the Company recognized $2,222,223 as debt discount and expensed the reaming $1,473,892 as financing fees. The debt discount is being accreted over the life of these notes to accretion of debt discount and issuance cost, based on the effective interest rate method.

During the nine months ended September 30, 2022, the Company accrued interest of $80,668 relating to these notes.

7. Leases

The Company's leases are comprised of operating leases for office space. At the inception of the lease, the Company determines whether the lease contract conveys the right to control the use of identified property for a period of time in exchange for consideration. Leases are classified as operating or finance leases at the commencement date of the lease. Operating leases are recorded as operating lease right-of-use assets, other current liabilities, and operating lease liabilities in the Balance Sheets. The Company did not have any finance leases at September 30, 2022 and December 31, 2021.

The Company had three leases primarily consisting of office space in Versailles and Carmel Indiana. Two of the leases in Versailles started January 1, 2017. Both have an initial term of five years with an option for an additional five-year term. The monthly lease payments for these leases are $550 and $1,600 with a 3% per annum increase starting with the optional five-year term. The lease in Carmel started March 1, 2016. The initial term is five years and three months with an option for an additional three-year term. The monthly lease payment started at $1,472 with an annual increase of approximately 2.7%. On December 16, 2020, the Company entered into an amendment of the Carmel lease that extended the initial term by two years.

Operating lease right-of-use assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. As the implicit interest rate is generally not readily determinable, the Company uses an incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. The incremental borrowing rate reflects the estimated rate of interest that the Company would pay to borrow on a collateralized basis over a similar economic environment. Lease expense for the operating lease is recognized on a straight-line basis over the lease term.

Leases may include renewal options, and the renewal option is included in the lease term if the Company concludes that it is reasonably certain that the option will be exercised. Certain leases may contain rent escalation clauses, either fixed or adjusted periodically for inflation of market rates, that are factored into the calculation of lease payments to the extent they are fixed and determinable at lease inception. The Company also has variable lease payments that do not depend on a rate or index, primarily for items such as common area maintenance and real estate taxes, which are recorded as expenses when incurred.

For the periods ended September 30, 2022 and 2021, the Company recognized $36,266 and $4,725 of operating lease expense, including short-term lease expense and variable lease costs, which are immaterial.

The following table presents information related to the Company's operating leases:

As of September 30, 2022, the maturities of the Company's operating lease liabilities were as follows:

	September 30, 2022	December 31, 2021
Operating lease right-of-use assets	**$ 108,030**	$ 127,975
Other current liabilities	**31,942**	27,582
Operating lease liabilities	**84,548**	109,594
	$ 116,490	$ 137,176
Weighted-average remaining lease term (in years)	4.25	5.00
Weighted-average discount rate	15.0%	15.0%

2023	$ 46,832
2024	34,731
2025	25,800
2026	25,800
2027	25,800
Total lease payments	158,963
Less: imputed interest	42,473
Total present value of lease payments	$ 116,490

8. Common Stock and Warrants

On September 7, 2021, the Company's board of directors authorized a 4-for-1 stock split. They also increased the number of authorized common stock shares from 2,700,000 to 10,800,000. Furthermore, on September 9, 2021, the board authorized and increase of authorized shares of common stock from 10,800,000 to 13,400,000 in anticipation of a capital offering. As part of the conversion to a Delaware Corporation in June of 2022, the total number of common stock shares authorized was increased to 100,000,000. All share and per share amounts for the common stock have been retroactively restated to give effect to the split.

In connection with a bridge loan, the Company issued a warrant to a shareholder, Brian Hannasch, on September 18, 2018. The warrant allows the holder to purchase common stock from the Company at a share price of $4.38 per share. The number of shares was based on a formula tied to the amount of loans made by the holder. The number of shares based on this formula is 25,704. The warrant contains certain rights in the event of liquidation, merger, or consolidation of the Company. If the fair market value of one share is greater than the warrant price, the holder may elect to receive a number of shares equal to the value of the warrant. If the exercise in in connection with the sale of the Company, the holder may, at its option, condition its exercise of the warrant upon the consummation of such transaction. The warrant expires on September 18, 2028, and can be exercisable either in whole or from time to time in part prior to the expiration date.

The Company issued a second warrant to Brian Hannasch on September 6, 2019, under similar terms. This is a penny warrant that allows the holder to purchase 80,000 shares of common stock and is subject to adjustment for certain equity events. The warrant contains certain rights in the event of liquidation, merger, or consolidation of the Company. The warrant expires on September 6, 2029.

The Company issued a third warrant to Masimo Corporation on April 9, 2020. This warrant was pre-funded in the amount of $2,734,340. The warrant allows the holder to purchase 144,890 shares of Series A Preferred Stock at $4.72 per share and is subject to adjustment for certain equity events. The warrant contains certain rights in the event of liquidation, merger, or consolidation of the Company. There will be no additional purchase price for the Warrants. In the event that all outstanding shares of Series A Preferred Stock are converted, automatically or by action of the holders thereof, into Common Stock, including, without limitation, in connection with the Company's initial, underwritten public offering and sale of its Common Stock pursuant to an effective registration statement under the Act (the "IPO"), then from and after the date on which all outstanding shares of Series A Preferred Stock have been so converted, this Warrant shall be exercisable for such number of shares of Common Stock into which the Warrant Shares would have been converted had the Warrant Shares been outstanding on the date of such conversion, and the Exercise Price shall equal the Exercise Price in effect as of immediately prior to such conversion divided by the number of shares of Common Stock into which one share of Series A Preferred Stock would have been converted, all subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant.

The Company issued 470,812 warrants in connection with convertible debt. See note 6.

The following is a summary of warrant activity for common stock during the periods ended September 30, 2022 and December 31, 2021:

	Number of Warrants for Common Stock	Weighted-Avg. Exercise Price
Outstanding as of December 31, 2020	105,704	$ 1.07
Granted	—	—
Cancelled/Expired	—	—
Exercised	—	—
Outstanding as of December 31, 2021	105,704	$ 1.07
Granted	470,812	$ 5.90
Cancelled/Expired	—	—
Exercised	—	—
Outstanding as of September 30, 2022	576,516	$ 5.01
Weighted average remaining contractual life		5.10

The following is a summary of warrant activity for preferred stock during the periods ended September 30, 2022 and December 31, 2021:

	Number of Warrants for Preferred Stock	Weighted-Avg. Exercise Price
Outstanding as of December 31, 2020	—	$ —
Granted	144,890	0.0001
Cancelled/Expired	—	—
Exercised	—	—
Outstanding as of December 31, 2021	144,890	$ 0.0001
Granted	—	$ —
Cancelled/Expired	—	—
Exercised	—	—
Outstanding as of September 30, 2022	144,890	$ 0.0001
Weighted average remaining contractual life		No Expiration

The following table summarizes the Company's warrants outstanding and exercisable as of September 30, 2022.

	Number of Warrants Outstanding		Exercise Price	Expiration Date
Brian Hannasch W-01	25,704	$	17.5100	September 18, 2028
Brian Hannasch W-02	80,000	$	0.0100	September 6, 2029
Masimo Corporation PSA-01	144,890	$	0.0001	None
Convertible Notes	470,812	$	4.7200	Various
	721,406			

The Company is a party to two investment banking and advisory agreements with a consulting firm engaged in connection with listing our common stock for trading on Nasdaq. Pursuant to the first advisory agreement, dated March 3, 2022, the Company agreed to pay the consulting firm a monthly consulting fee of $5,000 and a final payment of $50,000 upon a successful Nasdaq listing, and, also upon such listing, to issue the consulting firm shares of our common stock representing 1.5% of our outstanding shares after giving effect to the offering and to issue the consulting firm five-year warrants to purchase shares of our common stock representing 2.0% of our outstanding shares after giving effect to this offering on a fully-diluted basis with an exercise price per share representing the public offering price per share. Pursuant to the second advisory agreement with consulting firm, dated June 20, 2022, and amended December 20, 2022, the Company agreed to pay fees in the aggregate of up to $136,166 for advice in connection with communication and other related matters leading up to, and in connection with, this offering and to issue the consulting firm 25,000 shares of common stock upon a successful Nasdaq listing. The Company agreed to piggyback registration rights with respect to all shares issued to the consulting firm under both advisory agreements, including shares issuable upon exercise of the warrants. The Company evaluated the agreements and determined that the shares will not be recorded and valued until the performance condition is satisfied.

9. Preferred Stock

The Company has authorized 1,120,000 shares of preferred stock of which 1,000,000 has been designated Series A Preferred and 120,000 has been designated Series Seed Preferred, of which 506,637 shares of Series A Preferred and 115,477 shares of Series Seed Preferred are issued and outstanding as of September 30, 2022 and December 31, 2021.

The aggregate purchase price of the Series A Preferred Stock was $9,321,165, of which $7,692,664 was comprised of cash and the remaining $1,628,501 was comprised of converted debt and common stock. The aggregate purchase price of the Series Seed Preferred shares was $0, as all the Series Seed shares were converted from common stock as an incentive to reinvest in Series A Preferred Stock.

The following is a summary of Preferred Stock terms:

Voting Rights - The Series A Preferred and Series Seed Preferred shall vote together with the Common Stock on an as-converted basis, and not as separate classes.

Conversion - The Series A Preferred and Series Seed initially convert 1:1 to Common Stock at any time at option of holder, subject to adjustments for stock dividends, splits, combinations, and similar events and as described below under "Anti-dilution Provisions."

Dividends - The Series A Preferred will carry an annual 8% cumulative dividend, payable upon any liquidation, dissolution or winding up of the Company (the "Accruing Dividend"). For any other dividends or distributions, participation with Common Stock on an as-converted basis.

Liquidation - In the event of any liquidation, dissolution or winding up of the Company, the proceeds shall be paid in the following priority:

First, to the Series A Preferred in proportion to each holder's respective pro rata Series A Original Purchase Price, plus any pro rata share of the Accruing Dividend until the entire Series A Original Purchase Price and Accruing Dividend are paid;

Second, to the Series Seed Preferred in proportion to each holder's respective pro rata Series Seed Original Purchase Price until the entire amount of the Series Seed Original Purchase Price is paid;

Thereafter, the Series A Preferred and Series Seed Preferred participate with the Common Stock pro rata on an as-converted basis.

A merger or consolidation (other than one in which stockholders of the Company own a majority by voting power of the outstanding shares of the surviving or acquiring corporation) and a sale, lease, transfer, exclusive license or other disposition of all or substantially all of the assets of the Company will be treated as a liquidation event (a "Deemed Liquidation Event"), thereby triggering payment of the liquidation preferences described.

Anti-dilution Provisions - The Series A Preferred have full-ratchet anti-dilution protection so that the conversion price will be reduced to 80% of the price at which any future shares are issued, if less than the Series A Original Purchase Price.

In consideration for shareholders to make an additional investment in the Company, upon the purchase of the Series A Preferred stock by the shareholder, the Company converted the existing common shares held by shareholders to Series Seed Preferred Stock at a $100 million valuation and at a 120% share premium. As of September 30, 2022 and December 31, 2021, there were 97,702 common shares converted into 115,477 shares of Series Seed Preferred shares that have no par value and are outstanding.

10. Stock Options and Awards

The following is a summary of stock option activity for the periods ended September 30, 2022 and December 31, 2021:

	Number of Options	Weighted Avg. Remaining Contractual Life (in years)	Weighted Avg. Exercise Price	Aggregate Intrinsic Value
Outstanding as of December 31, 2020	2,638,788	6.78	$ 13.88	$ —
Granted	—			
Forfeited	—			
Cancelled/Expired	—			
Exercised	—			
Outstanding as of December 31, 2021	2,638,788	5.78	$ 13.88	$ —
Granted	—			
Forfeited	—			
Cancelled/Expired	—			
Exercised	—			
Outstanding as of September 30, 2022	2,638,788	5.05	$ 13.88	$ —
Vested and Exercisable as of September 30, 2022	2,619,408	5.05	$ 13.88	$ —

Stock-based compensation expense is classified in the Company's statements of operations as general and administrative expense. The amounts were $27,319 and $36,381 for periods ended September 30, 2022 and 2021, respectively. As of September 30, 2022, there was $0 of total unrecognized compensation expense related to unvested options granted under the Company's share-based compensation plans.

11. Warrant Liabilities

The Company has identified derivative instruments arising from an adjustable exercise price for warrants that are issued and outstanding as of September 30, 2022 and December 31, 2021.

The Company utilizes a Monte Carlo simulation model for warrants that have an option to convert at a variable number of shares to compute the fair value of the derivative and to mark to market the fair value of the derivative at each balance sheet date. The inputs utilized in the application of the Monte Carlo model included a starting stock price, an expected remaining term of each warrant as of the valuation date, estimated volatility, drift, and a risk-free rate.

Risk-free interest rate: The Company uses the risk-free interest rate of a U.S. Treasury Note adjusted to be on a continuous return basis to align with the Black-Scholes option-pricing model.

Dividend yield: The Company uses a 0% expected dividend yield as the Company has not paid dividends to date and does not anticipate declaring dividends in the near future.

Volatility: The Company calculates the expected volatility based on comparable company's historical stock prices with a look back period commensurate with the period to maturity.

Expected term: The Company's remaining term is based on the remaining contractual maturity of the warrants.

The following are the changes in the warrant liabilities during the year ended September 30, 2022 and December 31, 2021.

	Level 1	Level 2	Level 3
Warrant liabilities as of January 1, 2021	$ —	$ —	$ 2,760
Addition	—	—	—
Changes in fair value of warrant liabilities	—	—	29,342
Warrant liabilities as of January 1, 2022	—	—	32,102
Addition	—	—	1,822,435
Changes in fair value of warrant liabilities	—	—	660,189
Warrant liabilities as of September 30, 2022	$ —	$ —	$ 2,514,726

12. Derivative Liabilities

The Company has identified derivative instruments arising from the conversion shares discussed in the Convertible Notes section of note 6 as of September 30, 2022 and December 31, 2021.

The Company utilizes a Monte Carlo simulation model for commitment shares that have an option to convert at a variable number of shares to compute the fair value of the derivative and to mark to market the fair value of the derivative at each balance sheet date. The inputs utilized in the application of the Monte Carlo model included a starting stock price, an expected remaining term of each warrant as of the valuation date, estimated volatility, drift, and a risk-free rate.

Risk-free interest rate: The Company uses the risk-free interest rate of a U.S. Treasury Note adjusted to be on a continuous return basis to align with the Black-Scholes option-pricing model.

Dividend yield: The Company uses a 0% expected dividend yield as the Company has not paid dividends to date and does not anticipate declaring dividends in the near future.

Volatility: The Company calculates the expected volatility based on comparable company's historical stock prices with a look back period commensurate with the period to maturity.

Expected term: The Company's remaining term is based on the remaining contractual maturity of the warrants.

The following are the changes in the warrant liabilities during the year ended September 30, 2022 and December 31, 2021.

	Level 1	Level 2	Level 3
Derivative liabilities as of January 1, 2021	$ —	$ —	$ —
Addition	—	—	—
Changes in fair value of Derivative liabilities	—	—	—
Derivative liabilities as of January 1, 2022	—	—	—
Addition	—	—	1,518,092
Changes in fair value of Derivative liabilities	—	—	68,032
Derivative liabilities as of September 30, 2022	$ —	$ —	$ 1,586,124

13. Retirement Plan

The Company sponsors a 401(k)-retirement plan for its employees. Employees are eligible to participate in the elective deferral portion of the plan after twelve months and 1,000 hours of service. The Company matches the employee's contribution up to 3%. The Company can also make an optional profit-sharing contribution to the employee accounts on an annual basis. There was an expense of $13,058 and $19,348 for periods ended September 30, 2022 and 2021, respectively.

14. **Commitments and Contingencies**

License Agreement

On April 9, 2020, the Company entered into a license agreement with Masimo Corporation (Masimo) granting certain exclusive rights and licenses, access to Company's research and development capabilities, and to enable the development, manufacture, and commercialization of products in a specific "field", primarily related to pain associated with substance abuse withdrawal symptoms.

The "field" excludes the following pediatric and adult conditions (including the associated symptoms and any pain caused thereby): chronic nausea, gastroparesis, functional gastrointestinal disorders, chemotherapy induced nausea/vomiting, concussions and post-concussion syndrome, headaches (migraine or benign, non-specified), symptoms resulting from traumatic brain injury, post-traumatic stress disorder, fatty liver disease, cyclic vomiting syndrome, movement disorder including Parkinson's disease, chronic sleep disorders, inflammatory bowel disease, pancreatitis, pulmonary inflammatory disorders, dysautonomia and postural orthostatic tachycardia syndrome, tic disorders, tinnitus, TMJ disorders, autoimmune disorders, seizure disorders, diabetes, and modulation of exercise physiology and recovery.

Company also entered into a collaboration agreement with Masimo to induce Masimo to enter into the purchase of Series A Preferred Stock and Pre-funded Warrants for Series A Preferred Stock and as part of that agreement received a one-time, upfront and non-refundable fee of $250,000 for the license agreement. More information is contained in footnote 8.

Manufacturing Services Agreement

On August 21, 2020, the Company entered into a Manufacturing Services Agreement (MSA) for the manufacture and supply of the Company's IB-STIM device based upon the Company's product specifications as set forth in the MSA. This agreement terminated any prior manufacturing agreements.

The Company provides the necessary equipment to the manufacturer and retains ownership. The manufacturer bears the risk of loss of and damage to the equipment and consigned materials. Performance under the MSA is initiated by orders issued by the Company and accepted by the manufacturer.

The term of the MSA is 24 months and shall automatically renew for renewal terms of twelve months unless either party provides a written termination notice to the other party within 180 days prior to the end of the then-current term.

Litigation

From time to time in the normal course of our business operations, we may become subject to litigation that may result in liability material to our financial condition as a whole or may negatively affect our operating results if changes to our business operations are required. The cost to defend such litigation may be significant and may require a significant diversion of our resources, and there is no guarantee that we will be able to successfully defend against any such litigation regardless of particular merits. There also may be adverse publicity associated with litigation that could negatively affect customer perception of our business, regardless of whether the allegations are valid or whether we are ultimately found liable. Insurance may not be available on favorable terms, at all, or in sufficient amounts to cover any liabilities with respect to these or other matters. A judgment or other liability in excess of our insurance coverage for any claims could adversely affect our business, financial condition and the results of our operations.

On February 6, 2019, Plaintiff Ritu Bhambhani, M.D., initiated a lawsuit against Innovative Health Solutions, Inc. and others in the United States District Court for the District of Maryland. Plaintiffs Bhambhani and Sudhir Rao subsequently amended the complaint, with the Third Amended Complaint ("Complaint") containing the most recent set of allegations. The Complaint asserted claims under the RICO Act, as well as of fraudulent misrepresentation, intentional misrepresentation by concealment, and civil conspiracy and sought compensatory damages in excess of $5 million, pre-judgment interest, punitive damages, attorney's fees, court costs and designation of the case as a class action.

On February 11, 2022, the Company filed a motion for summary judgment. On June 14, 2022, the Court granted the Company' motion for summary judgment and dismissed the Complaint.

On July 14, 2022, Plaintiffs Ritu Bhambhani and Sudhir Rao filed a notice of appeal with the Fourth Circuit Court of Appeals. On January 4, 2023, the Court issued an order that stated it was deferring a ruling on the motion to dismiss the appeal and that it would address those arguments at the same time that it addressed the substantive merits of the case. The parties' appellate briefing is scheduled to be concluded in early April 2023. While it is too early to predict the ultimate outcome of this matter on appeal, we believe we have meritorious defenses and intend to defend this matter vigorously.

On July 14, 2022, Plaintiffs Ritu Bhambhani, LLC; Box Hill Surgery Center, LLC; Pain and Spine Specialists of Maryland, LLC; and SimCare ASC, LLC initiated a lawsuit against NeurAxis, Inc. and others in the United States District Court for the District of Maryland. The Complaint asserted claims under the RICO Act, as well as fraudulent misrepresentation, intentional misrepresentation by concealment, and civil conspiracy and seeks compensatory damages in excess of $75,000, pre-judgment interest, punitive damages, attorney's fees, and court costs. While it is too early to predict the ultimate outcome of this matter, we believe we have meritorious defenses and intend to defend this matter vigorously.

15. Subsequent Events

The Company evaluated subsequent events through the date of issuance. The following changes occurred subsequent to September 30, 2022:

Addition Borrowing – The Company borrowed additional funds subsequent to September 30, 2022, and up through the date of this report.

From October 3, 2022 to November 30, 2022, we issued additional Senior Secured Convertible Promissory Notes ("Notes") with an aggregate principal amount of $1,111,111, which amount included original issue discount ("OID") of $111,111, resulting in advance proceeds to us of $1 million. The notes have the same terms as the "Convertible Notes" detailed previously. The notes also included a five-year warrant to purchase common stock equal to one hundred percent (100%) of the shares into which the 2022 Convertible Notes can be converted into at issuance. The warrants have an exercise price at the lower of $5.90 per share or a 12.5% discount to the price per share of any subsequent offering. The notes also included shares of the Company's common stock equal to 10% of the principal amount of these notes, at a value per share equal to the conversion price. The 47,086 shares of common stock issued to investors had a relative fair value of $3,365. The total balance of the notes now has an aggregate principal amount of $3,333,333, which amount included original issue discount ("OID") of $333,333, resulting in advance proceeds to us of $2.87 million.

From December 2022 through January 2023, the Company issued unsecured convertible promissory notes to three existing investors with an aggregate principal amount of $222,222, which amount included an OID of $22,222, resulting in advance proceeds to us of $200,000. The notes carry an OID of 10% of the principal amount and have an interest rate of 12% per annum. The notes will mature at the earlier of (i) twelve (12) months from the issue date or (ii) the date upon which the Company completes a registered public offering of shares of the Company, which encompasses the closing of this offering. The notes are convertible into shares of common stock at the higher of (i) $4.72 per share, or (ii) the price per share of common stock issued pursuant to the next registered public offering of shares of the Company made prior to the conversion of any portion of the note. Interest accrues on the aggregate principal amount (which includes OID) and is payable on the maturity date, at the Company's election, in cash or in-kind. The holders of the notes are entitled to piggyback registration rights on any registration statement filed by the Company, other than the registration statement of which this prospectus forms a part and any registration filed on Form S-4 or Form S-8.

Employment Agreements – The Company, as authorized by the board of directors, entered into employment agreements with nine key employees to provide incentives to improve shareholder value and to contribute to the growth and financial success of the Company. The agreements have an employment start date of October 1, 2022, with initial terms from 2 to 5 years and optional one-year renewals.

The total base salaries for the nine key employees in the agreements is $1.92 million per year with various provisions for annual increases. In addition to base salaries, eight of the employees have a provision for a special one-time incentive payment to be paid in a lump sum after the start date. The total amount of these special incentive payments is $1.19 million. The special incentive payment amount includes any accrued back pay wages for the employee. That accrued amount was $431,098 that is reflected in the financial statements at September 30, 2022. The payments are being delayed until after the public offering.

There are seven key employees that have stock options of the Company totaling 2.477,424 shares. These key employees have a provision in their agreements whereas the Company will pay a special bonus equal to the aggregate of the strike price or exercise price of all their stock options plus a tax gross-up payment. The special bonus shall be paid in twenty percent (20%) installments starting January 2, 2024, and the same date each of the next four years. As a condition of the payment, the key employee must exercise at least 20% of their stated number of stock options. There are additional provisions to cover termination and change of control events.

2022 Stock Compensation Plan – The Company adopted a new compensation plan effective November 1, 2022. The 2022 Plan will be applicable only to awards granted on or after the date the 2022 Plan becomes effective according to its terms and will replace the 2017 Plan for awards granted on or after the effective date. No new grants will be made under the 2017 Plan after the effective date. The terms and conditions of awards granted under the 2017 Plan prior to the effective date was not be affected by the adoption of the 2022 Plan, and the 2017 Plan will remain effective with respect to such awards.

600,000 shares of common stock, par value $0.001 per share, of common stock will be set aside and reserved for issuance pursuant to the 2022 Plan, subject to adjustments as may be required in accordance with the terms of the Plan.

AUDITOR'S REPORT

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

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Neuraxis, Inc. (the Company) as of December 31, 2021 and 2020, and the related statements of operations, stockholders' equity (deficit), and cash flows for the years then ended, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Restatement

As discussed in Note 17 to the financial statements, certain disclosures in the accompanying financial statements have been restated.

Substantial Doubt about the Company's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has experienced operating losses and negative cash flows from operations since inception that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

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

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

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

/s/ Rosenberg Rich Baker Berman, P.A.

Somerset, New Jersey
September 27, 2022, except for the effects of the restatement discussed in Note 17 to the financial statements, as to which the date is November 9, 2022

We have served as the Company's auditor since 2022

Neuraxis, Inc.
Balance Sheet

	December 31,	
	2021	**2020**
Assets		
Current Assets:		
Cash and cash equivalents	**$ 320,858**	$ 1,895,475
Accounts receivable, net	**115,301**	311,329
Inventories	**39,180**	106,846
Prepaids and other current assets	**15,670**	148,289
Total current assets	**491,009**	2,461,939
Property and Equipment, at cost:	**404,455**	403,065
Less - accumulated depreciation	**(286,913)**	(252,146)
Property and equipment, net	**117,542**	150,919
Other Assets:		
Operating lease right of use asset, net	**127,975**	150,786
Intangible assets, net	**23,956**	25,897
Total Assets	**$ 760,482**	$ 2,789,541

Notes to financial statements are an integral part of these statements

Neuraxis, Inc.
Balance Sheet

	December 31, 2021	December 31, 2020
Liabilities		
Current Liabilities:		
Accounts payable	**$ 483,790**	$ 164,558
Accrued expenses	**561,638**	667,004
Current portion of long-term notes payable	**192,356**	—
Notes payable - related party	**58,051**	151,005
Customer deposits	**69,337**	—
Warrant liabilities	**32,102**	2,760
Current portion of operating lease payable	**27,582**	23,311
Total current liabilities	**1,424,856**	1,008,638
Non-current Liabilities:		
Operating lease payable, net of current portion	**109,594**	137,176
Note payable, net of current portion	**51,692**	—
Total non-current liabilities	**161,286**	137,176
Total liabilities	**1,586,142**	1,145,814
Commitments and contingencies (see note 14)		
Stockholders' Equity (Deficit)		
Convertible Series A Preferred stock, $0.001 par value; 1,000,000 shares authorized; 506,637 and 479,612 issued and outstanding as of December 31, 2021 and 2020, respectively	**507**	480
Convertible Series Seed Preferred Stock, $0.001 par value; 120,000 shares authorized; 115,477 issued and outstanding as of December 31, 2021 and 2020	**115**	115
Common stock, $0.001 par value; 100,000,000 shares authorized; 3,856,008 issued and outstanding as of December 31, 2021 and 2020	**3,856**	3,856
Additional paid in capital	**28,321,229**	27,762,611
Accumulated deficit	**(29,151,367)**	(26,123,335)
Total stockholders' equity (deficit)	**(825,660)**	1,643,727
Total Liabilities and Stockholders' Equity (Deficit)	**$ 760,482**	$ 2,789,541

Notes to financial statements are an integral part of these statements

Neuraxis, Inc.
Statements of Operations

	For the Years Ended December 31,	
	2021	**2020**
Net Sales	**$ 2,721,286**	$ 1,930,228
Cost of Goods Sold	**467,656**	481,089
Gross Profit	**2,253,630**	1,449,139
Selling Expenses	**455,879**	521,034
Research and Development	**203,414**	166,798
General and Administrative	**4,564,371**	4,882,045
Operating Loss	**(2,970,034)**	(4,120,738)
Other Income (Expense):		
Interest expense	**(36,928)**	(75,711)
Interest income	**—**	37
License revenue	**—**	250,000
Gain on loan forgiveness	**—**	220,000
Change in fair value of derivative financial instruments	**(29,342)**	1,911
Other expense	**—**	(1,923)
Other income	**8,272**	275
Total other income (expense), net	**(57,998)**	394,589
Net Loss	**$ (3,028,032)**	$ (3,726,149)
Per-share Data		
Basic and diluted loss per share	**$ (0.96)**	$ (1.10)
Weighted Average Shares Outstanding		
Basic and diluted	**3,936,008**	3,936,008

Notes to financial statements are an integral part of these statements

Neuraxis, Inc.
Statements of Stockholders' Equity (Deficit)

For the Years Ended December 31, 2021 and 2020

	Convertible Series A Preferred Stock		Convertible Series Seed Preferred Stock		Common Stock		Additional Paid In	Accumulated	Stockholder's
	Shares	Amount	Shares	Amount	Shares	Amount	Capital	Deficit	Equity
Balance, January 1, 2020	189,092	$ 189	115,477	$ 115	3,856,008	$ 3,856	$ 20,943,167	$ (22,397,186)	$ (1,449,859)
Stock based compensation	—	—	—	—	—	—	48,774	—	48,774
Sale of Convertible Series A Preferred Stock, net of fees	290,520	291	—	—	—	—	4,036,330	—	4,036,621
Issuance of Pre-Funded Warrants for Preferred Stock	—	—	—	—	—	—	2,734,340	—	2,734,340
Net loss for the year ended December 31, 2020	—	—	—	—	—	—	—	(3,726,149)	(3,726,149)
Balance, December 31, 2020	**479,612**	**$ 480**	**115,477**	**$ 115**	**3,856,008**	**$ 3,856**	**$ 27,762,611**	**$ (26,123,335)**	**$ 1,643,727**
Stock based compensation	—	—	—	—	—	—	**48,641**	—	**48,641**
Sale of Convertible Series A Preferred Stock	**27,025**	**27**	—	—	—	—	**509,977**	—	**510,004**
Net loss for the year ended December 31, 2021	—	—	—	—	—	—	—	**(3,028,032)**	**(3,028,032)**
Balance, December 31, 2021	**506,637**	**$ 507**	**115,477**	**$ 115**	**3,856,008**	**$ 3,856**	**$ 28,321,229**	**$ (29,151,367)**	**$ (825,660)**

Notes to financial statements are an integral part of these statements

Neuraxis, Inc.
Statement of Cash Flows

	For the Years Ended December 31,	
	2021	**2020**
Cash Flows from Operating Activities		
Net Loss	**$ (3,028,032)**	$ (3,726,149)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**36,708**	35,787
Provisions for losses on accounts receivable	**11,770**	—
Non-cash lease expense	**22,811**	19,620
Stock based compensation	**48,641**	48,774
Gain on loan forgiveness	**—**	(220,000)
Change in fair value of derivative liabilities	**29,342**	(1,911)
Changes in operating assets and liabilities:		
Accounts receivable	**184,258**	(223,008)
Inventory	**67,666**	323,764
Prepaids and other current assets	**132,619**	1,286
Accounts payable	**319,232**	(664,247)
Accrued expenses	**(105,367)**	286,851
Customer deposits	**69,337**	—
Payroll withholding	**—**	(467)
Operating lease liability	**(23,311)**	(19,629)
Net cash used by operating activities	**(2,234,326)**	(4,139,329)
Cash Flows from Investing Activities		
Additions to property and equipment	**(1,390)**	(27,719)
Net cash used by investing activities	**(1,390)**	(27,719)
Cash Flows from Financing Activities		
Proceeds from sale of convertible Series A Preferred Stock, net of fees of $0 and $1,446,040, respectively	**510,004**	4,036,621
Proceeds from pre-funded warrants for Series A Preferred Stock	**—**	2,734,340
Principal payments on line of credit	**—**	(150,000)
Principal payments on notes payable	**(98,905)**	(1,036,938)
Proceeds from notes payable	**250,000**	470,000
Net cash provided by financing activities	**661,099**	6,054,023
Net Increase (Decrease) in Cash and Cash Equivalents	**(1,574,617)**	1,886,975
Cash and Cash Equivalents at Beginning of Period	**1,895,475**	8,500
Cash and Cash Equivalents at End of Period	**$ 320,858**	$ 1,895,475
Supplemental Disclosure of Non-cash Cash Activities		
Cash paid for interest	**$ 31,631**	$ 74,490
Cash paid for income taxes	**—**	—
Supplemental Schedule of Non-cash Investing and Financing Activities		
Non-cash share issuance costs	**$ —**	$ 350,000

Notes to financial statements are an integral part of these statements

Neuraxis, Inc.
Notes to Financial Statements

December 31, 2021 and 2020

1. Basis of Presentation, Organization and Other Matters

Neuraxis, Inc. ("we," "us," the "Company," or "NeurAxis") was established in 2011 and incorporated in the state of Indiana on April 17, 2012, under the name of Innovative Health Solutions, Inc. The name was changed to Neuraxis, Inc. in March of 2022. Additionally, the Company filed a Certificate of Conversion to become a Delaware corporation on June 23, 2022. The authorized shares were increased, and a par value established. See Subsequent Events footnote.

On September 7, 2021, the Company's board of directors authorized a 4-for-1 stock split. They also increased the number of authorized common stock shares from 2,700,000 to 10,800,000. Furthermore, on September 9, 2021, the board authorized and increase of authorized shares of common stock from 10,800,000 to 13,400,000 in anticipation of a capital offering. All share and per share amounts for the common stock have been retroactively restated to give effect to the split.

As part of the conversion to a Delaware corporation, the total number of shares of all classes of stock which the Corporation shall have authority to issue is (1) 100,000,000 shares of Common Stock, par value $0.001 per share ("Common Stock") and (ii) 1,120,000 shares of Preferred Stock, par value $0.001 per share ("Preferred Stock"), 1,000,000 of which is hereby designated as "Series A Preferred Stock" and 120,000 of which is hereby designated as "Series Seed Preferred Stock" with the rights, preferences, powers, privileges and restrictions, qualifications and limitations set forth in this Article IV of the Delaware Certificate of Incorporation. All share amounts have been retroactively restated to give effect to these changes.

The Company is headquartered in Versailles, Indiana. The Company specializes in the development, production, and sale of medical neuromodulation devices.

The Company has developed three FDA cleared products, the IB-STIM (DEN180057, 2019), the NSS-2 Bridge (DEN170018, 2017), and the original 510(K) clearance (K140530, 2014).

- The IB-STIM is a percutaneous electrical nerve field stimulator (PENFS) device that is indicated in patients 11-18 years of age with functional abdominal pain associated with irritable bowel syndrome. The IB-STIM currently is the only product marketed and sold by the Company.

- The NSS-2 Bridge is a percutaneous nerve field stimulator (PNFS) device indicated for use in the reduction of the symptoms of opioid withdrawal. The NSS-2 Bridge device was licensed to Masimo Corporation in April 2020, and the Company received a one-time licensing fee of $250,000 from Masimo. Masimo markets and sells this product as its Masimo Bridge, and the Company will not receive any further licensing payments or other revenue from this product.

- The original 510(K) device was the EAD, an electroacupuncture device, now called NeuroStim. The EAD is no longer being manufactured, sold or distributed but reserved only for research purposes.

2. Summary of Significant Accounting Policies

The summary of significant accounting policies of Neuraxis, Inc. is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management, who is responsible for their integrity and objectivity. These accounting policies conform to U.S. generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Preparing the Company's financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Use of Estimates and Critical Accounting Estimates and Assumptions

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods.

These significant accounting estimates or assumptions bear the risk of change due to the fact that there are uncertainties attached to these estimates or assumptions, and certain estimates or assumptions are difficult to measure or value.

Management bases its estimates on historical experience and on various assumptions that are believed to be reasonable in relation to the financial statements taken as a whole under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

Management regularly evaluates the key factors and assumptions used to develop the estimates utilizing currently available information, changes in facts and circumstances, historical experience and reasonable assumptions. After such evaluations, if deemed appropriate, those estimates are adjusted accordingly. The Company uses estimates in accounting for, among other items, revenue recognition, allowance for doubtful accounts, stock-based compensation, income tax provisions, excess and obsolete inventory reserve, and impairment of intellectual property. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The Company did not hold any cash equivalents as of December 31, 2021 and 2020.

Trade Accounts Receivable

Trade accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Management considers the following factors when determining the collectability of specific customer accounts: customer creditworthiness, past transaction history with the customer, current economic industry trends, and changes in customer payment terms. Based on management's assessment of the credit history with customers having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial. Interest is not charged on past due customer accounts.

Allowance for Doubtful Accounts

Trade accounts receivable are stated net of an allowance for doubtful accounts. We estimate allowance for doubtful accounts by evaluating specific accounts where information indicates our customers may have an inability to meet financial obligations, such as customer payment history, credit worthiness and receivable amounts outstanding for an extended period beyond contractual terms. We use assumptions and judgment, based on the best available facts and circumstances, to record an allowance to reduce the receivable to the amount expected to be collected. The allowance for doubtful accounts was $11,770 and $0 at December 31, 2021 and 2020, respectively. During the years ended December 31, 2021 and 2020, the Company recorded $11,770 and $4,027, respectively as a bad debt expense.

Customer deposits

Customer deposits consists of billings and payments from clients in advance of revenue recognition. The Company will recognize the customer deposits over the next year. As of December 31, 2021, and 2020, the Company had customer deposits of $69,337 and $0, respectively

Inventories

Inventories are valued at the lower of cost or net realizable value. The inventory is comprised of finished medical devices on hand. Certain components within the devices have an expiration date that are removed from current inventory and expensed at the date of expiration. For the years 2021 and 2020, $48,488 and $14,072 were expensed as expired inventory, respectively.

Prepaid inventories of $96,587 held on December 31, 2020, are comprised of device components that were acquired from the previous contract manufacturer during the switch to a new contract manufacturer. The components were utilized by the new contract manufacturer in 2021. The balance is reported on the prepaids and other current assets line of the balance sheet.

Property and Equipment

Property and equipment are recorded at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Depreciation is calculated using the following estimated useful lives:

Classification	Years
Leasehold Improvements	10-20
Machinery and Equipment	7-10
Furniture and Fixtures	5-10

Depreciation expense was $34,767 and $33,846 during the years ended December 31, 2021 and 2020, respectively.

Research and Development

Costs for research and development are expensed as incurred. Research and development expense consists primarily of clinical research studies, new product development, and manufacturing improvements.

Intangible Assets

Intangible assets consist of patents and are stated at their historical cost and amortized on a straight-line basis over their expected useful lives. Capitalized patent costs, net of accumulated amortization, includes legal costs incurred for patent applications. In accordance with ASC 350, once a patent is granted, we amortize the capitalized patent costs over the remaining life of the patent using the straight-line method. If the patent is not granted, we write-off any capitalized patent costs at that time. We review intangible assets for impairment annually or when events or circumstances indicate that their carrying amount may not be recoverable. During the years ended December 31, 2021 and 2020, the Company recorded an impairment charge of $0 for intangible assets.

Amortization expense was $1,941 and $1,941 during the years ended December 31, 2021 and 2020, respectively.

Income Taxes

The Company has adopted accounting rules that prescribe when to recognize and how to measure the financial statements effect, if any, of income tax positions taken or expected to be taken on its income tax returns. These rules require management to evaluate the likelihood that, upon examination by relevant taxing jurisdictions, those income tax positions would be sustained.

Based on that evaluation, if it were more than 50% probable that a material amount of income tax would be imposed at the entity level upon examination by the relevant taxing authorities, a liability would be recognized in the accompanying balance sheet along with any interest and penalties that would result from that assessment. Should any such penalties and interest be incurred, the Company's policy would be to recognize them as operating expenses.

Based on the results of management's evaluation, adoption of the rules did not have a material effect on the Company's financial statements. Further, no interest or penalties have been accrued or charged to expense as of December 31, 2021 and 2020 and for the years then ended.

The Company's income tax returns are subject to examination by the taxing authorities until the expiration of the related statutes of limitations on those tax returns. In general, the federal and state income tax returns have a three-year statute of limitations. As of December 31, 2021, the following tax years are subject to examination:

Jurisdiction	Open Years for Filed Returns	Return to File in 2022
Federal	2018 – 2020	2021
Indiana	2018 – 2020	2021

Advertising Cost

Advertising costs are expensed as incurred and amounted to $34,316 and $89,709 for the years ended December 31, 2021 and 2020, respectively.

Derivative Financial Instruments

The Company evaluates its debt and equity issuances to determine if those contracts or embedded components of those contracts qualify as derivatives to be separately accounted for in accordance with paragraph 815-10-05-4 and Section 815-40-25 of the FASB Accounting Standards Codification. The result of this accounting treatment is that the fair value of the embedded derivative is marked-to-market on each balance sheet date and recorded as either an asset or a liability. In the event that the fair value is recorded as a liability, the change in fair value is recorded in the condensed consolidated statement of operations as other income or expense. Upon conversion, exercise, or cancellation of a derivative instrument, the instrument is marked to fair value at the date of conversion, exercise, or cancellation, and then the related fair value is reclassified to equity.

The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is re-assessed at the end of each reporting period. Equity instruments that are initially classified as equity that become subject to reclassification are reclassified to liability at the fair value of the instrument on the reclassification date. Derivative instrument liabilities will be classified in the balance sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument is expected within 12 months of the balance sheet date.

In accordance with Section 815-40-15 of the FASB Accounting Standards Codification ("Section 815-40-15") to determine whether an instrument (or an embedded feature) is indexed to the Company's own stock. Section 815-40-15 provides that an entity should use a two-step approach to evaluate whether an equity-linked financial instrument (or embedded feature) is indexed to its own stock, including evaluating the instrument's contingent exercise and settlement provisions.

The Company utilizes a Monte Carlo simulation model for warrants that have an option to convert at a variable number of shares to compute the fair value of the derivative and to mark to market the fair value of the derivative at each balance sheet date. The inputs utilized in the application of the Monte Carlo model included a starting stock price, an expected remaining term of each warrant as of the valuation date, estimated volatility, drift, and a risk-free rate. The Company records the change in the fair value of the derivative as other income or expense in the condensed consolidated statements of operations.

Fair Value Measurements

The Company accounts for financial instruments in accordance with ASC 820, Fair Value Measurements and Disclosures ("ASC 820"). ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1 – Quoted prices (unadjusted) for identical unrestricted assets or liabilities in active markets that the reporting entity has the ability to access as of the measurement date.

Level 2 – Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities: quoted prices in markets that are not active; or financial instruments for which all significant inputs are observable or can be corroborated by observable market date, either directly or indirectly.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. These unobservable inputs reflect that reporting entity's own assumptions about assumptions that market participants would use in pricing the asset or liability. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value require significant management judgment or estimation.

The Company's Level 1 assets/liabilities include cash, accounts receivable, accounts payable, prepaids, and other current assets. Management believes the estimated fair value of these accounts at December 31, 2021 approximate their carrying value as reflected in the balance sheets due to the short-term nature of these instruments or the use of market interest rates for debt instruments.

The Company's Level 2 assets/liabilities include certain of the Company's notes payable and capital lease obligations. Their carrying value approximates their fair values based upon a comparison of the interest rate and terms of such debt given the level of risk to the rates and terms of similar debt currently available to the Company in the marketplace.

The Company's Level 3 assets/liabilities include derivative liabilities. Inputs to determine fair value are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques, including option pricing models and discounted cash flow models. Unobservable inputs used in the models are significant to the fair values of the assets and liabilities.

The following tables provides a summary of the relevant assets and liabilities that are measured at fair value on recurring basis:

Fair Value Measurements as of December 31, 2021

	Total	(Level 1)	(Level 2)	(Level 3)
Liabilities:				
Derivative liabilities	$ 32,102	$ -	$ -	$ 32,102
Total Liabilities	$ 32,102	$ -	$ -	$ 32,102

Fair Value Measurements as of December 31, 2020

	Total	(Level 1)	(Level 2)	(Level 3)
Liabilities:				
Derivative liabilities	$ 2,760	$ -	$ -	$ 2,760
Total Liabilities	2,760	$ -	$ -	$ 2,760

The following table shows the valuation methodology and unobservable inputs for Level 3 assets and liabilities measured at fair value on recurring basis as of December 31, 2021 and 2020:

	Fair Value As of December 31, 2021	Fair Value As of December 31, 2020	Valuation Methodology	Unobservable Inputs
Derivative liabilities	$ 32,102	$ 2,760	Monte Carlo model	Project simulated cash flows

There were no transfers between any of the levels during the years ended December 31, 2021 and 2020. In addition to assets and liabilities that are recorded at fair value on a recurring basis, the Company's assets and liabilities are also subject to nonrecurring fair value measurements. Generally, assets are recorded at fair value on a nonrecurring basis as a result of impairment charges.

Basic and Diluted Net Income (Loss) per Share

Earnings or loss per share ("EPS") is computed by dividing net income (loss), net of preferred stock dividends, by the weighted average number of shares of common stock outstanding during the period. Diluted EPS is computed by dividing net income (loss) by the weighted average of all potentially dilutive shares of common stock that were outstanding during the periods presented. Preferred stock dividends (not declared or paid) were $748,832 and $589,156 for the years ended December 31, 2021 and 2020, respectively.

Basic net loss per common share is computed by dividing net loss attributable to common stockholders by the weighted-average number of common shares outstanding during the period. Diluted net loss per common share is determined using the weighted-average number of common shares outstanding during the period, adjusted for the dilutive effect of common stock equivalents. In periods when losses are reported, which is the case for December 31, 2021 and 2020 presented in these financial statements, the weighted-average number of common shares outstanding excludes common stock equivalents because their inclusion would be anti-dilutive.

The Company had the following potentially dilutive common stock equivalents at December 31, 2021 and 2020:

	December 31,	
	2021	**2020**
Convertible Series A Preferred Stock	506,637	479,612
Convertible Series Seed Preferred Stock	115,477	115,477
Options	2,638,788	2,638,788
Pre-Funded Warrants for Convertible Series A Preferred Stock	144,890	144,890
Warrants	25,704	25,704
Totals	3,431,496	3,404,471

The following table shows the calculation of the basic and diluted net loss per share and the effect of preferred stock dividends.

	2021	**2020**
Numerator		
Net loss	**$ (3,028,032)**	$ (3,726,149)
Preferred stock dividends	**(748,832)**	(589,156)
	(3,776,864)	(4,315,305)
Denominator		
Weighted-average shares of common stock outstanding - basic and diluted	**3,936,008**	3,936,008
Basic and diluted net loss per share	**$ (0.96)**	$ (1.10)

Stock-Based Compensation

The Company accounts for all stock-based payments and awards under the fair value-based method. The Company recognizes its stock-based compensation expense using the straight-line method. Compensation cost is not adjusted for estimated forfeitures, but instead is adjusted upon an actual forfeiture of a stock option.

The Company accounts for the granting of stock options to employees and non-employees using the fair value method whereby all awards are measured at fair value on the date of the grant. The fair value of all employee stock options is expensed over the requisite service period with a corresponding increase to additional paid-in capital. Upon exercise of stock options, the consideration paid by the option holder is recorded in additional paid-in capital, while the par value of the shares received is reclassified from additional paid in capital to common stock. Stock options granted to employees are accounted for as liabilities when they contain conditions or other features that are indexed to other than a market, performance, or service condition.

Stock-based payments to non-employees are measured based on the fair value of the equity instrument issued. Compensation expense for non-employee stock awards is recognized over the requisite service period following the measurement of the fair value on the grant date.

The Company uses the Black-Scholes option-pricing model to calculate the fair value of stock options. The use of the Black-Scholes option-pricing model requires management to make assumptions with respect to the expected term of the option, the expected volatility of the common stock consistent with the expected term of the option, risk-free interest rates, the value of the common stock and expected dividend yield of the common stock. Changes in these assumptions can materially affect the fair value estimate.

Revenue Recognition

Neuraxis, Inc. specializes in the development, production, and sale of medical neuromodulation devices to healthcare providers primarily located in the United States. Patented and trademarked neuromodulation devices is the Company's major product line. Products are generally transferred at a point in time (rather than over time). Essentially all the Company's revenue is generated from purchase order contracts.

In accordance with FASB's ASC 606, Revenue from Contracts with Customers, ("ASC 606"), the Company recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration which the Company expects to be entitled in exchange for those goods or services, in an amount that reflects the consideration which the Company expects to be entitled in exchange for those goods or services. To determine revenue recognition for arrangements that the Company determines are within the scope of ASC 606, it performs the following five steps:

(i) identify the contract(s) with a customer;
(ii) identify the performance obligations in the contract;
(iii) determine the transaction price;
(iv) allocate the transaction price to the performance obligations in the contract; and
(v) recognize revenue when (or as) the entity satisfies a performance obligation.

The Company applies the five-step model to contracts when it determines that it is probable it will collect substantially all of the consideration it is entitled to in exchange for the goods or services it transfers to the customer. At contract inception, once the contract is determined to be within the scope of ASC 606, the Company assesses the goods or services promised within each contract and determines those that are performance obligations and assesses whether each promised good or service is distinct. The Company then recognizes as revenue the amount of the transaction price, after consideration of variability and constraints, if any, that is allocated to the respective performance obligation when the performance obligation is satisfied.

The Company estimates credit losses on accounts receivable by estimating expected credit losses over the contractual term of the receivable using a discounted cash flow method. When developing this estimate of expected credit losses, the Company considers all available information (past, current, and future) relevant to assessing the collectability of cash flows.

The Company offers a Patient Assistance Program for patients without insurance coverage for IB-Stim. This program extends potential self-pay discounts for IB-Stim devices, based upon household income and size.

Also, the Company offers providers an opt-in program to address adequate insurance claim payments on IB-Stim devices. This program may extend a rebates or invoice credit where the insurance payment and patient responsibility (i.e. deductible, co-payment, and/or co-insurance amounts required by the Payer) are less than the acquisition cost of the IB-Stim device. The Company recognizes revenue at such a time that collection of the amount due is assured.

The following table disaggregates the Company's revenue based on the customer's location by state for the years ended December 31:

	2021	2020
Wisconsin	**$ 665,157**	$ 450,568
California	**549,466**	353,810
Ohio	**462,350**	348,666
North Carolina	**260,753**	325,155
All other states	**783,560**	452,029
	$ 2,721,286	$ 1,930,228

The following economic factors affect the nature, amount, timing, and uncertainty of the Company's revenue and cash flows as indicated:

Type of customer: Based on dollar amounts of revenue, essentially all of the goods sold by the Company are sold to healthcare customers including hospitals and clinics. Sales to healthcare customers lack seasonality and have a mild correlation with economic cycles.

Geographical location of customers: Sales to customers located within the United States represent essentially all of the Company's sales.

Type of contract: Sales contracts consist of purchase order contracts that tend to be short-term (i.e., less than or equal to one year in duration).

The opening and closing balances of trade receivables, contract assets, and contract liabilities from contracts with customers are as follows:

	Trade Receivables	Contract Assets	Contract Liabilities
Balance 1/1/2020	$ 88,321	$ 0	$ 0
Balance 12/31/20 and 1/1/2021	$ 311,329	$ 0	$ 0
Balance 12/31/2021	$ 115,301	$ 0	$ 0

Company's Performance Obligations with Customers:

Timing of Satisfaction

The Company typically satisfies its performance obligations as goods are delivered.

Goods that are shipped to customers are typically shipped FOB shipping point with freight prepaid by the Company. As such, ownership of goods in transit transfer to the customer when shipped and the customer bears the associated risks (e.g., loss, damage, delay). In some cases, a customer will take delivery directly from the Company's inventory (i.e., consigned inventory), at which point ownership and the associated risks pass to the customer at that time.

Shipping and handling costs are recorded as general and administrative expenses in the Statement of Operations.

Significant Payment Terms

Payment for goods sold by the Company is typically due, after an invoice is sent to the customer, within 30 days. However, other payment terms are frequently negotiated with customers ranging from due upon receipt to due within 90 days. Some payment terms may call for payment only after the healthcare provider receives their insurance reimbursement. Invoices for goods are typically sent to customers within three calendar days of shipment. The Company does not offer discounts if the customer pays some or all of an invoiced amount prior to the due date.

None of the Company's contracts have a significant financing component.

Nature

Medical devices that the Company contracts to sell and transfer to customers are manufactured by one specific third-party manufacturer. The manufacture is located within the state of Indiana and maintains compliance with FDA manufacturing guidelines. In no case does the Company act as an agent (i.e., the Company does not provide a service of arranging for another party to transfer goods to the customer).

Returns, Refunds, etc.

Orders may not be cancelled after shipment. Customers may return devices within 10 days of delivery if the goods are found to be defective, nonconforming, or otherwise do not meet the stated technical specifications. At the option of the customer, the Company shall either:

- Refund the price paid for any defective or nonconforming products
- Supply and deliver to the customer replacement conforming products
- Reimburse the customer for the cost of repairing any defective or nonconforming products

At the time revenue is recognized, the Company estimates expected returns and excludes those amounts from revenue. The Company also maintains appropriate accounts to reflect the effects of expected returns on the Company's financial position and periodically adjusts those accounts to reflect its actual return experience. Historically, returns have been immaterial, and the Company currently does not provide a provision for this liability.

Warranties

In most cases, goods that customers purchase from the Company are covered by manufacturers' warranties. The Company does not sell warranties separately.

The manufacturer guarantees the product for the period up to the expiration date printed on the device's label or twelve months from the date of purchase, whichever comes first. The guarantee applies to flaws of material and workmanship. The Company's warranties provide customers with assurance that purchased devices comply with published specifications, inspection standards, and workmanship. At the time revenue is recognized, the Company estimates the cost of expected future warranty claims but does not exclude any amounts from revenue. The Company maintains appropriate accounts to reflect the effects of expected future warranty claims on the Company's financial position and periodically adjusts those accounts to reflect its actual warranty claim experience. Historically, warranty claims have been immaterial, and the Company currently does not provide a provision for this liability.

The Company typically satisfies its performance obligations for goods at a point in time. In most cases, goods are shipped by common carrier to customers under "FOB Shipping Point" terms. As such, customers typically obtain control of the goods upon shipment. The Company's management exercises judgment in determining when performance obligations for goods have been satisfied. In making such judgments, management typically relies on shipping information obtained from common carriers to evaluate when the customer has obtained control of the goods.

The Company's contracts with customers typically do not involve variable consideration. The information that the Company uses to determine the transaction price for a contract is similar to the information that the Company's management uses in establishing the prices of goods to be sold.

Leases

Effective January 1, 2021, the Company adopted Accounting Standards Updated ("ASU") No. 2016-02, *Leases (Topic 842)* ("ASU 2016-02" or "ASC 842"), using the full retrospective method, the cumulative effect of the accounting change is recognized as an adjustment to the opening balance of retained earnings in the first comparative period presented. At the inception of an arrangement, the Company determines whether the arrangement is or contains a lease based on the unique facts and circumstances present in the arrangement. Leases with a term greater than one year are recognized on the balance sheet as right-of-use assets and current and non-current lease liabilities, as applicable.

Operating lease liabilities and their corresponding right-of-use assets are initially recorded based on the present value of lease payments over the expected remaining lease term. Certain adjustments to the right-of-use asset may be required for items such as incentives received. The interest rate implicit in lease contracts is typically not readily determinable. As a result, the Company utilizes its incremental borrowing rate to discount lease payments, which reflects the fixed rate at which the Company could borrow on a collateralized basis the amount of the lease payments in the same currency, for a similar term, in a similar economic environment. Prospectively, the Company will adjust the right-of-use assets for straight-line rent expense, or any incentives received and remeasure the lease liability at the net present value using the same incremental borrowing rate that was in effect as of the lease commencement or transition date. The Company has elected not to recognize leases with an original term of one year or less on the balance sheet. The Company typically only includes an initial lease term in its assessment of a lease arrangement. Options to renew a lease are not included in the Company's assessment unless there is reasonable certainty that the Company will renew.

Assumptions made by the Company at the commencement date are re-evaluated upon occurrence of certain events, including a lease modification. A lease modification results in a separate contract when the modification grants the lessee an additional right of use not included in the original lease and when lease payments increase commensurate with the standalone price for the additional right of use. When a lease modification results in a separate contract, it is accounted for in the same manner as a new lease.

The Company elected the following practical expedients, which must be elected as a package and applied consistently to all of its leases at the transition date (including those for which the entity is a lessee or a lessor): i) the Company did not reassess whether any expired or existing contracts are or contain leases; ii) the Company did not reassess the lease classification for any expired or existing leases (that is, all existing leases that were classified as operating leases in accordance with ASC 840 are classified as operating leases, and all existing leases that were classified as capital leases in accordance with ASC 840 are classified as finance leases); and iii) the Company did not reassess initial direct costs for any existing leases.

For leases that existed prior to the date of initial application of ASC 842 (which were previously classified as operating leases), a lessee may elect to use either the total lease term measured at lease inception under ASC 840 or the remaining lease term as of the date of initial application of ASC 842 in determining the period for which to measure its incremental borrowing rate. In transition to ASC 842, the Company utilized the remaining lease term of its leases in determining the appropriate incremental borrowing rates.

In accordance with ASC 842, components of a lease should be split into three categories: lease components, non-lease components, and non-components. The fixed and in-substance fixed contract consideration (including any consideration related to non-components) must be allocated based on the respective relative fair values to the lease components and non-lease components.

Entities may elect not to separate lease and non-lease components. The Company has elected to account for lease and non-lease components together as a single lease component for all underlying assets and allocate all of the contract consideration to the lease component only.

Impairment of Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable. If events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable, we compare the carrying amount of the asset group to future undiscounted net cash flows, excluding interest costs, expected to be generated by the asset group and their ultimate disposition. If the sum of the undiscounted cash flows is less than the carrying value, the impairment to be recognized is measured by the amount by which the carrying amount of the asset group exceeds the fair value of the asset group. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs to sell.

Risks and Uncertainties

In 2021, the World Health Organization declared Coronavirus (COVID-19) a pandemic. The continued spread of COVID-19, or any similar outbreaks in the future, may adversely impact the local, regional, national, and global economies. The extent to which COVID-19 impacts the Company's results is dependent on the breadth and duration of the pandemic and could be affected by other factors the Company is not currently able to predict. These impacts may include, but are not limited to, additional costs for responding to COVID-19, potential shortages of labor, potential shortages of material and supplies, and loss of, or reduction to, revenue. Management believes the Company is taking appropriate actions to respond to the pandemic, however, the full impact is unknown and cannot be reasonably estimated at this time.

Concentrations of Credit Risk

The Company's business activity consists of the sale of medical neuromodulation devices to doctors, clinics, and hospitals across the country.

Receivables consist of unsecured amounts due from customers. The balance at December 31, 2021 and 2020 of accounts receivable was $115,301 and $311,329, respectively.

The table below sets forth the Company's customers that accounted for greater than 10% of its revenues in one of the years ended December 31, 2021 and 2020, respectively.

	2021	Percentage of Sales	2020	Percentage of Sales
Hospital A	**$ 574,185**	21%	$ 430,211	22%
Hospital B	**444,965**	16%	336,627	17%
Hospital C	**321,964**	12%	231,568	12%
Hospital D	**226,293**	8%	285,717	15%
	$ 1,567,407	58%	$ 1,284,123	67%

From time to time, the Company's bank balances may exceed the FDIC limit of $250,000; however, management does not feel that this has a material impact on the financial condition. At December 31, 2021 and 2020, the Company's uninsured cash balances totaled $20,850 and $1,450,000, respectively.

Liquidity

We have incurred losses since inception and have funded our operations primarily with a combination of sales, debt, and the sale of capital stock. As of December 31, 2021, we had an stockholders' deficit of approximately $826 thousand. At December 31, 2021, we had short-term and long-term borrowings outstanding of approximately $250 thousand and $52 thousand, respectively. As of December 31, 2021, we had cash of approximately $321 thousand and a working capital deficit of approximately $934 thousand.

Our future capital requirements will depend upon many factors, including progress with developing, manufacturing, and marketing our technologies, the time and costs involved in preparing, filing, prosecuting, maintaining, and enforcing patent claims and other proprietary rights, our ability to establish collaborative arrangements, marketing activities and competing technological and market developments, including regulatory changes and overall economic conditions in our target markets. Our ability to generate revenue and achieve profitability requires us to successfully market and secure purchase orders for our products from customers currently identified in our sales pipeline and to new customers as well. The primary activity that will drive all customers and revenues is the adoption of insurance coverage by commercial insurance carriers nationally, so this is a top priority of the Company. These activities, including our planned research and development efforts, will require significant uses of working capital through the end of 2022 and beyond. Based on our current operating plans, we believe that our existing cash at the time of this filing will only be sufficient to meet our anticipated operating needs through November 2022.

Going Concern Evaluation

Management evaluates whether there are conditions or events that raise substantial doubt about the Company's ability to continue as a going concern for a period of one year from the date the financial statements are issued.

To date, the Company has experienced operating losses and negative cash flows from operations. Management believes that increased sales and acceptance of their product by insurance providers, will allow the Company to achieve profitability in the near term.

While the Company believes in the viability of its strategy to further implement its business plan and generate sufficient revenues and in its ability to raise additional funds by way of a public or private offering of its debt or equity securities, there can be no assurance that it will be able to do so on reasonable terms, or at all. The ability of the Company to continue as a going concern is dependent upon its ability to further implement its business plan and generate sufficient revenues and its ability to raise additional funds by way of a public or private offering. Because, under current accounting standards, neither future cash generated from operating activities, nor management's contingency plans to mitigate the risk and extend cash resources through the evaluation period, are considered probable, substantial doubt is deemed to exist about the Company's ability to continue as a going concern. As we continue to incur losses, our transition to profitability is dependent upon achieving a level of revenues adequate to support its cost structure. We may never achieve profitability, and unless and until doing so, we intend to fund future operations through additional dilutive or nondilutive financings. There can be no assurances, however, that additional funding will be available on terms acceptable to us, if at all.

The financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Recently Adopted Accounting Pronouncements

In February 2016, the FASB issued an update (ASU 2016-02, Leases) which requires lessees to record most leases on their balance sheet and recognize leasing expenses in the income statement. The guidance modifies the recognition and accounting for lessees and lessors and requires expanded disclosures regarding assumptions used to recognize revenue and expenses related to leases. The guidance is effective for annual and interim reporting periods beginning after December 15, 2019 for SEC filers, December 15, 2020 for public business entities that are not SEC filers, and December 15, 2021 for all other entities, including EGCs that have elected to defer adoption until the guidance becomes effective for non-public entities, with early adoption permitted. The Company elected to adopt early. Early adoption is permitted and modified retrospective adoption is required. The guidance is to be applied using either a full retrospective or modified retrospective method. In applying the full retrospective method, the cumulative effect of the accounting change should be recognized as an adjustment to the opening balance of retained earnings in the first comparative period presented. In applying the modified retrospective method, the cumulative effect of the accounting change should be recognized as an adjustment to the opening balance of retained earnings at the date of adoption. The Company early adopted ASU 2016-02 effective January 1, 2020, under the full retrospective approach.

In August 2018, the FASB issued ASU 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement, which adds disclosure requirements to Topic 820 for the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements. This ASU is effective for interim and annual reporting periods beginning after December 15, 2019. The Company adopted this standard as of January 1, 2020, and the adoption did not have a material impact on the Company's financial statements.

In November 2018, FASB issued ASU 2018-18, Collaborative Arrangements (Topic 808): Clarifying the Interaction Between Topic 808 and Topic 606, which, among other things, provides guidance on how to assess whether certain collaborative arrangement transactions should be accounted for under Topic 606. The amendments in this ASU are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019, with early adoption permitted. The Company adopted this standard on January 1, 2020, and the adoption did not have a material impact on the Company's financial statements.

In August 2020, FASB issued ASU 2020-06, Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity's Own Equity (Subtopic 815-40), which simplifies accounting for convertible instruments by removing major separation models required under current GAAP. The ASU removes certain settlement conditions that are required for equity contracts to qualify for the derivative scope exception, and it also simplifies the diluted earnings per share calculation in certain areas. The guidance is effective for interim and annual periods beginning after December 15, 2021. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. FASB has specified that an entity should adopt the guidance as of the beginning of its annual fiscal year. The guidance is to be applied using either a full retrospective or modified retrospective method. In applying the full retrospective method, the cumulative effect of the accounting change should be recognized as an adjustment to the opening balance of retained earnings in the first comparative period presented. In applying the modified retrospective method, the cumulative effect of the accounting change should be recognized as an adjustment to the opening balance of retained earnings at the date of adoption**.** The Company early adopted ASU 2020-06 effective January 1, 2021, under the modified retrospective approach. The adoption of this guidance did not have a material impact on the Company's financial statements.

In May 2014, the FASB issued an update (ASU 2014-09, Revenue from Contracts with Customers) that supersedes most current revenue recognition and industry-specific guidance. These standards update clarifies the principles for recognizing revenue and develops a common revenue standard for U.S. GAAP and International Financial Reporting Standards. The standards update intends to provide a more robust framework for addressing revenue issues; improve comparability of revenue recognition practices across entities, industries, jurisdictions, and capital markets; and provide more useful information to users of financial statements through improved disclosure requirements. The guidance is effective for nonpublic entities for annual reporting periods beginning after December 15, 2019. The Company adopted ASU 2014-09 effective January 1, 2020.

Recently Issued Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which requires measurement and recognition of expected credit losses for financial assets held and requires enhanced disclosures regarding significant estimates and judgments used in estimating credit losses. In November 2019, the FASB issued ASU 2019-10, Financial Instruments – Credit Losses (Topic 326), Derivatives and Hedging (Topic 815) and Leases (Topic 842): Effective Dates, which amends the effective date of ASU 2016-13. Public business entities meeting the definition of an SEC filer, excluding entities eligible to be a Smaller Reporting Company ("SRC") as defined by the SEC, are required to adopt the standard for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. All other entities are required to adopt the standard for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. The Company meets the definition of an SRC and therefore the standard will not be effective until the beginning of 2023. The Company is evaluating the effect that ASU 2016-13 will have on its financial statements.

3. Related Party Transactions

The Company has two demand notes receivable from shareholders related to the sale of common stock on January 1, 2016. Both notes initial balances were $506,400, with interest calculated monthly based on applicable federal rates. No payments have been received on the notes. Since repayment is not assured, the Company provided an allowance for the entire balance of principal and interest as of December 31, 2019. The current allowance is $1,083,762 as of December 31, 2021. The current loan balances are as follows:

December 31, 2021	Loan Receivable	Interest Receivable	Interest Income
Shareholder 1	$ 506,400	$ 35,548	$ 827
Shareholder 2	506,400	35,414	827
	1,012,800	70,962	1,654
Allowance for Collection Risk	(1,012,800)	(70,962)	(1,654)
Net Balance	$ —	$ —	$ —

December 31, 2020	Loan Receivable	Interest Receivable	Interest Income
Shareholder 1	$ 506,400	$ 34,721	$ 2,921
Shareholder 2	506,400	34,587	2,921
	1,012,800	69,308	5,842
Allowance for Collection Risk	(1,012,800)	(69,308)	(5,842)
Net Balance	$ —	$ —	$ —

The Company has loans payable to shareholders related to funding needs for operations. The current loan details for all related party loans are as follows:

December 31, 2021	Due Date	Interest Rate	Loan Balance	Interest & Service Fee Accrued	Interest Paid
Shareholder 2	Demand	0.12%	$ —	$ —	$ 10
Shareholder 1	June, 2019	15.00%	20,051	5,153	—
Shareholder 1	June, 2019	15.00%	38,000	17,781	—
Shareholder 3	June, 2019	15.00%	—	—	4,582
Other Convertibles Various		5.00%	—	66,648	—
Total			$ 58,051	$ 89,582	$ 4,592

December 31, 2020	Due Date	Interest Rate	Loan Balance	Interest & Service Fee Accrued	Interest Paid
Shareholder 2	Demand	0.15%	$ 61,861	$ 8	$ 36,403
Shareholder 1	June, 2019	15.00%	20,051	2,145	9,051
Shareholder 1	June, 2019	15.00%	38,000	12,081	—
Shareholder 3	June, 2019	15.00%	31,093	3,403	9,619
Other Convertibles	Various	5.00%	—	66,648	—
Total			$ 151,005	$ 84,285	$ 55,073

The Company's Chief Financial Officer, John Seale, CPA.CITP, is contracted for services through RBSK Partners PC (RBSK). Mr. Seale is RBSK's managing partner and majority shareholder. RBSK is engaged by the Company to provide accounting and tax services on a continuous basis. Fees paid to RBSK for services were $80,394 and $167,489 for the years ended December 31, 2021 and 2020, respectively. The Company owed RBSK for open invoices of $3,386 and $6,270 as of December 31, 2021 and 2020, respectively.

4. Prepaids and Other Current Assets

The Company made cash advances to its manufacturer in the amount of $1,123,000. Production invoices from the manufacturer for the years 2017-2020 in the amount of $1,123,000 have been applied to the advance balance leaving a net balance of $0 and $38,240 as of December 31, 2021 and 2020, respectively. The vendor deposit balance is reported within prepaids and other current assets on the balance sheet.

5. Accrued Expenses

Accrued expenses consisted of the following:

	2021	2020
Wages	$ 451,970	$ 525,791
Employee benefits	11,735	5,736
Commissions	7,786	50,639
Property taxes	563	554
Interest expense	89,582	84,285
Total accrued expenses	$ 561,636	$ 667,005

6. Long-term Notes Payable

The Company borrowed $250,000 on December 16, 2021, from Channel Partners Capital. The note calls for 65 weekly payments of $4,923.08 with the final payment scheduled for March 16, 2023. The note's interest rate computes to a nominal rate of 40.856%. The principal outstanding at December 31, 2021 was $244,048.

The lender was granted and assigned a continuing security interest in all the Company's personal property assets including, but not limited to, business equipment, inventory, accounts, accounts receivable, intellectual property, chattel paper, instruments, deposit accounts, commercial tort claims, contract rights, licenses, claims, and general intangibles.

Future minimum principal payments are as follows:

2022	$ 192,356
2023	$ 51,692

7. Leases

The Company's leases are comprised of operating leases for office space. At the inception of the lease, the Company determines whether the lease contract conveys the right to control the use of identified property for a period of time in exchange for consideration. Leases are classified as operating or finance leases at the commencement date of the lease. Operating leases are recorded as operating lease right-of-use assets, other current liabilities, and operating lease liabilities in the Balance Sheets. The Company did not have any finance leases at December 31, 2021 and 2020.

The Company had three leases primarily consisting of office space in Versailles and Carmel Indiana. Two of the leases in Versailles started January 1, 2017. Both have an initial term of five years with an option for an additional five-year term. The monthly lease payments for these leases are $550 and $1,600 with a 3% per annum increase starting with the optional five-year term. The lease in Carmel started March 1, 2016. The initial term is five years and three months with an option for an additional three-year term. The monthly lease payment started at $1,472 with an annual increase of approximately 2.7%. On December 16, 2020, the Company entered into an amendment of the Carmel lease that extended the initial term by two years.

Operating lease right-of-use assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. As the implicit interest rate is generally not readily determinable, the Company uses an incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. The incremental borrowing rate reflects the estimated rate of interest that the Company would pay to borrow on a collateralized basis over a similar economic environment. Lease expense for the operating lease is recognized on a straight-line basis over the lease term.

Leases may include renewal options, and the renewal option is included in the lease term if the Company concludes that it is reasonably certain that the option will be exercised. Certain leases may contain rent escalation clauses, either fixed or adjusted periodically for inflation of market rates, that are factored into the calculation of lease payments to the extent they are fixed and determinable at lease inception. The Company also has variable lease payments that do not depend on a rate or index, primarily for items such as common area maintenance and real estate taxes, which are recorded as expenses when incurred.

For the years ended December 31, 2021 and 2020, the Company recognized $4,725 and $2,268 of operating lease expense, including short-term lease expense and variable lease costs, which are immaterial.

The following table presents information related to the Company's operating leases:

	2021	2020
Operating lease right-of-use assets	**$ 127,975**	$ 150,786
Other current liabilities	**27,582**	23,311
Operating lease liabilities	**109,594**	137,176
	$ 137,176	$ 160,487
Weighted-average remaining lease term (in years)	5	4
Weighted-average discount rate	15.0%	15.0%

As of December 31, 2021, the maturities of the Company's operating lease liabilities were as follows:

2022	$ 46,319
2023	46,832
2024	34,731
2025	25,800
2026	25,800
Total lease payments	179,482
Less: imputed interest	42,306
Total present value of lease payments	$ 137,176

8. Common Stock and Warrants

On September 7, 2021, the Company's board of directors authorized a 4-for-1 stock split. They also increased the number of authorized common stock shares from 2,700,000 to 10,800,000. Furthermore, on September 9, 2021, the board authorized and increase of authorized shares of common stock from 10,800,000 to 13,400,000 in anticipation of a capital offering. As part of the conversion to a Delaware Corporation in June of 2022, the total number of common stock shares authorized was increased to 100,000,000. All share and per share amounts for the common stock have been retroactively restated to give effect to the split.

In connection with a bridge loan, the Company issued a warrant to a shareholder, Brian Hannasch, on September 18, 2018. The warrant allows the holder to purchase common stock from the Company at a share price of $4.38 per share. The number of shares was based on a formula tied to the amount of loans made by the holder. The number of shares based on this formula is 25,704. The warrant contains certain rights in the event of liquidation, merger, or consolidation of the Company. If the fair market value of one share is greater than the warrant price, the holder may elect to receive a number of shares equal to the value of the warrant. If the exercise in in connection with the sale of the Company, the holder may, at its option, condition its exercise of the warrant upon the consummation of such transaction. The warrant expires on September 18, 2028, and can be exercisable either in whole or from time to time in part prior to the expiration date.

The Company issued a second warrant to Brian Hannasch on September 6, 2019, under similar terms. This is a penny warrant that allows the holder to purchase 80,000 shares of common stock and is subject to adjustment for certain equity events. The warrant contains certain rights in the event of liquidation, merger, or consolidation of the Company. The warrant expires on September 6, 2029.

The Company issued a third warrant to Masimo Corporation on April 9, 2020. This warrant was pre-funded in the amount of $2,734,340. The warrant allows the holder to purchase 144,890 shares of Series A Preferred Stock at $18.87 per share and is subject to adjustment for certain equity events. The warrant contains certain rights in the event of liquidation, merger, or consolidation of the Company. There will be no additional purchase price for the Warrants. In the event that all outstanding shares of Series A Preferred Stock are converted, automatically or by action of the holders thereof, into Common Stock, including, without limitation, in connection with the Company's initial, underwritten public offering and sale of its Common Stock pursuant to an effective registration statement under the Act (the "IPO"), then from and after the date on which all outstanding shares of Series A Preferred Stock have been so converted, this Warrant shall be exercisable for such number of shares of Common Stock into which the Warrant Shares would have been converted had the Warrant Shares been outstanding on the date of such conversion, and the Exercise Price shall equal the Exercise Price in effect as of immediately prior to such conversion divided by the number of shares of Common Stock into which one share of Series A Preferred Stock would have been converted, all subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant.

The following is a summary of warrant activity for common stock during the years ended December 31, 2021 and 2020:

	Number of Warrants for Common Stock	Weighted-Avg. Exercise Price
Outstanding as of December 31, 2019	105,704	$ 1.07
Granted	—	—
Cancelled/Expired	—	—
Exercised	—	—
Outstanding as of December 31, 2020	105,704	$ 1.07
Granted	—	—
Cancelled/Expired	—	—
Exercised	—	—
Outstanding as of December 31, 2021	105,704	$ 1.07

The following is a summary of warrant activity for preferred stock during the years ended December 31, 2021 and 2020:

	Number of Warrants for Preferred Stock	Weighted-Avg. Exercise Price
Outstanding as of December 31, 2019	—	$ —
Granted	—	—
Cancelled/Expired	—	—
Exercised	—	—
Outstanding as of December 31, 2020	—	$ —
Granted	144,890	$ 0.0001
Cancelled/Expired	—	—
Exercised	—	—
Outstanding as of December 31, 2021	144,890	$ 0.0001

The following table summarizes the Company's warrants outstanding and exercisable as of December 31, 2021.

	Number of Warrants Outstanding		Exercise Price	Expiration Date
Common Stock	25,704	$	4.3800	September 18, 2028
Common Stock	80,000	$	0.0100	September 6, 2029
Preferred Stock	144,890	$	0.0001	None
	250,594			

9. Preferred Stock

The Company has authorized 1,120,000 shares of preferred stock of which 1,000,000 has been designated Series A Preferred Stock and 120,000 has been designated Series Seed Preferred Stock, of which 506,637 and 479,612 shares of Series A Preferred Stock and 115,477 shares of Series Seed Preferred Stock are issued and outstanding as of December 31, 2021 and 2020.

The aggregate purchase price of the Series A Preferred Stock was $9,321,165, of which $7,692,664 was comprised of cash and the remaining $1,628,501 was comprised of converted debt and common stock. The aggregate purchase price of the shares of Series Seed Preferred Stock was $0, as all the shares of Series Seed Stock were converted from common stock as an incentive to reinvest in Series A Preferred Stock.

The following is a summary of Preferred Stock terms:

Voting Rights - The Series A Preferred Stock and Series Seed Preferred Stock shall vote together with the Common Stock on an as-converted basis, and not as separate classes.

Conversion - The Series A Preferred Stock and Series Seed Stock initially convert 1:1 to Common Stock at any time at option of holder, subject to adjustments for stock dividends, splits, combinations, and similar events and as described below under "Anti-dilution Provisions."

Dividends - The Series A Preferred Stock will carry an annual 8% cumulative dividend, payable upon any liquidation, dissolution or winding up of the Company (the "Accruing Dividend"). For any other dividends or distributions, participation with Common Stock on an as-converted basis.

Liquidation - In the event of any liquidation, dissolution or winding up of the Company, the proceeds shall be paid in the following priority:

First, to the Series A Preferred in proportion to each holder's respective pro rata Series A Original Purchase Price, plus any pro rata share of the Accruing Dividend until the entire Series A Original Purchase Price and Accruing Dividend are paid;

Second, to the Series Seed Preferred Stock in proportion to each holder's respective pro rata Series Seed Original Purchase Price until the entire amount of the Series Seed Original Purchase Price is paid;

Thereafter, the Series A Preferred Stock and Series Seed Preferred Stock participate with the Common Stock pro rata on an as-converted basis.

A merger or consolidation (other than one in which stockholders of the Company own a majority by voting power of the outstanding shares of the surviving or acquiring corporation) and a sale, lease, transfer, exclusive license or other disposition of all or substantially all of the assets of the Company will be treated as a liquidation event, thereby triggering payment of the liquidation preferences described.

Anti-dilution Provisions - The Series A Preferred have full-ratchet anti-dilution protection so that the conversion price will be reduced to 80% of the price at which any future shares are issued, if less than the Series A Original Purchase Price.

In consideration for shareholders to make an additional investment in the Company, upon the purchase of the Series A Preferred stock by the shareholder, the Company converted the existing common shares held by shareholders to Series Seed Preferred Stock at a $100 million valuation and at a 120% share premium. As of December 31, 2021, and 2020, there were 97,702 common shares converted into 115,477 shares of Series Seed Preferred Stock that have no par value and are outstanding.

10. Stock Options and Awards

On October 12, 2017, the Company adopted the 2017 Stock Compensation Plan authorizing the issuance of 1,435,652 shares of common stock. On September 13, 2019 the Company entered into a Stock Option Cancellation agreement with all holders of these stock options effective on that date.

This plan was then amended on September 13, 2019, to increase the share amount to 2,638,788. This plan was enacted to enable the Company to retain the services of certain key employees, officers, and directors of the Company. The Plan provides for the grant of stock options, including incentive stock options, or ISOs, and nonqualified stock options, or NSOs and restricted stock, and they were estimated using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	Assumptions as of December 31, 2019	
	Fully Vested	Partially Vested
Number of Shares	2,580,648	58,140
Stock price	$ 3.74	$ 3.74
Exercise price	$ 3.47	$ 3.47
Expected term	5 years	5.9 years
Expected volatility	63.69%	69.4%
Risk-free interest rate	2.17%	2.17%
Dividend rate	0%	0%

The following is a summary of stock option activity for the years ended December 31, 2021 and 2020:

	Number of Options	Weighted Avg. Remaining Contractual Life (in years)	Weighted Avg. Exercise Price	Aggregate Intrinsic Value
Outstanding as of December 31, 2019	2,638,788	7.78	$ 13.88	$ —
Granted	—			
Forfeited	—			
Cancelled/Expired	—			
Exercised	—			
Outstanding as of December 31, 2020	2,638,788	6.78	$ 13.88	$ —
Granted	—			
Forfeited	—			
Cancelled/Expired	—			
Exercised	—			
Outstanding as of December 31, 2021	2,638,788	5.78	$ 13.88	$ —
Vested and Exercisable as of December 31, 2021	2,619,408	5.78	$ 13.88	$ —

Stock-based compensation expense is classified in the Company's statements of operations as general and administrative expense. The amounts were $48,641 and $48,774 for years ended December 31, 2021 and 2020, respectively. As of December 31, 2021, there was $27,319 of total unrecognized compensation expense related to unvested options granted under the Company's share-based compensation plans that is expected to be recognized over a period of approximately 0.56 years.

11. Derivative Liabilities

The Company has identified derivative instruments arising from an adjustable exercise price for warrants that are issued and outstanding as of December 31, 2021 and 2020.

The Company utilizes a Monte Carlo simulation model for warrants that have an option to convert at a variable number of shares to compute the fair value of the derivative and to mark to market the fair value of the derivative at each balance sheet date. The inputs utilized in the application of the Monte Carlo model included a starting stock price, an expected remaining term of each warrant as of the valuation date, estimated volatility, drift, and a risk-free rate.

Risk-free interest rate: The Company uses the risk-free interest rate of a U.S. Treasury Note adjusted to be on a continuous return basis to align with the Black-Scholes option-pricing model.

Dividend yield: The Company uses a 0% expected dividend yield as the Company has not paid dividends to date and does not anticipate declaring dividends in the near future.

Volatility: The Company calculates the expected volatility based on comparable company's historical stock prices with a look back period commensurate with the period to maturity.

Expected term: The Company's remaining term is based on the remaining contractual maturity of the warrants.

The following are the changes in the derivative liabilities during the year ended December 31, 2021 and 2020.

	Level 1	Level 2	Level 3
Derivative liabilities as of January 1, 2020	$ —	$ —	$ 4,745
Addition	—	—	—
Changes in fair value	—	—	(1,247)
Derivative liabilities as of January 1, 2021	—	—	3,498
Addition	—	—	—
Changes in fair value	—	—	28,816
Derivative liabilities as of December 31, 2021	$ —	$ —	$ 32,314

12. Retirement Plan

The Company sponsors a 401(k)-retirement plan for its employees. Employees are eligible to participate in the elective deferral portion of the plan after twelve months and 1,000 hours of service. The Company matches the employee's contribution up to 3%. The Company can also make an optional profit-sharing contribution to the employee accounts on an annual basis. There was an expense of $22,501 and an over accrual of $7,048 for years ended December 31, 2021 and 2020, respectively.

13. **Payroll Protection Program Loan**

The Company received a loan in the amount of $220,000 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after eight or twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the eight-week period.

The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. The Company has used the proceeds for purposes consistent with the PPP.

On December 28, 2020, the Company was notified by their bank that the SBA had paid off their PPP loan which was approved for total forgiveness.

14. **Commitments and Contingencies**

License Agreement

On April 9, 2020, the Company entered into a license agreement with Masimo Corporation (Masimo) granting certain exclusive rights and licenses, access to Company's research and development capabilities, and to enable the development, manufacture, and commercialization of products in a specific "field", primarily related to pain associated with substance abuse withdrawal symptoms.

The "field" excludes the following pediatric and adult conditions (including the associated symptoms and any pain caused thereby): chronic nausea, gastroparesis, functional gastrointestinal disorders, chemotherapy induced nausea/vomiting, concussions and post-concussion syndrome, headaches (migraine or benign, non-specified), symptoms resulting from traumatic brain injury, post-traumatic stress disorder, fatty liver disease, cyclic vomiting syndrome, movement disorder including Parkinson's disease, chronic sleep disorders, inflammatory bowel disease, pancreatitis, pulmonary inflammatory disorders, dysautonomia and postural orthostatic tachycardia syndrome, tic disorders, tinnitus, TMJ disorders, autoimmune disorders, seizure disorders, diabetes, and modulation of exercise physiology and recovery.

Company also entered into a collaboration agreement with Masimo to induce Masimo to enter into the purchase of Series A Preferred Stock and Pre-funded Warrants for Series A Preferred Stock and as part of that agreement received a one-time, upfront and non-refundable fee of $250,000 for the license agreement. More information is contained in footnote 8.

Manufacturing Services Agreement

On August 21, 2020, the Company entered into a Manufacturing Services Agreement (MSA) for the manufacture and supply of the Company's IB-STIM device based upon the Company's product specifications as set forth in the MSA. This agreement terminated any prior manufacturing agreements.

The Company provides the necessary equipment to the manufacturer and retains ownership. The manufacturer bears the risk of loss of and damage to the equipment and consigned materials. Performance under the MSA is initiated by orders issued by the Company and accepted by the manufacturer.

The term of the MSA is 24 months and shall automatically renew for renewal terms of twelve months unless either party provides a written termination notice to the other party within 180 days prior to the end of the then-current term.

Litigation

From time to time in the normal course of our business operations, we may become subject to litigation that may result in liability material to our financial condition as a whole or may negatively affect our operating results if changes to our business operations are required. The cost to defend such litigation may be significant and may require a significant diversion of our resources, and there is no guarantee that we will be able to successfully defend against any such litigation regardless of particular merits. There also may be adverse publicity associated with litigation that could negatively affect customer perception of our business, regardless of whether the allegations are valid or whether we are ultimately found liable. Insurance may not be available on favorable terms, at all, or in sufficient amounts to cover any liabilities with respect to these or other matters. A judgment or other liability in excess of our insurance coverage for any claims could adversely affect our business, financial condition and the results of our operations.

On February 6, 2019, plaintiff Ritu Bhambhani, M.D., initiated a lawsuit against Innovative Health Solutions, Inc. and others in the United States District Court for the District of Maryland. Plaintiffs Bhambhani and Sudhir Rao subsequently amended the complaint, with the Third Amended Complaint ("Complaint") containing the most recent set of allegations. The Complaint asserted claims under the RICO Act, as well as of fraudulent misrepresentation, intentional misrepresentation by concealment, and civil conspiracy and sought compensatory damages in excess of $5 million, pre-judgment interest, punitive damages, attorney's fees, court costs and designation of the case as a class action. The Complaint states that the Company, distributors of the Company's product, and medical billing and coding consultants allegedly made misrepresentations to the plaintiffs that the Company's NeuroStim device and related procedures could be billed to, and reimbursed by, Medicare and other insurance payors as a surgically implantable neurostimulator. Plaintiffs claim to have suffered damages when Medicare administrative contractors declined to pay plaintiffs for their use of the device.

On February 11, 2022, the Company filed a motion for summary judgment based upon the plaintiffs not being proper parties to assert claims against the Company. On June 14, 2022, the Court granted the Company's motion for summary judgment and dismissed the Complaint.

On July 14, 2022, plaintiffs Ritu Bhambhani and Sudhir Rao filed a notice of appeal with the Fourth Circuit Court of Appeals. The Company filed a motion to dismiss. The Court suspended briefing on the merits while it considers the Company's motion to dismiss the appeal.

On July 14, 2022, plaintiffs Ritu Bhambhani, LLC; Box Hill Surgery Center, LLC; Pain and Spine Specialists of Maryland, LLC; and SimCare ASC, LLC initiated a lawsuit against Neuraxis, Inc. and others in the United States District Court for the District of Maryland. Those plaintiffs are business entities owned or partially owned by the plaintiffs that initiated the litigation described above. The Complaint asserted claims under the RICO Act, as well as fraudulent misrepresentation, intentional misrepresentation by concealment, and civil conspiracy and seeks compensatory damages in excess of $75,000, pre-judgment interest, punitive damages, attorney's fees, and court costs. While it is too early to predict the ultimate outcome of this matter, we believe we have meritorious defenses and intend to defend this matter vigorously. The Complaint states that the Company, distributors of the Company's product, and medical billing and coding consultants allegedly made misrepresentations to the plaintiffs that the Company's NeuroStim device and related procedures could be billed to, and reimbursed by, Medicare and other insurance payors as a surgically implantable neurostimulator. Plaintiffs claim to have suffered damages when Medicare administrative contractors declined to pay plaintiffs for their use of the device.

The Company has filed a motion to dismiss all claims, but no ruling has been issued yet. While it is too early to predict the ultimate outcome of this matter, we believe we have meritorious defenses and intend to defend this matter vigorously.

15. Income Taxes

The Company did not recognize a current provision for income taxes for 2021 and 2020 since there were net operating losses reported in both years.

Deferred income taxes are provided for the temporary differences between the financial reporting basis and the tax basis of the Company's assets and liabilities. Differences are primarily attributable to net operating loss carryforwards and depreciation on assets.

The Company does not reflect a deferred tax asset in its financial statements but includes that calculation and valuation in its footnotes. The net deferred tax amounts include the following components:

	2021	2020
Net deferred tax assets - Non-current		
Depreciation	**$ (22,010)**	$ (27,955)
Amortization	**(5,992)**	(6,539)
Accrual to cash	**509,743**	377,185
Stock based compensation	**3,667,546**	3,690,014
Expected income tax benefit from NOL carry-forwards	**2,409,546**	1,817,929
Less valuation allowance	**(6,558,833)**	(5,850,634)
Deferred tax assets, net of valuation allowance	**$ —**	$ —

A reconciliation of the federal statutory income tax rate and the effective income tax rate as a percentage of income before income taxes is as follows:

	2021	2020
Federal statutory income tax rate	**21.0%**	21.0%
State tax rate, net of federal benefit	**4.0**	4.3
Nondeductible expenses	**—**	1.5
Nontaxable income	**—**	(5.9)
Change in valuation allowance on net deferred tax assets	**(25.0)**	(20.9)
Effective income tax rate	**—%**	—%

On December 31, 2021, the Company has Federal and state net operating loss (NOL) carryforwards totaling $9,629,835 and $9,650,176, respectively. These loss carryforwards may be offset against future taxable income. There is no limitation on the number of years to utilize the Federal NOL. The Federal deduction will be limited to 80% of modified taxable income. The state deduction for NOL allows up to 100% of taxable income to be offset and can be carried forward no longer than twenty years after the year of the taxable loss.

Federal and state tax laws impose limitations on the utilization of net operating losses and credit carryforwards in the event of an ownership change for tax purposes, as defined in Section 382 of the Internal Revenue Code. Accordingly, the Company's ability to utilize these carryforwards may be limited as a result of an ownership change which may have already happened or may happen in the future. Such an ownership change could result in a limitation in the use of the net operating losses in future years and possibly a reduction of the net operating losses available.

If not used, the state carryforwards will expire as follows:

2038	$ 888,389
2039	$ 1,898,067
2040	$ 4,457,495
2041	$ 2,406,225

16. Subsequent Events

The Company evaluated subsequent events through the date of issuance. The following changes occurred subsequent to the Company's year end:

Name and Entity Change - The Company changed its name from Innovative Health Solutions, Inc. to Neuraxis, Inc. by filing amended and restated articles of incorporation with the State of Indiana on March 11, 2022. Additionally, the Company filed a Certificate of Conversion to become a Delaware corporation on June 23, 2022.

Delaware Shares - The total number of shares of all classes of stock which the Corporation shall have authority to issue is (1) 100,000,000 shares of Common Stock, par value $0.001 per share ("Common Stock") and (ii) 1,120,000 shares of Preferred Stock, par value $0.001 per share ("Preferred Stock"), 1,000,000 of which is hereby designated as "Series A Preferred Stock" and 120,000 of which is hereby designated as "Series Seed Preferred Stock" with the rights, preferences, powers, privileges and restrictions, qualifications and limitations set forth in this Article IV of the Delaware Certificate of Incorporation. All share amounts have been retroactively restated to give effect to these changes.

Addition Borrowing – The Company borrowed additional funds subsequent to December 31, 2021, and up through the date of this report. From June 3, 2022 to August 15, 2022, we entered into Securities Purchase Agreements (the "SPAs") which provide for advances of up to $2.4 million in proceeds to us, subject to our satisfaction of certain conditions. Pursuant to the SPAs, from June 3, 2022 to August 15, 2022, we issued the Senior Secured Convertible Promissory Notes ("Notes") with an aggregate principal amount of $2,222,223, which amount included original issue discount ("OID") of $222,223, and legal fees for $130,000, resulting in advance proceeds to us of $1.870 million. In connection with the issuance of the Notes, we also issued five-year warrants exercisable for an aggregate of 470,810 shares of common stock with an exercise price of the lower of (a) $5.90 and (b) a 12% discount to the price per share in any subsequent offering by the Company, and we entered into a Pledge and Security Agreement dated June 3, 2022. Pursuant to a Pledge and Security Agreement, dated as of June 3, 2022, the Company granted a security interest in all of its assets in favor of the lender, in its capacity as collateral agent for the purchaser's parties under the SPAs.

The Notes carry an OID of 10% of the principal amount and have an interest rate of the greater of (a) the prime rate of interest, as published by the Wall Street Journal, plus 8.5% per annum, or (b) 12%. The Notes will mature in twelve (12) months from the issue dates. Any amount of principal, interest, other amounts due hereunder or penalties on this Note, which is not paid by maturity date, shall bear interest at the lesser of the rate of twenty four percent (24%) per annum or the maximum legal amount permitted by law, from the due date thereof until the same is paid in full, including following the entry of a judgment in favor of Holder. The Notes are convertible into shares of common stock at the lower of (a) $4.72 per share, or (b) a discount of 30% to the price per share in any subsequent offering, subject to adjustment in the event of common stock distribution, stock splits, fundamental transactions, dilutive issuances or similar events affecting our common stock and the conversion price. Interest accrues on the aggregate principal amount (which includes OID) and is payable monthly, at the Company's election, in cash or in-kind.

Upon the advance of the consideration under the SPAs, the Company is required to issue to the noteholders a number of shares of common stock, calculated based on the value of 10% of the principal amount of the Notes issued in such advance, at a value per share equal to the conversion price of the Notes. Accordingly, from June 3, 2022 to August 15, 2022, in connection with the initial advance and issuance of Notes, we will be issuing 47,085 shares of common stock to the noteholders.

The Notes have certain restrictions on the Company's issuance of securities, including (i) the Company shall not without the noteholder's written consent (a) pay, declare or set apart for such payment, any dividend or other distribution (whether in cash, property or other securities) on the common stock of the Company other than dividends on common stock solely in the form of additional common stock, or (b) directly or indirectly or through any subsidiary make any other payment or distribution in respect of common stock or equivalents, (ii) unless approved by the noteholders in writing, the Company shall not enter into an agreement or amend an existing agreement to effect any sale of securities involving, or convert any securities previously issued under, a variable rate transaction, which means a transaction in which the Company (A) issues or sells any convertible securities either (a) at a conversion, exercise or exchange rate or other price that is based upon and/or varies with the trading prices of, or quotations for, the common stock, or (b) with a conversion, exercise or exchange price that is subject to being reset at some future date after the initial issuance of such convertible securities or upon the occurrence of specified or contingent events directly or indirectly related to the business of the Company, or the market for the common stock, or (B) enters into any agreement whereby the Company may sell securities at a future determined price (other than standard and customary "preemptive" or "participation" rights), (iii) the noteholders have the right, but not the obligation, to participate in the purchase of the securities being offered up to an amount equal to thirty percent (30%) of the principal amount of the Notes (the " Participation Right") when the Company or its subsidiary proposes to offer and sell its securities, whether in the form of debt, equity financing, or any other financing transaction (each a "Future Offering"); provided that, the Participation Right shall not exceed the lesser of (i) one-third of the aggregate amount of the Future Offering, and (ii) an amount equal to the principal amount (allocated to the noteholder's pro-rata to their portion of the principal amount).

We have agreed to pay to the noteholders any outstanding principal amount of the Notes, all accrued and unpaid interest, and fees and penalties, if any, from any future financing proceeds (which includes proceeds to us from this offering) and other future receipts, at the noteholder's discretion, except for the right of the Company to make bona fide payments to vendors with common stock.

In addition, pursuant to the SPAs, so long as no event of default has occurred under the Notes, the closing of additional tranches, in each case consisting of Notes in the aggregate advance amount of up to $400,000 and an aggregate principal amount (including the) of up to $444,444, shall occur (i) upon the Company filing a registration statement with the SEC on Form S-1 and (ii) upon the effectiveness of the CPT codes issued the Company, but in any event not later than December 3, 2022.

17. Restatement

The financial statements have been restated for certain disclosures that have been expanded or have added clarifications. The restatements did not impact the balance sheet, statement of operations, equity or statement of cash flows. The following disclosures were restated:

- Note 2 – a table showing the calculation of basic and diluted net loss per share and the effect of preferred stock dividends has been included.
- Note 8 - The table has been corrected to reflect the actual weighted average exercise price and distinguish between warrants for the purchase of common stock and preferred stock.
- Note 9 - The aggregate purchase price of the Series A Preferred Stock and Series Seed Preferred Stock from cash and converted debt and common stock has been disclosed.
- Note 14 – Additional disclosure and clarification of the status of litigation was updated.

[●] Shares of Common Stock

NEURAXIS, INC.

PROSPECTUS

Sole Book Running Manager

ALEXANDER CAPITAL L.P.

[●], 2023

Through and including [●], 2023 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following is an estimate of the expenses (all of which are to be paid by the Company) that we may incur in connection with the securities being registered hereby.

Offering Expenses		
SEC registration fee	$	3,087
FINRA filing fee	$	5,000
Legal fees and expenses	$	
Accounting fees and expenses	$	[●]
Miscellaneous	$	[●]
Total	$	[●]

Item 14. Indemnification of Directors and Officers.

Section 145(a) of the DGCL provides, in general, that a corporation may indemnify any person who was or is a party to or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation), because he or she is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding, if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

Section 145(b) of the DGCL provides, in general, that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor because the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification shall be made with respect to any claim, issue or matter as to which he or she shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or other adjudicating court determines that, despite the adjudication of liability but in view of all of the circumstances of the case, he or she is fairly and reasonably entitled to indemnity for such expenses that the Court of Chancery or other adjudicating court shall deem proper.

Section 145(g) of the DGCL provides, in general, that a corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of his or her status as such, whether or not the corporation would have the power to indemnify the person against such liability under Section 145 of the DGCL.

Additionally, our bylaws eliminates our directors' liability to the fullest extent permitted under the DGCL. The DGCL provides that directors of a corporation will not be personally liable for monetary damages for breach of their fiduciary duties as directors, except for liability:

- for any transaction from which the director derives an improper personal benefit;
- for any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- for any unlawful payment of dividends or redemption of shares; or
- for any breach of a director's duty of loyalty to the corporation or its stockholders.

If the DGCL is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of the Company's directors will be eliminated or limited to the fullest extent permitted by the DGCL, as so amended.

We are also expressly authorized to carry directors' and officers' insurance to protect our directors, officers, employees and agents against liabilities for actions taken in their capacities as directors and officers.

Item 15. Recent Sales of Unregistered Securities.

The following information relates to all securities issued or sold by us within the past three years and not registered under the Securities Act.

In 2019, the Company granted stock options to purchase 659,697 shares of common stock in the aggregate under the Innovative Health Solutions, Inc. 2017 Stock Compensation Plan adopted October 12, 2017 (the "Plan") with exercise prices of $13.88 per share and a term of ten years.

From September 2019 to November 2019, we entered into Series A Preferred Stock Purchase Agreements with 16 investors. Pursuant to the Series A Preferred Stock Purchase Agreements, we issued a total of 189,092 shares of Series A Preferred Stock, at a price of $18.8719 per share, all of which will be converted into shares of common stock upon the closing of this offering. Pursuant to the Series A Preferred Stock Purchase Agreements, we issued a total of 115,477 shares of Series Seed Preferred Stock in exchange of the share of common stock held by the investors.

On September 6, 2019, in connection with the conversion of certain secured convertible promissory note, in the amount of $347,379.45, that the Company issued to Brian Hannasch on January 31, 2019, we issued 20,056 shares of Series A Preferred Stock to Brian Hannasch, at a conversion price of $17.32 per share.

On September 6, 2019, we issued warrants to purchase 20,000 shares of common stock to Brian P. Hannasch, in connection with certain Series A Preferred Stock Purchase Agreement. Pursuant to the terms of the warrants, the warrant exercise price is equal to $0.01 per share. If unexercised, these warrants will expire on the 10th anniversary of their issuance dates. The warrants will neither expire nor be automatically exercised upon the closing of this offering. The warrants provide that the holder thereof may elect to exercise the warrant on a net "cashless" basis at any time prior to the expiration thereof. Assuming the closing of this offering occurs, the fair market value of one share of our common stock in connection with any cashless exercise shall be the based on the average of the daily closing prices per share for the 30 consecutive trading day period ending on the second trading day prior to such date.

From April 2020 to June 2021, we entered into five Series A Preferred Stock Purchase Agreements with investors. Pursuant to the Series A Preferred Stock Purchase Agreements, we issued a total of 317,545 shares of Series A Preferred Stock, at a price of $18.8719 per share, all of which will be converted into shares of common stock upon the closing of this offering.

On April 9, 2020, we entered into a Series A Preferred Stock Purchase Agreements with Masimo. Pursuant to the Series A Preferred Stock Purchase Agreement, we issued a total of 265,774 shares of Series A Preferred Stock, at a price of $18.8719 per share, all of which will be converted into shares of common stock upon the closing of this offering.

On the same day, we issued pre-funded warrants to purchase 144,890 shares of Series A Preferred Stock to Masimo, in connection with its Series A Preferred Stock Purchase Agreement. Pursuant to the terms of the warrants, the warrant exercise price is equal to $0.0001 per share, subject to adjustments, and these warrants will not expire. The aggregate purchase price of this Warrant, in the amount of $2,734,340.40, equating to $18.8719 per warrant share, was pre-funded to the Company and, consequently, no additional consideration shall be required to be paid by Masimo to any Person to effect any exercise of this Warrant, except for the payment of the exercise price. The warrants will neither expire nor be automatically exercised upon the closing of this offering. The warrants provide that Masimo thereof may elect to exercise the warrant on a net "cashless" basis at any time prior to the expiration thereof. Assuming the closing of this offering occurs, the fair market value of one share of our Series A Preferred Stock in connection with any cashless exercise shall be the closing price or last sale price of a share of common stock reported for the business day immediately before the date on which Masimo delivers this warrant together with its notice of exercise to the Company, multiplied by the number of shares of common stock into which a share of Series A Preferred Stock is then convertible, if the common stock is then traded on a trading market, or the fair market value of Series A Preferred Stock, as mutually determined in writing by the Company and Masimo. Masimo may not exercise the warrant in excess of that number of shares which would cause the aggregate number of shares of common stock beneficially owned by Masimo to exceed 19.99% of the total number of issued and outstanding shares of common stock following such exercise, or the combined voting power of the securities beneficially owned by Masimo to exceed 19.99% of the combined voting power of all of the securities of the Company then outstanding following such exercise.

On October 19, 2020, the Company entered into a Series A Preferred Stock Purchase Agreement with Dresner Investment Services, Inc. d/b/a Dresner Partners ("Dresner"). Pursuant to the Series A Preferred Stock Purchase Agreement, the Company issued 18,546 shares of Series A Preferred Stock to Dresner and six (6) of its designees in consideration of the fee owed to Dresner in connection with an engagement letter, dated April 16, 2020, at a price of $18.8719 per share. We plan to convert all of the Series A Preferred Stock into shares of common stock upon the closing of this offering.

On September 9, 2021, the Company cancelled and reissued all previously issued stock options in connection with a 4-to-1 stock split that occurred on the same date. No new optionees were awarded options on this date, but all prior stock option holders received four times the number of options they had before the split, and the exercise price was divided by four due to the split.

From June 3, 2022 to November 30, 2022, the Company entered into Securities Purchase Agreements (the "SPAs") with Leonite Fund I, LP, Emmis Capital II, LLC, District 2 Capital Fund, LP, and Exchange Listing, LLC, which provide for advances of up to $2.4 million in proceeds to us, subject to our satisfaction of certain conditions. Pursuant to the SPAs, from June 3, 2022 to November 30, 2022, we (i) issued the Senior Secured Convertible Promissory Notes ("Notes") with an aggregate principal amount of $2,777,777, which amount included an OID of $222,223, resulting in advance proceeds to us of $2.370 million. In connection with the issuance of the Notes, we also issued five-year warrants exercisable for 588,514 shares of common stock with an exercise price of the lower of (a) $5.90 and (b) a 12.5% discount to the price per share in any subsequent offering by the Company, and we entered into a Pledge and Security Agreement with Leonite Fund I, LP, dated June 3, 2022. The Notes carry an OID of 10% of the principal amount and have an interest rate of the greater of (a) the prime rate of interest, as published by the Wall Street Journal, plus 8.5% per annum, or (b) 12%. The Notes will mature in twelve (12) months from the issue dates. The Notes are convertible into shares of common stock at the lower of (a) $4.72 per share, or (b) a discount of 30% to the price per share in any subsequent offering, subject to adjustment in the event of common stock distribution, stock splits, fundamental transactions, dilutive issuances or similar events affecting our common stock and the conversion price. Interest accrues on the aggregate principal amount (which includes OID) and is payable monthly, at the Company's election, in cash or in-kind. Upon the advance of consideration under the SPAs, the Company is required to issue to the noteholders a number of shares of common stock, calculated based on the value of 10% of the principal amount of the Notes issued in such advance, at a value per share equal to the conversion price of the Notes. Accordingly, from June 3, 2022 to November 30, 2022, in connection with the initial advance and issuance of Notes, we also issued 58,855 shares of common stock to the noteholders.

From December 2022 through January 2023, the Company issued an unsecured convertible promissory notes to three existing investors, Todd Maxwell, Rogan O'Donnell and Michael & Michele Robuck, with an aggregate principal amount of $222,222.20, which amount included an OID of $22,222.20, resulting in advance proceeds of $200,000. The notes carry an OID of 10% of the principal amount and have an interest rate of 12% per annum. The notes will mature at the earlier of (i) twelve (12) months from the issue date or (ii) the date upon which the Company completes a registered public offering of shares of the Company, which encompasses this offering. The note is convertible into shares of common stock at the higher of (i) $4.72 per share, or (ii) the price per share of common stock issued pursuant to the next registered public offering of shares of the Company made prior to the conversion of any portion of the note. Interest accrues on the aggregate principal amount (which includes OID) and is payable on the maturity date, at the Company's election, in cash or in-kind.

Unless otherwise stated above, the issuances of these securities were made in reliance upon exemptions provided by Section 4(a)(2) of the Securities Act, Regulation D promulgated thereunder, or Securities Act Rule 701 for the offer and sale of securities not involving a public offering.

No underwriter was engaged in connection with the foregoing sales of securities. The Company has reason to believe that all of the foregoing purchasers were familiar with or had access to information concerning the operations and financial conditions of the Company, and all of those individuals purchasing securities represented that they were accredited investors, acquiring the shares for investment and without a view to the distribution thereof. At the time of issuance, all of the foregoing securities were deemed to be restricted securities for purposes of the Securities Act and the certificates representing such securities bore legends to that effect**.**

Item 16. Exhibits and Financial Statement Schedules

Exhibit Number	Exhibit Description
1.1*	Form of Underwriting Agreement
3.1	Certificate of Incorporation
3.2*	Certificate of Amendment to Certificate of Incorporation
3.3	Bylaws
4.1	Form of warrant issued to Brian P. Hannasch
4.2	Pre-Funded Warrant to Purchase Series A Preferred Stock issued to Masimo Corporation, dated April 9, 2020
4.3	Common Share Purchase Warrant issued to Leonite Fund I, LP, dated June 3, 2022
4.4	Common Share Purchase Warrant issued to Leonite Fund I, LP, dated July 8, 2022
4.5	Common Share Purchase Warrant issued to Leonite Fund I, LP, dated October 3, 2022
4.6	Common Share Purchase Warrant issued to Leonite Fund I, LP, dated November 30, 2022
4.7	Common Share Purchase Warrant issued to Emmis Capital II, LLC, dated June 10, 2022
4.8*	Common Share Purchase Warrant issued to Emmis Capital II, LLC, dated November 30, 2022
4.9	Common Share Purchase Warrant issued to Exchange Listing, LLC, dated July 12, 2022
4.10	Common Share Purchase Warrant issued to Exchange Listing, LLC, dated October 4, 2022
4.11	Common Share Purchase Warrant issued to District 2 Capital Fund LP, dated August 15, 2022
4.12	Common Share Purchase Warrant issued to District 2 Capital Fund LP, dated October 4, 2022
4.13	Common Share Purchase Warrant issued to District 2 Capital Fund LP, dated November 30, 2022
4.14	Common Share Purchase Warrant issued to Bigger Capital Fund, LP, dated August 15, 2022
4.15	Common Share Purchase Warrant issued to Bigger Capital Fund, LP, dated October 4, 2022
4.16	Letter Agreement between Innovative Health Solutions, Inc. and Masimo Corporation, dated April 9, 2020
4.17	Side Letter between NeurAxis, Inc. and Masimo Corporation, dated December 22, 2022
4.18	Side Letter between NeurAxis, Inc. and Brian P. Hannasch, dated July 7, 2022
4.19	Investor Rights Agreement between Innovative Health Solutions, Inc. and Brian Hannasch, dated September 6, 2019
4.20	Amended and Restated Shareholders' Agreement, dated June 13, 2016, and First Amendment to Shareholders' Agreement, dated January 30, 2019
4.21	Second Amendment to Shareholders' Agreement, dated January 8, 2023
4.22*	Form of Underwriter Warrant
5.1*	Legal opinion of Lucosky Brookman LLP
10.1	License and Collaboration Agreement, dated April 9, 2020, by and between Innovative Health Solutions, Inc. and Masimo Corporation
10.2	Exclusive License Agreement, by and between Innovative Health Solutions, Inc. and TKBMN, LLC
10.3*	Securities Purchase Agreement, dated June 3, 2022, by and between the Neuraxis, Inc. and Leonite Fund I, L.P., Emmis Capital II, LLC, Exchange Listing, LLC, District 2 Capital Fund LP, and Bigger Capital Fund, LP
10.4	Form of Convertible Note related to Exhibits 10.3
10.5	Securities Purchase Agreement, dated December 19, 2022, between the Neuraxis, Inc. and Michele and Michael Robuck
10.6	Unsecured Convertible Promissory Note issued to Michele and Michael Robuck, dated December 19, 2022
10.7	Securities Purchase Agreement, dated December 19, 2022, between the Neuraxis, Inc. and Rogan O'Donnell

10.8	Unsecured Convertible Promissory Note issued to Rogan O'Donnell, dated December 19, 2022
10.9	Securities Purchase Agreement, dated December 19, 2022, between the Neuraxis, Inc. and Todd Maxwell
10.10	Unsecured Convertible Promissory Note issued to Todd Maxwell, dated December 19, 2022

10.11	Pledge and Security Agreement, dated June 3, 2022, between Neuraxis, Inc. and Leonite Fund I, LP
10.12†	Employment Agreement between Neuraxis, Inc. and Brian Carrico, dated as of August 9, 2022
10.13†	Employment Agreement between Neuraxis, Inc. and Adrian Miranda, dated as of August 17, 2022
10.14†	Employment Agreement between Neuraxis, Inc. and Thomas Carrico, dated as of August 9, 2022
10.15†	Employment Agreement between Neuraxis, Inc. and Dan Clarence, dated as of August 9, 2022
10.16†	Employment Agreement between Neuraxis, Inc. and Christopher Robin Brown, dated as of August 9, 2022
10.17†	Employment Agreement between Neuraxis, Inc. and Gary Peterson, dated as of August 9, 2022
10.18	Promissory note of Gary Peterson, dated as of January 1, 2016
10.19	Promissory note of Christopher Robin Brown, dated as of January 1, 2016
10.20†	Innovative Health Solutions, Inc. 2017 Stock Compensation Plan, as amended
10.21†	Neuraxis, Inc. 2022 Omnibus Securities and Incentive Plan
10.22	Manufacturing Services Agreement between Neuraxis, Inc. and GMI Corporation, dated as of August 21, 2020
10.23	Quality Agreement between Neuraxis, Inc. and GMI Corporation, dated as of August 24, 2020
10.24	Advisory Agreement, date March 3, 2022, between Exchange Listing, LLC and Neuraxis, Inc.
10.25	Advisory Agreement, date March 3, 2022, between Exchange Listing, LLC and Neuraxis, Inc., as amended December 22, 2022
14.1	Code of Ethics and Business Conduct
21.1	List of Subsidiaries of Neuraxis, Inc.
23.1	Consent of Rosenberg Rich Baker Berman, P.A.
23.2*	Consent of Lucosky Brookman LLP (reference is made to Exhibit 5.1)
24.2	Power of Attorney (included on the signature page hereto)
99.1	Consent of Timothy Henrichs
99.2	Consent of Bradley Mitch Watkins
99.3	Consent of Beth Keyser
101.PRE	XBRL Instance Document
101.INS	XBRL Taxonomy Extension Schema Document
101.SCH	XBRL Taxonomy Extension Calculation Linkbase Document
101.CAL	XBRL Taxonomy Extension Definition Linkbase Document
101.DEF	XBRL Taxonomy Extension Label Linkbase Document
101.LAB	XBRL Taxonomy Extension Presentation Linkbase Document
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* To be filed by amendment
† Executive compensation plan or arrangement.

Item 17. Undertakings.

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) to include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment will be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time will be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, will be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(5) That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities:

The undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b) (1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-1 and has duly caused this registration statement or amendment thereto to be signed on its behalf by the undersigned, thereunto duly authorized on January 10, 2023.

Neuraxis, Inc.

By: */s/ Brian Carrico*
Brian Carrico
Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS that each individual whose signature appears below constitutes and appoints Brian Carrico, his or her true and lawful attorney-in-fact and agent with full power of substitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to sign any registration statement for the same offering covered by the Registration Statement that is to be effective upon filing pursuant to Rule 462(b) promulgated under the Securities Act, and all post-effective amendments thereto, and to file the same, with all exhibits thereto and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agent, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agent, or his, her or their substitute or substitutes, may lawfully do or cause to be done or by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities held on the dates indicated.

Signature	Title	Date
/s/ Brian Carrico Brian Carrico	Chief Executive Officer and Director (principal executive officer)	January 10, 2023
/s/ John Seale John Seale	Chief Financing Officer (principal financial officer and principal accounting officer)	January 10, 2023
/s/ Dan Clarence Dan Clarence	Director	January 10, 2023
/s/ Adrian Miranda Adrian Miranda	Director	January 10, 2023
/s/ Thomas Carrico Thomas Carrico	Director	January 10, 2023
/s/ Christopher Robin Brown Christopher Robin Brown	Director	January 10, 2023
/s/ Gary Peterson Gary Peterson	Director	January 10, 2023

Exhibit 3.1

Certificate of Incorporation
Of
Neuraxis, Inc.

THE UNDERSIGNED, for the purpose of forming a corporation pursuant to the provisions of the General Corporation Law of the State of Delaware, does hereby certify as follows:

ARTICLE I

The name of the corporation is Neuraxis, Inc. (the "**Corporation**").

ARTICLE II

The registered agent and the address of the registered office in the State of Delaware are:

Vcorp Services, LLC
1013 Centre Road, Suite 403-B
Wilmington, Delaware 19805
County of New Castle

ARTICLE III

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (the "**DGCL**").

ARTICLE IV

The total number of shares of all classes of stock which the Corporation shall have authority to issue is (1) 100,000,000 shares of Common Stock, par value $0.001 per share ("**Common Stock**") and (ii) 1,120,000 shares of Preferred Stock, par value $0.001 per share ("**Preferred Stock**"), 1,000,000 of which is hereby designated as "**Series A Preferred Stock**" and 120,000 of which is hereby designated as "**Series Seed Preferred Stock**" with the rights, preferences, powers, privileges and restrictions, qualifications and limitations set forth in this Article IV.

The following is a statement of the designations and powers, privileges and rights, and the qualifications, limitations or restrictions thereof in respect of each class of capital stock of the Corporation.

A. COMMON STOCK

1. General. The voting, dividend and liquidation rights of the holders of the Common Stock are subject to and qualified by the rights, powers and preferences of the holders of the Preferred Stock set forth herein.

2. Voting. Each holder of Common Stock, as such, shall be entitled to one vote for each share of Common Stock held of record by such holder on all matters on which stockholders generally are entitled to vote. There shall be no cumulative voting.

B. PREFERRED STOCK

Unless otherwise indicated, references to "sections" or to "subsections" in this Part B of this Article IV refer to sections and subsections of this Part B of this Article IV.

1. Dividends. From and after the date of the issuance of any shares of Series A Preferred Stock, dividends at the rate per annum of eight percent (8%) of the Series A Original Issue Price (as defined below) per share shall accrue on such shares of Series A Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series A Preferred Stock) (the "**Accruing Dividends**"). Accruing Dividends shall accrue from day to day, whether or not declared, and shall be cumulative; provided, however, that except as set forth in the following sentence of this Section 1 or in Subsections 2.1 or 2.1, such Accruing Dividends shall be payable only when, as, and if declared by the Board of Directors of the Corporation (the "**Board of Directors**") and the Corporation shall be under no obligation to pay such Accruing Dividends. The Corporation shall not declare, pay or set aside any dividends on shares of any other class or series of capital stock of the Corporation (other than dividends on shares of Common Stock payable in shares of Common Stock) unless (in addition to the obtaining of any consents required elsewhere in this Certificate of Incorporation) the holders of the Series A Preferred Stock then outstanding shall first receive, or simultaneously receive, a dividend on each outstanding share of Series A Preferred Stock in an amount at least equal to the greater of (a) the amount of the aggregate Accruing Dividends then accrued on such share of Series A Preferred Stock and not previously paid and (b)(i) in the case of a dividend on Common Stock or any class or series that is convertible into Common Stock, that dividend per share of Series A Preferred Stock as would equal the product of (A) the dividend payable on each share of such class or series determined, if applicable, as if all shares of such class or series had been converted into Common Stock and (B) the number of shares of Common Stock issuable upon conversion of a share of Series A Preferred Stock, in each case calculated on the record date for determination of holders entitled to receive such dividend or (ii) in the case of a dividend on any class or series that is not convertible into Common Stock, at a rate per share of Series A Preferred Stock determined by (A) dividing the amount of the dividend payable on each share of such class or series of capital stock by the original issuance price of such class or series of capital stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to such class or series) and (B) multiplying such fraction by an amount equal to the Series A Original Issue Price (as defined below); provided that if the Corporation declares, pays or sets aside, on the same date, a dividend on shares of more than one class or series of capital stock of the Corporation, the dividend payable to the holders of Series A Preferred Stock pursuant to this Section 1 shall be calculated based upon the dividend on the class or series of capital stock that would result in the highest Series A Preferred Stock dividend. The "**Series A Original Issue Price**" shall mean $18.87 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series A Preferred Stock.

2. Liquidation, Dissolution or Winding Up; Certain Mergers, Consolidations and Asset Sales.

2.1 Preferential Payments to Holders of Series A Preferred Stock. In the event of a voluntary or involuntary liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event (as defined below), each holder of shares of Series A Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders or, in the case of a Deemed Liquidation Event, out of the consideration payable to stockholders in such Deemed Liquidation Event before any payment shall be made to the holders of Common Stock by reason of his ownership thereof, an amount per share equal to the Series A Original Issue Price, *plus* any Accruing Dividends accrued but unpaid thereon (the "**Series A Preferred Stock Liquidation Amount**"). Each holder of Series A Preferred Stock shall have equal priority to each other with respect to the Series A Preferred Stock Liquidation Amount. If upon any such liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, the assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Series A Preferred Stock the full amount to which they shall be entitled under this Subsection 2.2, then the holders of shares of Series A Preferred Stock shall share ratably (based on the number of such shares outstanding and the Series A Original Issue Price of such shares) in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable to them in respect of the shares held by them, upon such distribution if all amounts payable on or with respect to such shares were paid in full.

2.2 Preferential Payments to Holders of Series Seed Preferred Stock. In the event of a voluntary or involuntary liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event (as defined below), after the payment in full of all Series A Preferred Stock Liquidation Amounts, each holder of shares of Series Seed Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders before any payment shall be made to the holders of Common Stock by reason of his ownership thereof, an amount per share equal to the Series Seed Original Issue Price (the amount payable pursuant to this sentence is hereinafter referred to as the "**Series Seed Preferred Stock Liquidation Amount**"). Each holder of Series Seed Preferred Stock shall have equal priority to each other with respect to the Series Seed Preferred Stock Liquidation Amount. If upon any such liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, the assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Series Seed Preferred Stock the full amount to which they shall be entitled under this Subsection 2.2, then the holders of shares of Series Seed Preferred Stock shall share ratably (based on the number of such shares outstanding and the Series Seed Original Issue Price of such shares) in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable to them in respect of the shares held by them, upon such distribution if all amounts payable on or with respect to such shares were paid in full. The "**Series Seed Original Issue Price**" shall mean $70.04 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series Seed Preferred Stock. The Series Seed Original Issue Price and the Series A Original Issue Price, when referred to collectively, shall be the "**Original Issue Price**".

2.3 Distribution of Remaining Assets. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, after the payment in full of all Series A Preferred Stock Liquidation Amounts and Series Seed Preferred Stock Liquidation Amounts required to be paid to the holders of shares of Preferred Stock, the remaining assets of the Corporation available for distribution to its stockholders or, in the case of a Deemed Liquidation Event, the consideration not payable to the holders of shares of Preferred Stock pursuant to Subsection 2.1 and Subsection 2.2, as the case may be, shall be distributed among the holders of the shares of Preferred Stock and Common Stock, *pro rata* based on the number of shares held by each such holder, treating for this purpose all such securities as if they had been converted to Common Stock pursuant to the terms of this Certificate of Incorporation immediately prior to such liquidation, dissolution or winding up of the Corporation.

2.4 Deemed Liquidation Events.

2.4.1 Definition. Each of the following events shall be considered a "**Deemed Liquidation Event**" unless the holders of a majority of the outstanding shares of Series A Preferred Stock (the "**Requisite Holders**") elect otherwise by written notice sent to the Corporation at least ten (10) days prior to the effective date of any such event:

(a) a merger, consolidation, or statutory share exchange in which

(i) the Corporation is a constituent party or

(ii) a subsidiary of the Corporation is a constituent party and the Corporation issues shares of its capital stock pursuant to such merger or consolidation,

except any such merger or consolidation involving the Corporation or a subsidiary in which the shares of capital stock of the Corporation outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or exchanged for shares of capital stock that represent, immediately following such merger or consolidation, at least a majority, by voting power, of the capital stock of (1) the surviving or resulting corporation; or (2) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation, the parent corporation of such surviving or resulting corporation; or

(b) (1) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Corporation or any subsidiary of the Corporation of all or substantially all the assets of the Corporation and its subsidiaries taken as a whole, or (2) the sale or disposition (whether by merger, consolidation, statutory share exchange or otherwise, and whether in a single transaction or a series of related transactions) of one or more subsidiaries of the Corporation if substantially all of the assets of the Corporation and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Corporation.

2.4.2 Effecting a Deemed Liquidation Event. The Corporation shall not have the power to effect a Deemed Liquidation Event referred to in Subsection 2.4.1(a)(i) unless the agreement or plan of merger or consolidation for such transaction (the "**Merger Agreement**") provides that the consideration payable to the stockholders of the Corporation in such Deemed Liquidation Event shall be paid to the holders of capital stock of the Corporation in accordance with Subsections 2.1, 2.2, and 2.3.

2.4.3 Amount Deemed Paid or Distributed. The amount deemed paid or distributed to the holders of capital stock of the Corporation upon any such merger, consolidation, sale, transfer, exclusive license, other disposition or redemption shall be the cash or the value of the property, rights or securities to be paid or distributed to such holders pursuant to such Deemed Liquidation Event. The value of such property, rights or securities shall be determined in good faith by the Board of Directors of the Corporation.

2.4.4 Allocation of Escrow and Contingent Consideration. In the event of a Deemed Liquidation Event pursuant to Subsection 2.4.1(a)(i), if any portion of the consideration payable to the stockholders of the Corporation is payable only upon satisfaction of contingencies (the "**Additional Consideration**"), the Merger Agreement shall provide that (a) the portion of such consideration that is not Additional Consideration (such portion, the "**Initial Consideration**") shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 2.1, 2.2and 2.3 as if the Initial Consideration were the only consideration payable in connection with such Deemed Liquidation Event; and (b) any Additional Consideration which becomes payable to the stockholders of the Corporation upon satisfaction of such contingencies shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 2.1, 2.2 and 2.3 after taking into account the previous payment of the Initial Consideration as part of the same transaction. For the purposes of this Subsection 2.4.4, consideration placed into escrow or retained as a holdback to be available for satisfaction of indemnification or similar obligations in connection with such Deemed Liquidation Event shall be deemed to be Additional Consideration.

2.4.5 Drag-Along Right.

(a) *Definitions*.

(i) "**Person**" means any individual, corporation, partnership, trust, limited liability company, association or other entity.

(ii) A "**Sale of the Corporation**" shall mean either: (a) a transaction or series of related transactions in which a Person, or a group of related Persons, acquires from stockholders of the Corporation shares representing more than fifty percent (50%) of the outstanding voting power of the Corporation (a "**Stock Sale**"); or (b) a transaction that qualifies as a Deemed Liquidation Event.

(b) *Actions to be Taken.* In the event that (i) the holders of at least a majority of the shares of Common Stock (including Common Stock issued or issuable upon conversion of the shares of Preferred Stock on an as-converted basis); (ii) the Board of Directors; and (iii) the Requisite Holders voting as a separate class (collectively, (i)-(iii) are the "**Electing Holders**") approve a Sale of the Corporation in writing, specifying that this Subsection 2.4.5 shall apply to such transaction, then, subject to satisfaction of each of the conditions set forth in Subsection 2.4.5(c) below, each stockholder of the Corporation shall:

(i) if such transaction requires stockholder approval, with respect to all shares of Common Stock and upon conversion of the shares of Preferred Stock ("**Shares**") a stockholder of the Corporation owns or over which such stockholder otherwise exercises voting power, vote (in person, by proxy or by action by written consent, as applicable) all Shares in favor of, and adopt, such Sale of the Corporation (together with any related amendment or restatement to this Certificate of Incorporation required to implement such Sale of the Corporation) and vote in opposition to any and all other proposals that could reasonably be expected to delay or impair the ability of the Corporation to consummate such Sale of the Corporation;

(ii) if such transaction is a Stock Sale, sell the same proportion of shares of capital stock of the Corporation beneficially held by stockholder as is being sold by the Electing Holders to the Person to whom the Electing Holders propose to sell their Shares, and, except as permitted in Subsection 2.4.5(c) below, on the same terms and conditions as the Electing Holders;

(iii) execute and deliver all related documentation and take such other action in support of the Sale of the Corporation as shall reasonably be requested by the Corporation or the Electing Holders in order to carry out the terms and provision of this Subsection 2.4.5, including, without limitation, executing and delivering instruments of conveyance and transfer, and any purchase agreement, merger agreement, any associated indemnity agreement, escrow agreement, any associated voting, support or joinder agreement, consent, waiver, governmental filing, share certificates duly endorsed for transfer (free and clear of impermissible liens, claims and encumbrances), and any similar or related documents;

(iv) not deposit, and cause their affiliates not to deposit, except as provided in this Certificate of Incorporation, any Shares of the Corporation owned by such party or affiliate in a voting trust or subject any Shares to any arrangement or agreement with respect to the voting of such Shares, unless specifically requested to do so by the acquiror in connection with the Sale of the Corporation;

(v) refrain from exercising any dissenters' rights or rights of appraisal under applicable law at any time with respect to such Sale of the Corporation;

(vi) if the consideration to be paid in exchange for the Shares pursuant to this Subsection 2.4.5 includes any securities and due receipt thereof by any shareholder would require under applicable law (x) the registration or qualification of such securities or of any Person as a broker or dealer or agent with respect to such securities; or (y) the provision to shareholder of any information other than such information as a prudent issuer would generally furnish in an offering made solely to "accredited investors" as defined in Regulation D promulgated under the Securities Act of 1933, as amended, allow the Corporation to cause to be paid to shareholder in lieu thereof, against surrender of the Shares which would have otherwise been sold by shareholder, an amount in cash equal to the fair value (as determined in good faith by the Board of Directors) of the securities which shareholder would otherwise receive as of the date of the issuance of such securities in exchange for the Shares; and

(vii) in the event that the Electing Holders, in connection with such Sale of the Corporation, appoint a stockholder representative (the "**Stockholder Representative**") with respect to matters affecting stockholder under the applicable definitive transaction agreements following consummation of such Sale of the Corporation, (x) consent to (i) the appointment of such Stockholder Representative, (ii) the establishment of any applicable escrow, expense or similar fund in connection with any indemnification or similar obligations, and (iii) the payment of such shareholder's pro rata portion (from the applicable escrow or expense fund or otherwise) of any and all reasonable fees and expenses to such Stockholder Representative in connection with such Stockholder Representative's services and duties in connection with such Sale of the Corporation and its related service as the representative of the stockholders, and (y) not assert any claim or commence any suit against the Stockholder Representative or any other Corporation stockholder with respect to any action or inaction taken or failed to be taken by the Stockholder Representative, within the scope of the Stockholder Representative's authority, in connection with its service as the Stockholder Representative, absent fraud, bad faith, gross negligence or willful misconduct.

(c) *Exceptions*. Notwithstanding the foregoing, shareholders will not be required to comply with Subsection 2.4.5 above in connection with any proposed Sale of the Corporation (the "**Proposed Sale**"), unless:

(i) any representations and warranties to be made by shareholder in connection with the Proposed Sale are limited to representations and warranties related to authority, ownership and the ability to convey title to such Shares, including, but not limited to, representations and warranties that (i) shareholder holds all right, title and interest in and to the Shares shareholder purports to hold, free and clear of all liens and encumbrances, (ii) the obligations of shareholder in connection with the transaction have been duly authorized, if applicable, (iii) the documents to be entered into by shareholder have been duly executed by shareholder and delivered to the acquirer and are enforceable (subject to customary limitations) against shareholder in accordance with their respective terms; and (iv) neither the execution and delivery of documents to be entered into by shareholder in connection with the transaction, nor the performance of shareholder's obligations thereunder, will cause a breach or violation of the terms of any agreement to which shareholder is a party, or any law or judgment, order or decree of any court or governmental agency that applies to shareholder;

(ii) shareholder is not required to agree (unless shareholder is a Corporation officer or employee) to any restrictive covenant in connection with the Proposed Sale (including without limitation any covenant not to compete or covenant not to solicit customers, employees or suppliers of any party to the Proposed Sale);

(iii) stockholder and its affiliates are not required to amend, extend or terminate any contractual or other relationship with the Corporation, the acquirer or their respective affiliates, except that shareholder may be required to agree to terminate the investment-related documents between or among stockholders, the Corporation and/or other stockholders of the Corporation;

(iv) stockholder shall not be liable for the inaccuracy of any representation or warranty or covenant made by any other Person in connection with the Proposed Sale, other than the Corporation (except to the extent that funds may be paid out of an escrow established to cover breach of representations, warranties and covenants of the Corporation as well as breach by any stockholder of any of identical representations, warranties and covenants provided by all stockholders);

(v) the liability for indemnification, if any, of stockholder in the Proposed Sale and for the inaccuracy of any representations and warranties made by the Corporation or its stockholders in connection with such Proposed Sale, is several and not joint with any other Person (except to the extent that funds may be paid out of an escrow established to cover breach of representations, warranties and covenants of the Corporation as well as breach by any stockholder of any of identical representations, warranties and covenants provided by all stockholders), and subject to the provisions of this Certificate of Incorporation related to the allocation of the escrow, is pro rata in proportion to, and does not exceed, the amount of consideration paid to stockholder in connection with such Proposed Sale;

(vi) upon the consummation of the Proposed Sale (i) each holder of each class or series of the Corporation's stock will receive the same form of consideration for their shares of such class or series as is received by other holders in respect of their shares of such same class or series of stock, (ii) each holder of Preferred Stock will receive the same amount of consideration per share of Preferred Stock as is received by other holders in respect of their shares of Preferred Stock, and (iii) each holder of Common Stock will receive the same amount of consideration per share of Common Stock as is received by other holders in respect of their shares of Common Stock, and (iv) unless waived pursuant to the terms of this Certificate of Incorporation and as may be required by law, the aggregate consideration receivable by all holders of the Preferred Stock and Common Stock shall be allocated among the holders of Preferred Stock and Common Stock on the basis of the relative liquidation preferences to which the holders of each respective series of Preferred Stock and the holders of Common Stock are entitled in a Deemed Liquidation Event (assuming for this purpose that the Proposed Sale is a Deemed Liquidation Event) in accordance with this Certificate of Incorporation; and

(vii) subject to clause (vi) above, requiring the same form of consideration to be available to the holders of any single class or series of capital stock, if any holders of any capital stock of the Corporation are given an option as to the form and amount of consideration to be received as a result of the Proposed Sale, all holders of such capital stock will be given the same option; provided, however, that nothing in this Subsection 2.4.5(vii) shall entitle any holder to receive any form of consideration that such holder would be ineligible to receive as a result of such holder's failure to satisfy any condition, requirement or limitation that is generally applicable to the Company's stockholders.

3. Voting.

3.1 General. On any matter presented to the stockholders of the Corporation for their action or consideration at any meeting of stockholders of the Corporation (or by written consent of stockholders in lieu of meeting), each holder of outstanding shares of Preferred Stock shall be entitled to cast the number of votes equal to the number of whole shares of Common Stock into which the shares of Preferred Stock held by such holder are convertible as of the record date for determining stockholders entitled to vote on such matter. Except as provided by law or by the other provisions of this Certificate of Incorporation, holders of Preferred Stock shall vote together with the holders of Common Stock as a single class and on an as-converted to Common Stock basis.

3.2 Election of Directors. The holders of record of the shares of Common Stock and Preferred Stock voting as a single class and on an as-converted to Common Stock basis, shall be entitled to elect that number of directors of the Corporation as specified in the Corporation's Bylaws and that certain Amended and Restated Shareholders' Agreement dated as of October 12, 2017, as amended, among the Company and the Company's shareholders (the "**Shareholders' Agreement**"). Any director elected as provided in the preceding sentence may be removed without cause by, and only by, the affirmative vote of the holders of the shares of the class or series of capital stock entitled to elect such director or directors, given either at a special meeting of such stockholders duly called for that purpose or pursuant to a written consent of stockholders. If the holders of shares of Common Stock (on an as-converted basis) fail to elect a sufficient number of directors to fill all directorships for which they are entitled to elect directors, pursuant to the first sentence of this Subsection 3.2, then any directorship not so filled shall remain vacant until such time as the holders of the Common Stock (on an as-converted basis) elect a person to fill such directorship by vote or written consent in lieu of a meeting; and no such directorship may be filled by stockholders of the Corporation other than by the stockholders of the Corporation that are entitled to elect a person to fill such directorship. At any meeting held for the purpose of electing a director, the presence in person or by proxy of the holders of a majority of the outstanding shares of the class or series entitled to elect such director shall constitute a quorum for the purpose of electing such director. Except as otherwise provided in this Subsection 3.2, a vacancy in any directorship filled by the holders of any class or series shall be filled only by vote or written consent in lieu of a meeting of the holders of such class or series or by any remaining director or directors elected by the holders of such class or series pursuant to this Subsection 3.2.

3.3 Preferred Stock Protective Provisions. At any time when shares of Series A Preferred Stock or Series Seed Preferred Stock are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, do any of the following without (in addition to any other vote required by law or this Certificate of Incorporation) the written consent or affirmative vote of the Requisite Holders given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect.

3.3.1 liquidate, dissolve or wind-up the business and affairs of the Corporation, effect any merger or consolidation or any other Deemed Liquidation Event at less than a $35 million pre-money valuation, or consent to any of the foregoing;

3.3.2 amend, alter or repeal any provision of this Certificate of Incorporation or Bylaws of the Corporation in a manner that adversely affects the powers, preferences or rights of the Series A Preferred Stock or Series Seed Preferred Stock;

3.3.3 create, or authorize the creation of any additional class or series of capital stock unless the same ranks junior to the Series A Preferred Stock or Series Seed Preferred Stock with respect to the distribution of assets on the liquidation, dissolution or winding up of the Corporation, the payment of dividends and rights of redemption, or increase the authorized number of shares of Series A Preferred Stock or Series Seed Preferred Stock or increase the authorized number of shares of any additional class or series of capital stock of the Corporation unless the same ranks junior to the Series A Preferred Stock or Series Seed Preferred Stock with respect to the distribution of assets on the liquidation, dissolution or winding up of the Corporation, the payment of dividends and rights of redemption;

3.3.4 (i) reclassify, alter or amend any existing security of the Corporation that is pari passu with the Series A Preferred Stock or Series Seed Preferred Stock in respect of the distribution of assets on the liquidation, dissolution or winding up of the Corporation, the payment of dividends or rights of redemption, if such reclassification, alteration or amendment would render such other security senior to the Series A Preferred Stock or Series Seed Preferred Stock in respect of any such right, preference, or privilege or (ii) reclassify, alter or amend any existing security of the Corporation that is junior to the Series A Preferred Stock or Series Seed Preferred Stock in respect of the distribution of assets on the liquidation, dissolution or winding up of the Corporation, the payment of dividends or rights of redemption, if such reclassification, alteration or amendment would render such other security senior to or pari passu with the Series A Preferred Stock or Series Seed Preferred Stock in respect of any such right, preference or privilege;

3.3.5 purchase or redeem (or permit any subsidiary to purchase or redeem) or pay or declare any dividend or make any distribution on, any shares of capital stock of the Corporation other than (i) redemptions of or dividends or distributions on the Series A Preferred Stock or Series Seed Preferred Stock as expressly authorized herein, (ii) dividends or other distributions payable on the Common Stock solely in the form of additional shares of Common Stock and (iii) repurchases of Common Stock from former employees, officers, directors, consultants or other persons who performed services for the Corporation or any subsidiary in connection with the cessation of such employment or service at no greater than the original purchase price thereof;

3.3.6 create, or authorize the creation of, or issue, or authorize the issuance of any debt security or create any lien or security interest (except for purchase money liens or statutory liens of landlords, mechanics, materialmen, workmen, warehousemen and other similar persons arising or incurred in the ordinary course of business) or incur other indebtedness for borrowed money, including but not limited to obligations and contingent obligations under guarantees, or permit any subsidiary to take any such action with respect to any debt security lien, security interest or other indebtedness for borrowed money, if the aggregate indebtedness of the Corporation and its subsidiaries for borrowed money following such action would exceed
$300,000 other than equipment leases or trade payables incurred in the ordinary course; or

3.3.7 create, or hold capital stock in, any subsidiary that is not wholly owned (either directly or through one or more other subsidiaries) by the Corporation, or permit any subsidiary to create, or authorize the creation of, or issue or obligate itself to issue, any shares of any class or series of capital stock, or sell, transfer or otherwise dispose of any capital stock of any direct or indirect subsidiary of the Corporation, or permit any direct or indirect subsidiary to sell, lease, transfer, exclusively license or otherwise dispose (in a single transaction or series of related transactions) of all or substantially all of the assets of such subsidiary.

3.4 Series Seed Preferred Stock. To the maximum extent permitted by the DGCL, the Series Seed Preferred Stock shall not be entitled to vote as a separate class. To the extent the DGCL requires class voting, the Series Seed Preferred Stock shall vote with the Common Stock as a single class, unless otherwise prohibited by the DGCL.

4. Optional Conversion.

The holders of the Preferred Stock shall have conversion rights as follows (the "**Conversion Rights**"):

4.1 Right to Convert.

4.1.1 Conversion Ratio. Each share of Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and non- assessable shares of Common Stock as is determined by dividing the Original Issue Price by the Conversion Price (as defined below) in effect at the time of conversion. The "**Series A Conversion Price**" shall initially be equal to the Series A Original Issue Price and the "**Series Seed Conversation Price**" shall initially be equal to the Series Seed Original Issue Price and collectively the Series A Conversion Price and the Series Seed Conversion Price shall be referred to as the "**Conversion Price(s)**". Such initial Conversion Prices, and the rate at which shares of Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below.

4.2 Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of the Preferred Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the fair market value of a share of Common Stock as determined in good faith by the Board of Directors of the Corporation. Whether or not fractional shares would be issuable upon such conversion shall be determined on the basis of the total number of shares of Preferred Stock the holder is at the time converting into Common Stock and the aggregate number of shares of Common Stock issuable upon such conversion.

4.3 Mechanics of Conversion.

4.3.1 Notice of Conversion. In order for a holder of Preferred Stock to voluntarily convert shares of Preferred Stock into shares of Common Stock, such holder shall (a) provide written notice to the Corporation's transfer agent at the office of the transfer agent for the Preferred Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent) that such holder elects to convert all or any number of such holder's shares of Preferred Stock and, if applicable, any event on which such conversion is contingent and (b), if such holder's shares are certificated, surrender the certificate or certificates for such shares of Preferred Stock (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate), at the office of the transfer agent for the Preferred Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent). Such notice shall state such holder's name or the names of the nominees in which such holder wishes the shares of Common Stock to be issued. If required by the Corporation, any certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or his, her or its attorney duly authorized in writing. The close of business on the date of receipt by the transfer agent (or by the Corporation if the Corporation serves as its own transfer agent) of such notice and, if applicable, certificates (or lost certificate affidavit and agreement) shall be the time of conversion (the "**Conversion Time**"), and the shares of Common Stock issuable upon conversion of the specified shares shall be deemed to be outstanding of record as of such date. The Corporation shall, as soon as practicable after the Conversion Time (i) issue and deliver to such holder of Preferred Stock, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable upon such conversion in accordance with the provisions hereof and a certificate for the number (if any) of the shares of Preferred Stock represented by the surrendered certificate that were not converted into Common Stock, (ii) pay in cash such amount as provided in Subsection 4.2 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and (iii) pay all declared but unpaid dividends on the shares of Preferred Stock converted.

4.3.2 Reservation of Shares. The Corporation shall at all times when the Preferred Stock shall be outstanding, reserve and keep available out of its authorized but unissued capital stock, for the purpose of effecting the conversion of the Preferred Stock, such number of its duly authorized shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Preferred Stock, the Corporation shall take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to this Certificate of Incorporation. Before taking any action which would cause an adjustment reducing the Conversion Price below the then par value of the shares of Common Stock issuable upon conversion of the Preferred Stock, the Corporation will take any corporate action which may, in the opinion of its counsel, be necessary in order that the Corporation may validly and legally issue fully paid and non-assessable shares of Common Stock at such adjusted price.

4.3.3 Effect of Conversion. All shares of Preferred Stock which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares shall immediately cease and terminate at the Conversion Time, except only the right of the holders thereof to receive shares of Common Stock in exchange therefor, to receive payment in lieu of any fraction of a share otherwise issuable upon such conversion as provided in Subsection 4.2 and to receive payment of any dividends declared but unpaid thereon. Any shares of Preferred Stock so converted shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Preferred Stock accordingly.

4.3.4 No Further Adjustment. Upon any such conversion, no adjustment to the Conversion Price shall be made for any declared but unpaid dividends on the Preferred Stock surrendered for conversion or on the Common Stock delivered upon conversion.

4.3.5 Taxes. The Corporation shall pay any and all issue and other similar taxes that may be payable in respect of any issuance or delivery of shares of Common Stock upon conversion of shares of Preferred Stock pursuant to this Section 4. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of shares of Common Stock in a name other than that in which the shares of Preferred Stock so converted were registered, and no such issuance or delivery shall be made unless and until the person or entity requesting such issuance has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid.

4.4 Adjustments to Conversion Price for Diluting Issues.

4.4.1 Special Definitions. For purposes of this Article IV, the following definitions shall apply:

(a) "**Option**" shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire Common Stock or Convertible Securities.

(b) "**Original Issue Date**" shall mean the date on which the first share of Preferred Stock was issued.

(c) "**Convertible Securities**" shall mean any evidences of indebtedness, shares or other securities directly or indirectly convertible into or exchangeable for Common Stock, but excluding Options.

(d) "**Additional Shares of Common Stock**" shall mean all shares of Common Stock issued (or, pursuant to Subsection 4.4.3 below, deemed to be issued) by the Corporation after the Original Issue Date, other than (1) the following shares of Common Stock and (2) shares of Common Stock deemed issued pursuant to the following Options and Convertible Securities (clauses (1) and (2), collectively, "**Exempted Securities**"):

(i) shares of Common Stock, Options or Convertible Securities issued as a dividend or distribution on Preferred Stock;

(ii) shares of Common Stock, Options or Convertible Securities issued by reason of a dividend, stock split, split-up or other distribution on shares of Common Stock that is covered by Subsection 4.5, 4.6, 4.7 or 4.8**;**

(iii) shares of Common Stock or Options issued to employees or directors of, or consultants or advisors to, the Corporation or any of its subsidiaries pursuant to a plan, agreement or arrangement approved by the Board of Directors of the Corporation and the Requisite Holders;

(iv) shares of Common Stock or Convertible Securities actually issued upon the exercise of Options or shares of Common Stock actually issued upon the conversion or exchange of Convertible Securities, in each case provided such issuance is pursuant to the terms of such Option or Convertible Security;

(v) shares of Common Stock, Options or Convertible Securities issued to banks, equipment lessors or other financial institutions, or to real property lessors, pursuant to a debt financing, equipment leasing or real property leasing transaction approved by the Board of Directors of the Corporation and the Requisite Holders; or

(vi) shares of Common Stock, Options or Convertible Securities issued to suppliers or third party service providers in connection with the provision of goods or services pursuant to transactions approved by the Board of Directors of the Corporation and the Requisite Holders.

4.4.2 No Adjustment of Conversion Price. No adjustment in the Conversion Price shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from the Requisite Holders agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Shares of Common Stock.

4.4.3 Deemed Issue of Additional Shares of Common Stock.

(a) If the Corporation at any time or from time to time after the Original Issue Date shall issue any Options or Convertible Securities (excluding Options or Convertible Securities which are themselves Exempted Securities) or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of shares of Common Stock (as set forth in the instrument relating thereto, assuming the satisfaction of any conditions to exercisability, convertibility or exchangeability but without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Shares of Common Stock issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date.

(b) If the terms of any Option or Convertible Security, the issuance of which resulted in an adjustment to the Conversion Price pursuant to the terms of Subsection 4.4.4, are revised as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase or decrease in the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any such Option or Convertible Security or (2) any increase or decrease in the consideration payable to the Corporation upon such exercise, conversion and/or exchange, then, effective upon such increase or decrease becoming effective, the Conversion Price computed upon the original issue of such Option or Convertible Security (or upon the occurrence of a record date with respect thereto) shall be readjusted to such Conversion Price as would have obtained had such revised terms been in effect upon the original date of issuance of such Option or Convertible Security. Notwithstanding the foregoing, no readjustment pursuant to this clause (b) shall have the effect of increasing the Conversion Price to an amount which exceeds the lower of (i) the Conversion Price in effect immediately prior to the original adjustment made as a result of the issuance of such Option or Convertible Security, or (ii) the Conversion Price that would have resulted from any issuances of Additional Shares of Common Stock (other than deemed issuances of Additional Shares of Common Stock as a result of the issuance of such Option or Convertible Security) between the original adjustment date and such readjustment date.

(c) If the terms of any Option or Convertible Security (excluding Options or Convertible Securities which are themselves Exempted Securities), the issuance of which did not result in an adjustment to the Conversion Price pursuant to the terms of Subsection 4.4.4 (either because the consideration per share (determined pursuant to Subsection 4.4.4) of the Additional Shares of Common Stock subject thereto was equal to or greater than the Conversion Price then in effect, or because such Option or Convertible Security was issued before the Original Issue Date), are revised after the Original Issue Date as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase in the number of shares of Common Stock issuable upon the exercise, conversion or exchange of any such Option or Convertible Security or (2) any decrease in the consideration payable to the Corporation upon such exercise, conversion or exchange, then such Option or Convertible Security, as so amended or adjusted, and the Additional Shares of Common Stock subject thereto (determined in the manner provided in Subsection 4.4.3(a)) shall be deemed to have been issued effective upon such increase or decrease becoming effective.

(d) Upon the expiration or termination of any unexercised Option or unconverted or unexchanged Convertible Security (or portion thereof) which resulted (either upon its original issuance or upon a revision of its terms) in an adjustment to the Conversion Price pursuant to the terms of Subsection 4.4.4, the Conversion Price shall be readjusted to such Conversion Price as would have obtained had such Option or Convertible Security (or portion thereof) never been issued.

(e) If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, is calculable at the time such Option or Convertible Security is issued or amended but is subject to adjustment based upon subsequent events, any adjustment to the Conversion Price provided for in this Subsection 4.4.3 shall be effected at the time of such issuance or amendment based on such number of shares or amount of consideration without regard to any provisions for subsequent adjustments (and any subsequent adjustments shall be treated as provided in clauses (b) and (c) of this Subsection 4.4.3). If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, cannot be calculated at all at the time such Option or Convertible Security is issued or amended, any adjustment to the Conversion Price that would result under the terms of this Subsection 4.4.3 at the time of such issuance or amendment shall instead be effected at the time such number of shares and/or amount of consideration is first calculable (even if subject to subsequent adjustments), assuming for purposes of calculating such adjustment to the Conversion Price that such issuance or amendment took place at the time such calculation can first be made.

4.4.4 Adjustment of Series A Conversion Price Upon Issuance of Additional Shares of Common Stock. In the event the Corporation shall at any time after the Original Issue Date issues Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Subsection 4.4.3), without consideration or for a consideration per share less than the applicable Series A Conversion Price in effect immediately prior to such issuance or deemed issuance, then the Series A Conversion Price shall be reduced, concurrently with such issuance or deemed issuance, to 80% of the consideration per share received by the Corporation for such issue or deemed issue of the Additional Shares of Common Stock; provided that if such issuance or deemed issuance was without consideration, then the Corporation shall be deemed to have received an aggregate of 50% of the Series A Original Issue Price per share for each Additional Share of Common Stock issued or deemed to be issued.

4.4.5 Determination of Consideration. For purposes of this Subsection 4.4, the consideration received by the Corporation for the issuance or deemed issuance of any Additional Shares of Common Stock shall be computed as follows:

(a) Cash and Property: Such consideration shall:

(i) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Corporation, excluding amounts paid or payable for accrued interest;

(ii) insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of such issue, as determined in good faith by the Board of Directors of the Corporation; and

(iii) in the event Additional Shares of Common Stock are issued together with other shares or securities or other assets of the Corporation for consideration which covers both, be the proportion of such consideration so received, computed as provided in clauses (i) and (ii) above, as determined in good faith by the Board of Directors of the Corporation.

(b) Options and Convertible Securities. The consideration per share received by the Corporation for Additional Shares of Common Stock deemed to have been issued pursuant to Subsection 4.4.3, relating to Options and Convertible Securities, shall be determined by dividing:

(i) The total amount, if any, received or receivable by the Corporation as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Corporation upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, by

(ii) the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities.

4.4.6 Multiple Closing Dates. In the event the Corporation shall issue on more than one date Additional Shares of Common Stock that are a part of one transaction or a series of related transactions and that would result in an adjustment to the Conversion Price pursuant to the terms of Subsection 4.4.4, and such issuance dates occur within a period of no more than ninety (90) days from the first such issuance to the final such issuance, then, upon the final such issuance, the Conversion Price shall be readjusted to give effect to all such issuances as if they occurred on the date of the first such issuance (and without giving effect to any additional adjustments as a result of any such subsequent issuances within such period).

4.5 Adjustment for Stock Splits and Combinations. If the Corporation shall at any time or from time to time after the Original Issue Date effect a subdivision of the outstanding Common Stock, the Conversion Price in effect immediately before that subdivision shall be proportionately decreased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be increased in proportion to such increase in the aggregate number of shares of Common Stock outstanding. If the Corporation shall at any time or from time to time after the Original Issue Date combine the outstanding shares of Common Stock, the Conversion Price in effect immediately before the combination shall be proportionately increased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be decreased in proportion to such decrease in the aggregate number of shares of Common Stock outstanding. Any adjustment under this subsection shall become effective at the close of business on the date the subdivision or combination becomes effective.

4.6 Adjustment for Certain Dividends and Distributions. In the event the Corporation at any time or from time to time after the Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable on the Common Stock in additional shares of Common Stock, then and in each such event the Conversion Price in effect immediately before such event shall be decreased as of the time of such issuance or, in the event such a record date shall have been fixed, as of the close of business on such record date, by multiplying the Conversion Price then in effect by a fraction:

(1) the numerator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and

(2) the denominator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution.

Notwithstanding the foregoing (a) if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Conversion Price shall be recomputed accordingly as of the close of business on such record date and thereafter the Conversion Price shall be adjusted pursuant to this subsection as of the time of actual payment of such dividends or distributions; and (b) that no such adjustment shall be made if the holders of Preferred Stock simultaneously receive a dividend or other distribution of shares of Common Stock in a number equal to the number of shares of Common Stock as they would have received if all outstanding shares of Preferred Stock had been converted into Common Stock on the date of such event.

4.7 Adjustments for Other Dividends and Distributions. In the event the Corporation at any time or from time to time after the Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in securities of the Corporation (other than a distribution of shares of Common Stock in respect of outstanding shares of Common Stock) or in other property and the provisions of Section 1 do not apply to such dividend or distribution, then and in each such event the holders of Preferred Stock shall receive, simultaneously with the distribution to the holders of Common Stock, a dividend or other distribution of such securities or other property in an amount equal to the amount of such securities or other property as they would have received if all outstanding shares of Preferred Stock had been converted into Common Stock on the date of such event.

4.8 Adjustment for Merger or Reorganization, etc. Subject to the provisions of Section 2, if there shall occur any reorganization, recapitalization, reclassification, consolidation or merger involving the Corporation in which the Common Stock (but not the Preferred Stock) is converted into or exchanged for securities, cash or other property (other than a transaction covered by Subsections 4.4, 4.6 or 4.7), then, following any such reorganization, recapitalization, reclassification, consolidation or merger, each share of Preferred Stock shall thereafter be convertible in lieu of the Common Stock into which it was convertible prior to such event into the kind and amount of securities, cash or other property which a holder of the number of shares of Common Stock of the Corporation issuable upon conversion of one share of Preferred Stock immediately prior to such reorganization, recapitalization, reclassification, consolidation or merger would have been entitled to receive pursuant to such transaction; and, in such case, appropriate adjustment (as determined in good faith by the Board of Directors of the Corporation) shall be made in the application of the provisions in this Section 4 with respect to the rights and interests thereafter of the holders of the Preferred Stock, to the end that the provisions set forth in this Section 4 (including provisions with respect to changes in and other adjustments of the Conversion Price) shall thereafter be applicable, as nearly as reasonably may be, in relation to any securities or other property thereafter deliverable upon the conversion of the Preferred Stock.

4.9 Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Conversion Price pursuant to this Section 4, the Corporation at its expense shall, as promptly as reasonably practicable but in any event not later than thirty (30) days thereafter, compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of Preferred Stock a certificate setting forth such adjustment or readjustment (including the kind and amount of securities, cash or other property into which the Preferred Stock is convertible) and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, as promptly as reasonably practicable after the written request at any time of any holder of Preferred Stock (but in any event not later than thirty (30) days thereafter), furnish or cause to be furnished to such holder a certificate setting forth (i) the Conversion Price then in effect, and (ii) the number of shares of Common Stock and the amount, if any, of other securities, cash or property which then would be received upon the conversion of Preferred Stock.

4.10 Notice of Record Date. In the event:

(a) the Corporation shall take a record of the holders of its Common Stock (or other capital stock or securities at the time issuable upon conversion of the Preferred Stock) for the purpose of entitling or enabling them to receive any dividend or other distribution, or to receive any right to subscribe for or purchase any shares of capital stock of any class or any other securities, or to receive any other security; or

(b) of any capital reorganization of the Corporation, any reclassification of the Common Stock of the Corporation, or any Deemed Liquidation Event; or

(c) of the voluntary or involuntary dissolution, liquidation or winding-up of the Corporation, then, and in each such case, the Corporation will send or cause to be sent to the holders of the Preferred Stock a notice specifying, as the case may be, (i) the record date for such dividend, distribution or right, and the amount and character of such dividend, distribution or right, or (ii) the effective date on which such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up is proposed to take place, and the time, if any is to be fixed, as of which the holders of record of Common Stock (or such other capital stock or securities at the time issuable upon the conversion of the Preferred Stock) shall be entitled to exchange their shares of Common Stock (or such other capital stock or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up, and the amount per share and character of such exchange applicable to the Preferred Stock and the Common Stock. Such notice shall be sent at least ten (10) days prior to the record date or effective date for the event specified in such notice.

5. Mandatory Conversion.

5.1 Trigger Events. Upon either (a) the closing of the sale of shares of Common Stock to the public at a price of at least the Series A Original Issue Price per share (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Common Stock), in a firm-commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, resulting in at least $35,000,000 of gross proceeds, to the Corporation and in connection with such offering the Common Stock is listed for trading on the Nasdaq Stock Market's National Market, the New York Stock Exchange or another exchange or marketplace approved the Board of Directors, or (b) the date and time, or the occurrence of an event, specified by vote or written consent of the Requisite Holders (the time of such closing or the date and time specified or the time of the event specified in such vote or written consent is referred to herein as the "**Mandatory Conversion Time**"), then (i) all outstanding shares of Preferred Stock shall automatically be converted into shares of Common Stock, at the then effective conversion rate as calculated pursuant to Subsection 4.1.1 and (ii) such shares may not be reissued by the Corporation.

5.2 Procedural Requirements. All holders of record of shares of Preferred Stock shall be sent written notice of the Mandatory Conversion Time and the place designated for mandatory conversion of all such shares of Preferred Stock pursuant to this Section 5. Such notice need not be sent in advance of the occurrence of the Mandatory Conversion Time. Upon receipt of such notice, each holder of shares of Preferred Stock in certificated form shall surrender his, her or its certificate or certificates for all such shares (or, if such holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation at the place designated in such notice. If so required by the Corporation, any certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by his, her or its attorney duly authorized in writing. All rights with respect to the Preferred Stock converted pursuant to Subsection 5.1, including the rights, if any, to receive notices and vote (other than as a holder of Common Stock), will terminate at the Mandatory Conversion Time (notwithstanding the failure of the holder or holders thereof to surrender any certificates at or prior to such time), except only the rights of the holders thereof, upon surrender of any certificate or certificates of such holders (or lost certificate affidavit and agreement) therefor, to receive the items provided for in the next sentence of this Subsection 5.2. As soon as practicable after the Mandatory Conversion Time and, if applicable, the surrender of any certificate or certificates (or lost certificate affidavit and agreement) for Preferred Stock, the Corporation shall (a) issue and deliver to such holder, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable on such conversion in accordance with the provisions hereof and (b)pay cash as provided in Subsection 4.2 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and the payment of any declared but unpaid dividends on the shares of Preferred Stock converted. Such converted Preferred Stock shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Preferred Stock accordingly.

6. Redeemed or Otherwise Acquired Shares. Shares of Preferred Stock shall not be redeemable.

7. Waiver. Any of the rights, powers, preferences and other terms of the Preferred Stock set forth herein may be waived on behalf of all holders of (but not individual holders) Preferred Stock by the affirmative written consent or vote of the Requisite Holders.

8. Notices. Any notice required or permitted by the provisions of this Article IV to be given to a holder of shares of Preferred Stock shall be mailed, postage prepaid, to the post office address last shown on the records of the Corporation, or given by electronic communication in compliance with the provisions of the DGCL, and shall be deemed sent upon such mailing or electronic transmission.

ARTICLE V

Subject to any additional vote required by this Certificate of Incorporation or Bylaws, in furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, repeal, alter, amend and rescind any or all of the Bylaws of the Corporation.

ARTICLE VI

The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. Elections of directors need not be by written ballot unless otherwise provided in the Bylaws of the Corporation.

ARTICLE VII

To the fullest extent permitted by the DGCL, as it exists or may hereafter be amended, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. If the DGCL or any other law of the State of Delaware is amended after approval by the stockholders of this Article VII to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the IBCL as so amended.

The Corporation is authorized to indemnify to the fullest extent permitted by law any person made or threatened to be made a party to an action or proceeding, whether criminal, civil, administrative or investigative, by reason of the fact that such person was a director or officer of the Corporation or any predecessor of the Corporation, or serves or served at any other enterprise as a director or officer at the request of the Corporation or any predecessor to the Corporation.

Neither any amendment nor repeal of this Article VII, nor the adoption of any provision of the Certificate of Incorporation inconsistent with this Article VII, shall eliminate or reduce the effect of this Article VII in respect of any matter occurring, or any action or proceeding accruing or arising or that, but for this Article VII, would accrue or arise, prior to such amendment, repeal or adoption of an inconsistent provision.

ARTICLE VIII

Unless the Corporation consents in writing to the selection of an alternative forum, the state courts of Delaware shall be the sole and exclusive forum for any stockholder (including a beneficial owner) to bring (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim against the Corporation, its directors, officers or employees arising pursuant to any provision of the DGCL or the this Certificate of Incorporation or the Corporation's Bylaws or (iv) any action asserting a claim against the Corporation, its directors, officers or employees governed by the internal affairs doctrine, except for, as to each of (i) through (iv) above, any claim as to which a state court in Indiana determines that there is an indispensable party not subject to the jurisdiction of the state court of Delaware (and the indispensable party does not consent to the personal jurisdiction of the state court of Indiana within ten days following such determination), which is vested in the exclusive jurisdiction of a court or forum other than the state court of Delaware, or for which the state court of Indiana does not have subject matter jurisdiction. If any provision or provisions of this Article VIII shall be held to be invalid, illegal or unenforceable as applied to any person or entity or circumstance for any reason whatsoever, then, to the fullest extent permitted by law, the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Article VIII (including, without limitation, each portion of any sentence of this Article VIII containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) and the application of such provision to other persons or entities and circumstances shall not in any way be affected or impaired thereby.

ARTICLE IX

The name and mailing address of the incorporator are as follows:

Brian Carrico
NeurAxis, Inc.
829 S Adams Street
Versailles, IN 47042

IN WITNESS WHEREOF, the undersigned, being the sole incorporator hereinabove named, does hereby certify that the facts hereinabove stated are truly set forth and, accordingly, hereby executes this Certificate of Incorporation this 22nd day of June, 2022.

By: */s/ Brian Carrico*
Brian Carrico, Incorporator

Exhibit 3.3

BYLAWS
OF
NEURAXIS, INC.

ARTICLE I

Meetings of Stockholders and Other Stockholder Matters

SECTION 1. Place of Meetings. Meetings of stockholders shall be held at any place, within or outside the state of Delaware, designated by the Board of Directors. In the absence of any such designation, stockholders' meetings shall be held at the registered office of the corporation.

SECTION 2. Annual Meeting. An annual meeting of the stockholders of Neuraxis, Inc., a Delaware corporation (the "**Corporation**") shall be held for the election of directors and for the transaction of such other proper business at such time, date and place, either within or without the State of Delaware, as shall be designated by resolution of the Board of Directors from time to time.

SECTION 3. Special Meetings. Special meetings of stockholders for any purpose or purposes may be called by the Board of Directors, or by a committee of the Board of Directors that has been designated by the Board of Directors and whose powers and authority, as expressly provided in a resolution of the Board of Directors, include the power to call such meetings, and shall be held at such time, date and place, either within or without the State of Delaware, as shall be designated by resolution of the Board of Directors or such committee. Special meetings of stockholders may not be called by any other person or persons.

SECTION 4. Notice of Meetings; Manner of Giving Notice. Written notice of each meeting of the stockholders, which shall state the time, date and place of the meeting and in the case of a special meeting, the purpose or purposes for which it is called, shall, unless otherwise provided by applicable law, the Certificate of Incorporation or these bylaws, be given not less than ten (10) nor more than sixty (60) days before the date of such meeting to each stockholder entitled to vote at such meeting, and, if mailed, it shall be deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the Corporation. Whenever notice is required to be given, a written waiver thereof signed by the person entitled thereto, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Written notice of any meeting of stockholders, if mailed, is given when deposited in the United States mail, postage prepaid, directed to the stockholder at his address as it appears on the records of the corporation. Without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders may be given by electronic mail or other electronic transmission, in the manner provided in Section 232 of the Delaware General Corporation Law. An affidavit of the secretary or an assistant secretary or of the transfer agent of the corporation that the notice has been given shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

SECTION 5. Adjournments. Any meeting of the stockholders may adjourn from time to time to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At any such adjourned meeting at which a quorum may be present, the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

SECTION 6. Quorum. Except as otherwise provided by Delaware law, the Certificate of Incorporation or these bylaws, at any meeting of the stockholders the holders of a majority of the shares of stock, issued and outstanding and entitled to vote, shall be present in person or represented by proxy in order to constitute a quorum for the transaction of any business. In the absence of a quorum, the holders of a majority of the shares present in person or represented by proxy and entitled to vote may adjourn the meeting from time to time in the manner described in Section 5 of this Article I.

SECTION 7. Organization. At each meeting of the stockholders, the Chairman of the Board, or in his absence or inability to act, the President or, in his absence or inability to act, a Vice President or, in the absence or inability to act of such persons, any person designated by the Board of Directors, or in the absence of such designation, any person chosen by a majority of those stockholders present in person or represented by proxy, shall act as chairman of the meeting. The Secretary or, in his absence or inability to act, any person appointed by the chairman of the meeting shall act as secretary of the meeting and keep the minutes thereof.

SECTION 8. Notice of Business. At any annual meeting of the stockholders of the Corporation, only such business shall be conducted as shall have been brought before the meeting. To be properly brought before an annual meeting, such business must be (i) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors; (ii) otherwise properly brought before the meeting by or at the direction of the Board of Directors; or (iii) otherwise properly brought before the meeting by any stockholder of the Corporation who is a stockholder of record at the time of giving of the notice provided for in this Section 8, who shall be entitled to vote at such meeting and who complies with the notice procedures set forth in this Section 8. For business to be properly brought before an annual meeting of the stockholders by a stockholder, the stockholder shall have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, a stockholder's notice shall be delivered to or mailed and received by the Secretary at the principal executive office of the Corporation not less than 60 days nor more than 90 days prior to the annual meeting; provided , however , that in the event that less than 70 days' notice or prior public disclosure of the date of the annual meeting is given or made to stockholders, notice by the stockholder to be timely must be so received not later than the close of business on the tenth day following the day on which such notice of the date of the meeting was mailed or such public disclosure was made, whichever first occurs. Such stockholder's notice to the Secretary of the Corporation shall set forth as to each matter the stockholder proposes to bring before the annual meeting (a) a brief description of the business desired to be brought before the annual meeting, the reasons for conducting such business at the annual meeting and, in the event that such business includes a proposal to amend any document, including these bylaws, the language of the proposed amendment, (b) the name and address, as they appear on the Corporation's books, of the stockholder proposing such business, (c) the class and number of shares of capital stock of the Corporation which are beneficially owned by such stockholder and (d) any material interest of such stockholder in such business. Notwithstanding anything in these bylaws to the contrary, no business shall be conducted at any annual meeting of the stockholders except in accordance with the procedures set forth in this Section 8. The chairman of the annual meeting of the stockholders shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting in accordance with the provisions of this Section 8, and if he should so determine, he shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted. Notwithstanding the foregoing provisions of this Section 8, a stockholder shall also comply with all applicable requirements of the Securities and Exchange Act of 1934, as amended (the "**Exchange Act**"), and the rules and regulations promulgated thereunder with respect to matters set forth in this Section 8.

SECTION 9. Order of Business; Conduct of Meetings. The order of business at all meetings of the stockholders shall be as determined by the chairman of the meeting.

SECTION 10. Voting; Proxies. Unless otherwise provided by Delaware law or in the Certificate of Incorporation, each stockholder entitled to vote at any meeting of stockholders shall be entitled to one vote for each share of capital stock which has voting power upon the matter in question held by such stockholder either (i) on the date fixed pursuant to the provisions of Section 11 of Article I of these bylaws as the record date for the determination of the stockholders to be entitled to notice of or to vote at such meeting; or (ii) if no record date is fixed, then at the close of business on the day next preceding the day on which notice is given. Each stockholder entitled to vote at any meeting of the stockholders may authorize another person or persons to act for him by proxy. Any such proxy shall be delivered to the secretary of such meeting at or prior to the time designated in the order of business for so delivering such proxies. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of Section 212(e) of the General Corporation Law of Delaware. At all meetings of the stockholders for the election of directors, a plurality of the votes cast shall be sufficient to elect. On all other matters, except as otherwise required by Delaware law or the Certificate of Incorporation, a majority of the votes cast at a meeting of the stockholders shall be necessary to authorize any corporate action to be taken by vote of the stockholders. Unless required by Delaware law, or determined by the chairman of the meeting to be advisable, the vote on any question other than the election of directors need not be by written ballot. On a vote by written ballot, each written ballot shall be signed by the stockholder voting, or by his proxy if there be such proxy, and shall state the number of shares voted.

SECTION 11. Fixing of Record Date for Stockholder Meetings. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than 60 nor less than 10 days before the date of such meeting. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be the close of business on the day next preceding the day on which notice is given, or if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however , that the Board of Directors may fix a new record date for the adjourned meeting.

SECTION 12. Fixing a Record Date for Other Purposes. In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purposes of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall not be more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

SECTION 13. List of Stockholders Entitled to Vote. The officer of the Corporation who has charge of the stock ledger of the Corporation shall prepare and make, at least 10 days before every meeting of the stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof and may be inspected by any stockholder of the Corporation who is present.

SECTION 14. Inspectors. The Board of Directors may, in advance of any meeting of stockholders, appoint one or more inspectors to act at such meeting or any adjournment thereof. If the inspectors shall not be so appointed or if any of them shall fail to appear or act, the chairman of the meeting shall appoint inspectors. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector at such meeting with strict impartiality and according to the best of his or her ability. The inspectors shall determine the number of shares outstanding and the voting power of each, the number of shares represented at the meeting, the existence of a quorum, the validity and effect of proxies, and shall receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the result, and do such acts as are proper to conduct the election or vote with fairness to all stockholders. On request of the chairman of the meeting or any stockholder entitled to vote thereat, the inspectors shall make a report in writing of any challenge, question or matter determined by them and shall execute a certificate of any fact found by them. No director or candidate for the office of director shall act as an inspector of an election of directors. Inspectors need not be stockholders.

SECTION 15. Stock Ledger. The stock ledger of the Corporation shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list required by Section 13 of this Article I, the books of the Corporation, or to vote in person or by proxy at any meeting of the stockholders.

SECTION 16. Action of the Shareholders without a Meeting. Unless otherwise provided by law, any action required to be taken at a meeting of the shareholders, or any other action which may be taken at a meeting of the shareholders, may be taken without a meeting or notice thereof if a consent in writing, setting forth the action so taken, shall be (a) signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted, and (b) delivered to the corporation in accordance with Section 228(a) of the Delaware General Corporation Law.

Every written consent shall bear the date of signature of each stockholder who signs the consent and no written consent shall be effective to take the corporate action referred to therein unless, within 60 days of the date the earliest dated consent is delivered to the corporation, a written consent or consents signed by a sufficient number of holders to take action are delivered to the corporation in the manner prescribed in this Section. A telegram, cablegram, electronic mail or other electronic transmission consenting to an action to be taken and transmitted by a stockholder or proxyholder, or by a person or persons authorized to act for a stockholder or proxyholder, shall be deemed to be written, signed and dated for purposes of this Section to the extent permitted by law. Any such consent shall be delivered in accordance with Section 228(d)(1) of the Delaware General Corporation Law.

Any copy, facsimile or other reliable reproduction of a consent in writing may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used, provided that such copy, facsimile or other reproduction shall be a complete reproduction of the entire original writing.

Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing (including by electronic mail or other electronic transmission as permitted by law). If the action which is consented to is such as would have required the filing of a certificate under any section of the General Corporation Law of Delaware if such action had been voted on by stockholders at a meeting thereof, then the certificate filed under such section shall state, in lieu of any statement required by such section concerning any vote of stockholders, that written notice and written consent have been given as provided in Section 228 of the General Corporation Law of Delaware

ARTICLE II

Board of Directors

SECTION 1. General Powers. The business and affairs of the Corporation shall be managed by or under the direction of a Board of Directors. The Board of Directors may exercise all such authority and powers of the Corporation and do all such lawful acts and things as are not, by Delaware law or the Certificate of Incorporation, directed or required to be exercised or done by the stockholders.

SECTION 2. Number, Qualification. Upon the adoption of these bylaws, the number of directors constituting the entire Board of Directors shall be six (6). Thereafter, this number may be changed by a resolution of the Board of Directors or of the stockholders, subject to Section 4 and Section 5 of Article II of these bylaws. No reduction of the authorized number of directors shall have the effect of removing any director before such director's terms of office expires.

SECTION 3. Elections and Terms. The Board of Directors, other than those who may be elected by the holders of any classes or series of stock having a preference over the common stock as to dividends or upon liquidation, shall be elected for a term ending at the next following Annual Meeting of Stockholders and until their successors have been duly elected and qualified.

SECTION 4. Newly Created Directorships and Vacancies. Except as otherwise fixed by or pursuant to provisions of the Certificate of Incorporation relating to the rights of the holders of any class or series of stock having a preference over common stock as to dividends or upon liquidation to elect additional directors under specified circumstances, newly created directorships resulting from any increase in the number of directors and any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other cause shall be filled by the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum of the Board of Directors. Except as otherwise provided under Delaware law, newly created directorships and vacancies resulting from any cause may not be filled by any other person or persons. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term and until such director's successor shall have been duly elected and qualified. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any director then in office. If, at the time of filling any vacancy or any newly created directorship, the directors then in office constitute less than a majority of the whole board (as constituted immediately prior to any such increase), then the Court of Chancery may, upon application of any stockholder or stockholders holding at least 10% of the total number of the shares at the time outstanding having the right to vote for such directors, summarily order an election to be held to fill any such vacancies or newly created directorships, or to replace the directors chosen by the directors then in office as aforesaid, which election shall be governed by the provisions of Section 211 of the General Corporation Law of Delaware as far as applicable.

SECTION 5. Removal and Resignation. Except as otherwise fixed by or pursuant to provisions of the Certificate of Incorporation relating to the rights of the holders of any class or series of stock having a preference over common stock as to dividends or upon liquidation to elect additional directors under specified circumstances, any director may be removed from office only for cause and only by the affirmative vote of the holders of two-thirds of the outstanding shares of stock entitled to vote generally in the election of directors. Any director may resign at any time upon written notice to the Corporation. Any such resignation shall take effect at the time specified therein or, if the time when it shall become effective shall not be specified therein, immediately upon its receipt; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. If at any time, by reason of death or resignation or other cause, the corporation should have no directors in office, then any officer or any stockholder or an executor, administrator, trustee or guardian of a stockholder, or other fiduciary entrusted with like responsibility for the person or estate of a stockholder, may call a special meeting of stockholders in accordance with the provisions of the certificate of incorporation or these bylaws, or may apply to the Court of Chancery for a decree summarily ordering an election as provided in Section 211 of the General Corporation Law of Delaware.

SECTION 6. Nomination of Directors. Only persons who are nominated in accordance with the following procedures shall be eligible for election by the stockholders as directors of the Corporation. Nominations of persons for election as directors of the Corporation may be made at an annual meeting of stockholders (i) by or at the direction of the Board of Directors; (ii) by any nominating committee or persons appointed by the Board of Directors; or (iii) by any stockholder of the Corporation entitled to vote for the election of directors at the meeting who complies with the notice procedures set forth in this Section 6. Such nominations, other than those made by or at the direction of the Board of Directors, shall be made pursuant to timely notice in writing to the Secretary of the Corporation. To be timely, a stockholder's notice shall be delivered to or mailed and received at the principal executive office of the Corporation not less than 60 days nor more than 90 days prior to the annual meeting; provided , however , that in the event that less than 70 days' notice or prior public disclosure of the date of the annual meeting is given or made to stockholders, notice by the stockholder to be timely must be so received not later than the close of business on the tenth day following the day on which such notice of the date of the meeting was mailed or such public disclosure was made, whichever first occurs. Such stockholder's notice to the Secretary of the Corporation shall set forth (a) as to each person whom the stockholder proposes to nominate for election or reelection as a director, (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class and number of shares of capital stock of the Corporation which are beneficially owned by the person and (iv) any other information relating to the person that is required to be disclosed in solicitations for proxies for election of directors pursuant to Regulation 14A under the Exchange Act; and (b) as to the stockholder giving the notice, (i) the name and record address of such stockholder and (ii) the class and number of shares of capital stock of the Corporation which are beneficially owned by such stockholder. The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as a director of the Corporation. No person shall be eligible for election by the stockholders as a director of the Corporation unless nominated in accordance with the procedures set forth herein. The chairman of the annual meeting of the stockholders shall, if the facts warrant, determine and declare to the meeting that nomination was not made in accordance with the foregoing procedure, and if he should so determine, he shall so declare to the meeting and the defective nomination shall be disregarded.

SECTION 7. Regular Meetings. Regular meetings of the Board of Directors may be held at such places within or without the State of Delaware and at such times as the Board of Directors may from time to time determine. Notice of regular meetings of the Board of Directors need not be given except as otherwise required by Delaware law or these bylaws.

SECTION 8. Special Meetings. Special meetings of the Board of Directors may be held at any time or place within or without the State of Delaware whenever called by the Chairman of the Board of Directors, the President or by a majority of the entire Board of Directors.

SECTION 9. Notice of Meetings. Notice of each special meeting of the Board of Directors (and of each regular meeting for which notice shall be required) shall be given by the Secretary as hereinafter provided in this Section 9, in which notice shall be stated the time and place of the meeting. Except as otherwise required by Delaware law or these bylaws, such notice need not state the purpose(s) of such meeting. Notice of each such meeting shall be mailed, postage prepaid, to each director, addressed to such director at such director's residence or usual place of business, by registered mail, return receipt requested delivered at least two (2) days before the day on which such meeting is to be held, or shall be sent addressed to such director at such place by electronic mail, telegraph, telex, cable or wireless, or be delivered to such director personally, by facsimile or by telephone, at least 24 hours before the time at which such meeting is to be held. A written waiver of notice, signed by the director entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Notice of any such meeting need not be given to any director who shall, either before or after the meeting, submit a signed waiver of notice or who shall attend such meeting without protesting, prior to or at its commencement, the lack of notice to him.

SECTION 10. Quorum and Manner of Acting. Except as hereinafter provided, a majority of the whole Board of Directors shall be present in person or by means of a conference telephone or similar communications equipment which allows all persons participating in the meeting to hear each other at the same time at any meeting of the Board of Directors in order to constitute a quorum for the transaction of business at such meeting; and, except as otherwise required by Delaware law, the Certificate of Incorporation or these bylaws, the act of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors. In the absence of a quorum at any meeting of the Board of Directors, a majority of the directors present thereat may adjourn such meeting to another time and place. Notice of the time and place of any such adjourned meeting shall be given to the directors who were not present at the time of the adjournment and, unless such time and place were announced at the meeting at which the adjournment was taken, to the other directors. At any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally called. The directors shall act only as a Board and the individual directors shall have no power as such.

SECTION 11. Action Without a Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if all members of the Board consent thereto in writing, and the writing or writings are filed with the minutes of the proceedings of the Board of Directors.

SECTION 12. Telephonic Participation. Members of the Board of Directors may participate in a meeting of the Board by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation in such a meeting shall constitute presence in person at such meeting.

SECTION 13. Organization. At each meeting of the Board, the Chairman of the Board or, in his absence or inability to act, the Chief Executive Officer or, in his absence or inability to act, another director chosen by a majority of the directors present shall act as chairman of the meeting and preside thereat. The Secretary or, in his absence or inability to act, any person appointed by the chairman shall act as secretary of the meeting and keep the minutes thereof.

SECTION 14. Compensation. The Board of Directors shall have authority to fix the compensation, including fees and reimbursement of expenses, of directors for services to the Corporation in any capacity.

ARTICLE III

Committees

SECTION 1. Committees. The Board of Directors may, by resolution passed by a majority of the whole Board of Directors, designate one or more committees, each committee to consist of two or more of the directors of the Corporation. The Board of Directors may fill vacancies in, change the membership of, or dissolve any such committee. The Board of Directors may designate one or more directors as alternate members of any committee who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of the committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of such absent or disqualified member. Any such committee, to the extent provided by Delaware law and to the extent provided in the resolution of the Board of Directors, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it. Each committee shall keep written minutes of its proceedings and shall report such minutes to the Board of Directors when required. All such proceedings shall be subject to revision or alteration by the Board of Directors; provided, however, that third parties shall not be prejudiced by such revision or alteration.

SECTION 2. Committee Rules. Unless the Board of Directors otherwise provides, each committee designated by the Board of Directors may make, alter and repeal rules for the conduct of its business. In the absence of such rules, each committee shall conduct its business in the same manner as the Board of Directors conducts its business pursuant to Article II of these bylaws.

ARTICLE IV

Officers

SECTION 1. Number. The officers of the Corporation shall be elected by the Board of Directors and shall consist of a Chief Executive Officer, a President, one or more Vice Presidents, a Secretary, a Treasurer, and such other officers and assistant officers as may be deemed necessary or desirable by the Board of Directors. Any number of offices may be held by the same person. In its discretion, the Board of Directors may choose not to fill any office for any period that it may deem advisable unless otherwise required by Delaware law.

SECTION 2. Election and Term of Officers. The officers of the Corporation shall be elected annually by the Board of Directors at its first meeting held after each annual meeting of stockholders or as soon thereafter as conveniently may be. The Chief Executive Officer shall appoint persons to other officers as he or she deems desirable and such appointments, if any, shall serve at the pleasure of the Board of Directors. Each officer shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as hereinafter provided.

SECTION 3. Resignations. Any officer may resign at any time upon written notice to the Corporation. Any such resignation shall take effect at the time specified therein or, if the time when it shall become effective shall not be specified therein, immediately upon its receipt; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 4. Removal. Any officer or agent of the Corporation may be removed, either with or without cause, at any time, by the Board of Directors at any meeting of the Board of Directors or, except in the case of an officer or agent elected or appointed by the Board of Directors, by the Chief Executive Officer, but any such removal shall be without prejudice to the contract rights, if any, of the person so removed.

SECTION 5. Vacancies. Any vacancy occurring in any office of the Corporation by death, resignation, removal or otherwise, may be filled for the unexpired portion of the term of the office which shall be vacant by the Board of Directors at any special or regular meeting.

SECTION 6. Powers and Duties of Officers. The officers of the Corporation shall have such powers and duties in the management of the Corporation as may be prescribed in a resolution by the Board of Directors and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the Board of Directors. The Board of Directors may require any officer, agent or employee to give security for the faithful performance of his or her duties.

SECTION 7. The Chairman of the Board. The Board of Directors may elect from its members a Chairman of the Board. The Chairman of the Board, if any, shall be deemed an officer of the Corporation for the purpose of executing agreements and other instruments on behalf of the Corporation but shall not be an employee of the Corporation. He shall, if present, preside at each meeting of the stockholders and of the Board of Directors and shall be an ex-officio member of all committees of the Board of Directors. Such person shall perform all duties incident to the office of Chairman of the Board and such other duties as may from time to time be assigned to such person by the Board of Directors.

SECTION 8. The Chief Executive Officer. The Chief Executive Officer shall have the general and active supervision and direction over the business operations and affairs of the Corporation and over the other officers, agents and employees and shall see that their duties are properly performed. Such person shall perform all duties incident to the office of Chief Executive Officer and such other duties as may from time to time be assigned to such person by the Board of Directors.

SECTION 9. The President. The President shall have general and active supervision and direction over the business operations and affairs of the Corporation and over its several officers, agents and employees, subject, however, to the direction of the Chief Executive Officer and the control of the Board of Directors. In general, the President shall have such other powers and shall perform such other duties as usually pertain to the office of President or as from time to time may be assigned to him by the Board of Directors or the Chief Executive Officer.

SECTION 10. Vice Presidents. Each Vice President shall have such powers and perform such duties as from time to time may be assigned to him by the Board of Directors or the Chief Executive Officer.

SECTION 11. The Treasurer. The Treasurer shall (a) have charge and custody of, and be responsible for, all the funds and securities of the Corporation; (b) keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation; (c) cause all monies and other valuables to be deposited to the credit of the Corporation in such depositories as may be designated by the Board; (d) receive, and give receipts for, monies due and payable to the Corporation from any source whatsoever; (e) disburse the funds of the Corporation and supervise the investment of its funds as ordered or authorized by the Board, taking proper vouchers therefor; and (f) in general, have all the powers and perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board of Directors or the Chief Executive Officer.

SECTION 12. The Secretary. The Secretary shall (a) record the proceedings of the meetings of the stockholders and directors in a minute book to be kept for that purpose; (b) see that all notices are duly given in accordance with the provisions of these bylaws and as required by law; (c) be custodian of the records and the seal of the Corporation and affix and attest the seal to all stock certificates of the Corporation (unless the seal of the Corporation on such certificates shall be a facsimile, as hereinafter provided) and affix and attest the seal to all other documents to be executed on behalf of the Corporation under its seal; (d) see that the books, reports, statements, certificates and other documents and records required by law to be kept and filed are properly kept and filed; and (e) in general, have all the powers and perform all the duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Board of Directors or the Chief Executive Officer.

SECTION 13. Officers' Bonds or Other Security. The Board of Directors may secure the fidelity of any or all of its officers or agents by bond or otherwise, in such amount and with such surety or sureties as the Board of Directors may require.

SECTION 14. Compensation. The compensation of the officers of the Corporation for their services as such officers shall be fixed from time to time by the Board of Directors; provided, however, that the Board of Directors may delegate to the Chief Executive Officer or the President the power to fix the compensation of officers and agents appointed by the Chairman of the Board or the President, as the case may be. An officer of the Corporation shall not be prevented from receiving compensation by reason of the fact that such person is also a director of the Corporation.

ARTICLE V

Shares of Stock

SECTION 1. Stock Certificates. Every holder of stock in the Corporation shall be entitled to have a certificate signed by or in the name of the Corporation by the Chief Executive Officer or the President or a Vice President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, certifying the number of shares owned by such holder in the Corporation. Any of or all the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon such certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may nevertheless be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

SECTION 2. Books of Account and Record of Stockholders. The books and records of the Corporation may be kept at such places, within or without the State of Delaware, as the Board of Directors may from time to time determine. The stock record books and the blank stock certificate books shall be kept by the Secretary or by any other officer or agent designated by the Board of Directors.

SECTION 3. Transfer of Shares. Transfers of shares of stock of the Corporation shall be made on the stock records of the Corporation only upon authorization by the registered holder thereof, or by his attorney hereunto authorized by power of attorney duly executed and filed with the Secretary or with a transfer agent or transfer clerk, and on surrender of the certificate or certificates for such shares properly endorsed or accompanied by a duly executed stock transfer power and the payment of all taxes thereon. Except as otherwise provided by Delaware law, the Corporation shall be entitled to recognize the exclusive right of a person in whose name any share or shares stand on the record of stockholders as the owner of such share or shares for all purposes, including, without limitation, the rights to receive dividends or other distributions, and to vote as such owner, and the Corporation may hold any such stockholder of record liable for calls and assessments and the Corporation shall not be bound to recognize any equitable or legal claim to or interest in any such share or shares on the part of any other person whether or not it shall have express or other notice thereof. Whenever any transfers of shares shall be made for collateral security and not absolutely, and both the transferor and transferee request the Corporation to do so, such fact shall be stated in the entry of the transfer.

SECTION 4. Regulations. The Board of Directors may make such additional rules and regulations, not inconsistent with these bylaws, as it may deem expedient concerning the issue, transfer and registration of certificates for shares of stock of the Corporation. It may appoint, or authorize any officer or officers to appoint, one or more transfer agents or one or more transfer clerks and one or more registrars and may require all certificates for shares of stock to bear the signature or signatures of any of them.

SECTION 5. Lost, Stolen or Destroyed Stock Certificates. The holder of any certificate representing shares of stock of the Corporation shall immediately notify the Corporation of any loss, destruction or mutilation of such certificate, and the Corporation may issue a new certificate of stock in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Board of Directors may, in its discretion, require the owner of the lost, stolen or destroyed certificate, or his legal representative, to give the Corporation a bond sufficient, as the Board in its absolute discretion shall determine, to indemnify the Corporation against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate. Anything herein to the contrary notwithstanding, the Board of Directors, in its absolute discretion, may refuse to issue any such new certificate, except pursuant to judicial proceedings under the laws of the State of Delaware.

ARTICLE VI

Contracts, Checks, Drafts, Bank Accounts, Etc.

SECTION 1. Execution of Contracts. Except as otherwise required by statute, the Certificate of Incorporation or these bylaws, any contract or other instrument may be executed and delivered in the name and on behalf of the Corporation by such officer or officers (including any assistant officer) of the Corporation as the Board of Directors may from time to time direct. Such authority may be general or confined to specific instances as the Board of Directors may determine. Unless authorized by the Board of Directors or expressly permitted by these bylaws, no officer or agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it pecuniary liable for any purpose or to any amount.

SECTION 2. Loans. Unless the Board of Directors shall otherwise determine, the Chief Executive Officer or President or any Vice-President may effect loans and advances at any time for the Corporation from any bank, trust company or other institution, or from any firm, corporation or individual, and for such loans and advances may make, execute and deliver promissory notes, bonds or other certificates or evidences of indebtedness of the Corporation, but no officer or officers shall mortgage, pledge, hypothecate or transfer any securities or other property of the Corporation other than in connection with the purchase of chattels for use in the Corporation's operations, except when authorized by the Board of Directors.

SECTION 3. Checks, Drafts, Bank Accounts, etc. All checks, drafts, bills of exchange or other orders for the payment of money out of the funds of the Corporation, and all notes or other evidence of indebtedness of the Corporation, shall be signed in the name and on behalf of the Corporation by such persons and in such manner as shall from time to time be authorized by the Board of Directors.

SECTION 4. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositaries as the Board of Directors may from time to time designate or as may be designated by any officer or officers of the Corporation to whom such power of designation may from time to time be delegated by the Board of Directors. For the purpose of deposit and for the purpose of collection for the account of the Corporation, checks, drafts and other orders for the payment of money which are payable to the order of the Corporation may be endorsed, assigned and delivered by any officer or agent of the Corporation.

SECTION 5. General and Special Bank Accounts. The Board of Directors may from time to time authorize the opening and keeping of general and special bank accounts with such banks, trust companies or other depositaries as the Board of Directors may designate or as may be designated by any officer or officers of the Corporation to whom such power of designation may from time to time be delegated by the Board of Directors. The Board of Directors may make such special rules and regulations with respect to such bank accounts, not inconsistent with the provisions of these bylaws, as it may deem expedient.

ARTICLE VII

Indemnification

SECTION 1. Right To Indemnification. The Corporation shall indemnify and hold harmless to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person who was or is a party or is threatened to be made a party or is otherwise involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, or by or in the right of the Corporation to procure a judgment in its favor (a "**Proceeding**"), by reason of the fact that such person is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise or nonprofit entity, including serving with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation; provided , however , with respect to a Proceeding involving the right of the Corporation to procure judgment in its favor, such indemnification shall only cover expenses (including attorney fees) and shall only be made if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Corporation and shall not be made with respect to any Proceeding as to which such person has been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery of the State of Delaware or the court in which such Proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery of the State of Delaware or such other court shall deem proper. The Corporation shall be required to indemnify a person in connection with a Proceeding (or part thereof) initiated by such person only if the Proceeding (or part thereof) was authorized by the Board of Directors of the Corporation.

SECTION 2. Prepayment of Expenses. Expenses incurred in defending any Proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the director or officer to repay such amount if it should be ultimately determined that such person is not entitled to be indemnified by the Corporation as authorized in this Article VII or otherwise.

SECTION 3. Claims. If a claim for indemnification or payment of expenses under this Article VII is not paid in full within 60 days after a written claim therefor has been received by the Corporation, the claimant may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the Corporation shall have the burden of proving that the claimant was not entitled to the requested indemnification or payment of expenses under applicable Delaware law.

SECTION 4. Non-Exclusivity of Rights. The indemnification provided by this Article VII shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under these bylaws or any agreement or vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

SECTION 5. Other Indemnification. The Corporation's obligation, if any, to indemnify any person who was or is serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise or non-profit entity be reduced by any amount such person may collect as indemnification from such other corporation, partnership, joint venture, trust, enterprise or non-profit enterprise.

SECTION 6. Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of Delaware law, the Certificate of Incorporation or of this Article VII.

SECTION 7. Amendment or Repeal. Any repeal or modification of the foregoing provisions of this Article VII shall not adversely affect any right or protection hereunder of any person respect of any act or omission occurring prior to the time of such repeal or modification.

ARTICLE VIII

General Provisions

SECTION 1. Registered Office. The registered office and registered agent of the Corporation will be as specified in the Certificate of Incorporation of the Corporation.

SECTION 2. Other Offices. The Corporation may also have such offices, both within or without the State of Delaware, as the Board of Directors may from time to time determine or the business of the Corporation may require.

SECTION 3. Fiscal Year. The fiscal year of the Corporation shall be so determined by the Board of Directors.

SECTION 4. Seal. The seal of the Corporation shall be circular in form, shall bear the name of the Corporation and shall include the words and numbers “Corporate Seal”, “Delaware” and the year of incorporation.

SECTION 5. Voting Securities Owned By Corporation. Voting securities in any other corporation held by the Corporation shall be voted by the Chief Executive Officer, unless the Board of Directors specifically confers authority to vote with respect thereto, which authority may be general or confined to specific instances, upon some other person or officer. Any person authorized to vote securities shall have the power to appoint proxies, with general power of substitution.

SECTION 6. Inspection of Books and Records. Any stockholder of record, in person or by attorney or other agent, shall, upon written demand under oath stating the purpose thereof, have the right during the usual hours for business to inspect for any proper purpose the Corporation’s stock ledger, a list of its stockholders, and its other books and records, and to make copies or extracts therefrom. A proper purpose shall mean any purpose reasonably related to such person’s interest as a stockholder. In every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing which authorizes the attorney or other agent to so act on behalf of the stockholder. The demand under oath shall be directed to the Corporation at its registered office in the State of Delaware or at its principal place of business.

SECTION 7. Section Headings. Section headings in these bylaws are for convenience of reference only and shall not be given any substantive effect in limiting or otherwise construing any provision herein.

SECTION 8. Inconsistent Provisions. In the event that any provision of these bylaws is or becomes inconsistent with any provision of the Certificate of Incorporation, the general corporation law of the State of Delaware or any other applicable law, the provision of these bylaws shall not be given any effect to the extent of such inconsistency but shall otherwise be given full force and effect.

ARTICLE IX

Amendments

These bylaws, may be adopted, amended or repealed, and new bylaws made, by the Board of Directors of the Corporation, but the stockholders of the Corporation may make additional bylaws and may alter and repeal any bylaws, whether adopted by them or otherwise, by affirmative vote of the holders of two-thirds of the outstanding shares of stock entitled to vote upon the election of directors.

I, the undersigned, being the President and Chief Executive officer of Neuraxis, Inc., DO HEREBY CERTIFY the foregoing to be the bylaws of the Corporation, as adopted by consent to action in lieu of a special meeting of the Board of Directors of the Corporation, dated June 9th, 2022.

/s/ Brian Carrico
Brian Carrico
President & CEO

Exhibit 4.1

Execution Version

FORM OF WARRANT

THIS WARRANT HAS BEEN ACQUIRED BY THE HOLDER SOLELY FOR ITS OWN ACCOUNT FOR THE PURPOSE OF INVESTMENT AND NOT WITH A VIEW TO OR FOR SALE IN CONNECTION WITH ANY DISTRIBUTION THEREOF IN VIOLATION OF THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND APPLICABLE STATE SECURITIES LAWS. THIS WARRANT HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OR ANY STATE SECURITIES LAWS AND MAY NOT BE SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHOUT REGISTRATION UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS OR AN EXEMPTION THEREFROM.

WARRANT TO PURCHASE SHARES OF COMMON STOCK
OF
INNOVATIVE HEALTH SOLUTIONS, INC.

Void at and After 5:00 P.M.,
Indianapolis time, on September 6, 2029

Warrant No. W-02

This certifies that, for value received, Brian P. Hannasch, the registered holder hereof or registered assigns (the "Holder"), is entitled to purchase, subject to the terms and conditions contained in this Warrant, from Innovative Health Solutions, Inc., an Indiana corporation (the "Company"), at any time and from time to time, in whole or in part, on or after the date of this Warrant and prior to the Expiration Date (as defined in Section 1.5 hereof), that aggregate number of fully paid and nonassessable shares of Common Stock, without par value, of the Company (the "Common Stock") determined pursuant Section 1.1 hereof, at an exercise price equal to $.01 per share (the "Warrant Price"), subject to the terms and conditions contained in this Warrant. The number of shares of Common Stock purchasable upon the exercise of this Warrant and the Warrant Price per share are subject to adjustment from time to time as set forth below.

1. WARRANT SHARES; EXERCISE OF WARRANT; EXPIRATION DATE; ETC.

1.1. Shares Subject to Purchase.

This Warrant entitles the Holder to purchase 20,000 shares of Common Stock at an exercise price per share equal to the Warrant Price.

1.2. Exercise of Warrant.

(a) Subject to the terms and conditions contained in this Warrant, the Holder hereof shall have the right, at any time and from time to time, in whole or in part, on or after the date of this Warrant and prior to the Expiration Date, to purchase from the Company that number of fully paid and nonassessable shares of Common Stock which the Holder hereof shall at the time be entitled to purchase pursuant to this Warrant (the "Shares"), upon surrender of this Warrant to the Company at its Principal Office (as defined in Section 5 hereof), together with the Purchase Form annexed hereto duly completed and signed by the Holder or by its duly authorized officer or attorney, and upon payment to the Company of the aggregate Warrant Price (as adjusted, if adjusted, pursuant to Section 7 hereof) for the number of Shares in respect of which this Warrant is then exercised. Payment of the Warrant Price shall be made in the form of a certified or official bank check payable to the order of the Company, except as provided in subsection (b) below.

(b) In lieu of exercising this Warrant pursuant to Section 1.2(a), if the Fair Market Value (as defined below) of one Share is greater than the Warrant Price (at the date of calculation as set forth below), the Holder may elect to receive a number of Shares equal to the value of this Warrant (or of any portion of this Warrant being canceled) by surrender of this Warrant at the Principal Office of the Company together with the Purchase Form annexed hereto duly completed and signed by the Holder or by its duly authorized officer or attorney reflecting such election, in which event the Company shall issue to the Holder that number of Shares computed using the following formula:

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

Where:

X	=	The number of Shares to be issued to the Holder
Y	=	The number of Shares purchasable under this Warrant or, if only a portion of this Warrant is being exercised, the portion of this Warrant being canceled (at the date of such calculation)
A	=	The Fair Market Value of per Share (at the date of such calculation)
B	=	The Warrant Price (as adjusted pursuant to Section 7 at the date of such calculation)

For this purpose, the "Fair Market Value" per Share shall be computed as follows:

(i) If this Warrant is being exercised in connection with a Sale of the Company (as defined below), then the "Fair Market Value" per Share shall be equal to the consideration per share being attributed to the Common Stock in the Sale of the Company. For purposes of this Warrant, the term "Sale of the Company" means (A) any sale, lease, license, transfer, distribution or other disposition of all or substantially all of the assets of the Company, (B) any transaction or series of related transactions in which a person (other than the shareholders of the Company on the date hereof), or a group of related persons (other than the shareholders of the Company on the date hereof) (with the terms "person" and "group" of "related persons" having the meanings attributed to them under the Securities Exchange Act of 1934, as amended), acquires voting securities representing more than 50% of the outstanding voting power of the Company, (C) any merger or consolidation of the Company with or into one or more persons as a result of which the persons holding a majority of the Company's outstanding voting securities immediately prior to such transaction cease to own a majority of the voting securities of the surviving entity, (D) any reorganization, liquidation or dissolution of the Company or (E) any other sale, lease, license, transfer, distribution or disposition of all or any majority interest in the business or assets of the Company and its subsidiaries to any person or persons (other than the shareholders of the Company on the date hereof), whether by merger, consolidation, sale of assets, sale of equity securities (whether by the Company or any security holder of the Company) or otherwise, in any such case whether directly or indirectly in any transaction or series of related transactions;

(ii) If clause (i) does not apply and the shares of Common Stock are publicly traded at the date of such computation, then the "Fair Market Value" per Share shall be determined based on the average of the daily closing prices per share for the 30 consecutive trading day period ending on the second trading day prior to such date. The closing price for each day shall be the last reported sale price or, in case no such reported sale takes place on such day, the average of the closing bid and asked prices for such day, on the principal national securities exchange on which such shares are listed or admitted to trading, or, if such shares are not listed or admitted to trading on any national securities exchange, the average of the highest reported bid and lowest reported asked prices as furnished by a reporting service administered by Financial Industry Regulatory Authority, The Nasdaq Stock Market, Inc. or a similar organization.

(iii) If neither clause (i) nor clause (ii) applies, the "Fair Market Value" per Share shall be the fair market value of the Shares, as determined in good faith by the board of directors of the Company (the "**Board of Directors**") (including the affirmative vote of the Holder if the Holder is a director), whose determination shall be evidenced by a duly adopted resolution of the Board of Directors and shall be conclusive.

(c) Notwithstanding the foregoing, if this Warrant is being exercised in connection with a Sale of the Company or a registered public offering of the Company's securities, then the Holder may, at its option, condition its exercise of this Warrant upon the consummation of such transaction, in which case such exercise shall not be deemed effective until the consummation of such transaction.

(d) The rights of purchase represented by this Warrant shall be exercisable, at the election of the Holder, either in whole or from time to time in part and, in the event that this Warrant is exercised in respect of less than all of the Shares purchasable upon exercise of this Warrant at any time prior to the Expiration Date, a new Warrant of like tenor and representing the right to purchase the remaining Shares purchasable upon exercise of this Warrant shall be issued to the Holder.

1.3. Issuance of Shares.

Upon exercise of this Warrant in accordance with Section 1.2, the Company shall issue and cause to be delivered with all reasonable dispatch to and in the name of the Holder hereof a certificate or certificates for the number of full Shares so purchased upon the exercise of this Warrant. Such certificate or certificates shall be deemed to have been issued, and the Holder shall be deemed to have become the holder of record of such Shares, as of the close of business on the date of exercise of this Warrant as aforesaid, regardless of whether, at such date, the transfer books for the Common Stock or other securities purchasable upon the exercise of this Warrant may be closed for any purpose. The date and time at which the Holder hereof shall be deemed to have become a holder of record of such Shares is herein called the "Exercise Date."

1.4. No Fractional Shares.

The Company shall not be required to issue fractional Shares upon the exercise of this Warrant. Rather, the number of Shares issuable upon the exercise of this Warrant shall be rounded up to the next whole Share.

1.5. Expiration Date.

This Warrant and the rights of purchase represented hereby shall terminate and be void and of no further force and effect at 5:00 P.M., Indianapolis time, on September 6, 2029 (such time on such date being the "Expiration Date").

1.6. Investment Representations.

The Holder is an "accredited investor" as defined in Regulation D under the Securities Act. The Holder has acquired this Warrant, and will acquire any Shares issued upon exercise of this Warrant, for its own account and not with a view to the distribution thereof in violation of the Securities Act or applicable state securities laws. The Holder understands that this Warrant and the Shares have not been registered under the Securities Act or any state securities laws and may not be sold, pledged or otherwise transferred without registration under the Securities Act and applicable state securities laws or an exemption therefrom. The Holder acknowledges that the certificates representing the Shares will bear a legend substantially to the effect of the legend set forth on the first page of this Warrant.

2. TRANSFER OR EXCHANGE OF WARRANT.

2.1. Transfer.

(a) Subject to Section 2.1(b) below, this Warrant shall be transferable upon surrender of this Warrant to the Company at its Principal Office, together with the Assignment Form annexed hereto duly completed and signed by the Holder or by its duly authorized officer or attorney. In case of transfer by an attorney, the original power of attorney, duly approved, or an official copy thereof, duly certified, shall be delivered to the Company. Upon any registration of transfer, the Company shall execute and deliver to the person entitled thereto a new Warrant of like tenor and representing the right to purchase the same number of Shares as this Warrant then entitles the Holder hereof to purchase. By acceptance thereof, such person shall be deemed to have made the investment representations set forth in Section 1.6.

(b) Notwithstanding any provisions contained in this Warrant to the contrary, this Warrant shall not be transferable unless the proposed transfer may be effected without registration under the Securities Act and applicable state securities laws and, if requested by the Company, the Company shall have received an opinion of counsel reasonably acceptable to the Company to that effect; provided, that in lieu of such opinion of counsel the Company may, in its discretion, accept such other evidence of compliance with or exemption from the Securities Act and applicable state securities laws as it reasonably deems satisfactory.

2.2. Exchange.

This Warrant may be exchanged for another Warrant, or other Warrants of different denominations, of like tenor and representing in the aggregate the right to purchase the same number of Shares as this Warrant then entitles the Holder hereof to purchase. Any request to exchange this Warrant shall be made by the Holder in writing delivered to the Company at its Principal Office, specifying the denominations in which such new Warrant or Warrants are to be issued, accompanied by this Warrant. Promptly upon the Company's receipt of such notice, the Company shall execute and deliver to the Holder a new Warrant or Warrants, as so requested.

The term "Warrant" as used herein includes any Warrant or Warrants into which this Warrant may be exchanged as aforesaid.

3. PAYMENT OF TAXES.

The Company shall pay or cause to be paid all documentary stamp taxes, if any, attributable to the initial issuance of this Warrant and Shares issuable upon the exercise of this Warrant; provided, however, that the Company shall not be required to pay, and the Holder shall pay, any tax or taxes that may be payable in respect of any transfer involved in the issue or delivery of any Warrant or certificates for Shares in a name other than that of the Holder of this Warrant.

4. MUTILATED OR MISSING WARRANT.

Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant, and (in the case of mutilation) upon surrender of this Warrant, and (in the case of loss, theft or destruction) upon delivery of an agreement acceptable to the Company whereby the Holder agrees to indemnify the Company from any loss incurred by it in connection with such loss, theft or destruction, and upon cancellation of this Warrant, the Company shall execute and deliver to the Holder a new Warrant of like tenor and representing the right to purchase the same number of Shares as this Warrant then entitles the Holder hereof to purchase.

5. PRINCIPAL OFFICE; WARRANT REGISTER.

The principal office of the Company (the "Principal Office") at the date of this Warrant is located at 829 South Adams Street, Versailles, Indiana 47042, attention: Chief Executive Officer. The Company may from time to time change its Principal Office by notice in writing to the Holder. The Company shall maintain at its Principal Office a register (the "Warrant Register") for registration of Warrants and transfers and exchanges of Warrants. The Company shall be entitled to treat the registered Holder of this Warrant as the owner in fact hereof for all purposes and shall not be bound to recognize any equitable or other claim to or interest in this Warrant on the part of any other person. The Company shall cancel any Warrant surrendered for transfer, exchange or exercise.

6. RESERVATION OF SHARES.

There have been reserved, and the Company shall at all times until the Expiration Date keep reserved, out of its authorized Common Stock, a number of shares of Common Stock sufficient to provide for the exercise of the rights of purchase represented by this Warrant. The Company covenants that all Shares which may be issued upon the exercise of this Warrant shall, upon issue, be duly authorized, validly issued, fully paid, nonassessable, free of preemptive rights and free from all liens, charges and security interests with respect to the issue thereof.

7. ADJUSTMENT OF WARRANT PRICE AND NUMBER OF SHARES.

The number and kind of securities purchasable upon the exercise of this Warrant and the Warrant Price per Share shall be subject to adjustment from time to time upon the happening of certain events, as follows:

7.1. Adjustments.

(a) In case the Company shall at any time after the date of this Warrant (i) pay a dividend or make any other distribution to all holders of its outstanding shares of Common Stock in shares of Common Stock such that the number of shares of Common Stock outstanding is increased, (ii) subdivide or split-up its outstanding shares of Common Stock into a greater number of shares of Common Stock, (iii) combine its outstanding shares of Common Stock into a smaller number of shares of Common Stock or (iv) issue by reclassification of its shares of Common Stock other securities of the Company, then the number of Shares purchasable upon exercise of this Warrant immediately prior thereto shall be adjusted so that the Holder hereof shall be entitled to purchase the kind and number of Shares or other securities of the Company that the Holder would have owned or would have been entitled to receive after the happening of any of the events described above had this Warrant been exercised immediately prior to the happening of such event or any record date with respect thereto. An adjustment made pursuant to this subsection (a) shall become effective immediately after the effective date of such event.

(b) Whenever the number of Shares purchasable upon the exercise of this Warrant is adjusted as provided in subsection (a) above, the Warrant Price per Share payable upon exercise of this Warrant shall be adjusted (calculated to the nearest $.0001) by multiplying such Warrant Price immediately prior to such adjustment by a fraction, the numerator of which is the number of Shares purchasable upon the exercise of this Warrant immediately prior to such adjustment, and the denominator of which is the number of Shares so purchasable immediately after such adjustment.

(c) If, at any time while this Warrant remains outstanding, the holders of shares of the Common Stock receive or, on or after the record date fixed for the determination of eligible shareholders, become entitled to receive, without payment, securities or property (other than cash or Common Stock) of the Company by way of dividend or other distribution in respect of the Common Stock, then in each such case, this Warrant shall entitle the Holder to acquire, in addition to the shares of Common Stock receivable upon an exercise of this Warrant and payment of the Warrant Price, the amount of such securities or property (other than cash or Common Stock) of the Company, without payment of additional consideration, that the Holder would have been entitled to receive had the effective date of such exercise of the Warrant occurred immediately prior to the record date fixed for the determination of eligible shareholders for the distribution of such securities or property in respect of the Common Stock.

(d) For the purpose of this Section 7.1, the term "shares of Common Stock" means (i) the class of stock designated as the Common Stock, without par value, of the Company at the date of this Warrant or (ii) any other class or series of stock resulting from successive changes or reclassification of such shares consisting solely of changes in par value, or from par value to no par value, or from no par value to par value. In the event that at any time, as a result of an adjustment made pursuant to this Section 7.1, the Holder of this Warrant shall become entitled to purchase any securities of the Company other than shares of Common Stock, thereafter the number of such other securities so purchasable upon exercise of this Warrant and the Warrant Price of such securities shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the Shares contained in this Section 7; provided, however, that the Warrant Price shall at no time be less than the aggregate par value, if any, of the shares of Common Stock of the Company purchasable upon exercise of this Warrant; provided, further, that the Company shall reduce the par value of its Common Stock from time to time as necessary so that the foregoing shall not occur.

(e) Whenever the number of Shares purchasable upon the exercise of this Warrant or the Warrant Price per Share is adjusted as provided for herein, the Company shall promptly deliver to the Holder written notice of such adjustment or adjustments, together with a certificate of the Company setting forth the number of Shares purchasable upon the exercise of this Warrant and the Warrant Price per Share after such adjustment, setting forth a brief statement of the facts requiring such adjustment and setting forth the computation by which such adjustment was made.

(f) The Company may, at its option, at any time during the term of this Warrant, reduce the then current Warrant Price, or increase the number of shares of Common Stock purchasable upon exercise of this Warrant, to such amount or number as the Board of Directors considers to be advisable in order that any event treated for Federal income tax purposes as a dividend of stock or stock rights shall not be taxable to the recipients.

7.2. No Adjustment for Dividends.

Except as provided in Section 7.1, no adjustment in respect of any dividends shall be made during the term of this Warrant or upon the exercise of this Warrant.

7.3. Treatment of Warrant upon Merger, Consolidation, Etc.

Upon an event constituting a Sale of the Company, either (i) Holder may exercise this Warrant pursuant to Section 1.2 and such exercise will be deemed effective immediately prior to and contingent upon the consummation of such merger, consolidation or Sale of the Company; or (ii) if Holder elects not to exercise the Warrant, this Warrant will expire immediately prior to the consummation of such merger, consolidation or other Sale of the Company.

8. LIQUIDATING DISTRIBUTION.

In case the Company shall declare any dividend or other distribution upon its outstanding shares of Common Stock payable otherwise than in cash out of its retained earnings or in shares of Common Stock (a "Liquidating Distribution"), then the Holder shall receive (without the necessity of having exercised this Warrant) from the Company, at the time it pays the Liquidating Distribution, the kind and amount of cash, securities and other property receivable upon such Liquidating Distribution by a holder of the number of shares of Common Stock for which this Warrant might have been exercised immediately prior to the date fixed as a record date or the date of closing the transfer books for the determination of the shareholders of the Company entitled to receive such Liquidating Distribution (the "**Holder's Liquidating Distribution**"). Upon receipt of the Holder's Liquidating Distribution, Holder's Warrant will expire immediately and be of no further effect.

9. NO RIGHTS AS SHAREHOLDER; NOTICES TO HOLDER.

Nothing contained herein shall be construed as conferring upon the Holder hereof (solely in its capacity as the Holder hereof) the right to vote or to receive dividends or to consent to or receive notice as a shareholder of the Company in respect of any meeting of shareholders for the election of directors of the Company or any other matter, or any rights whatsoever as a shareholder of the Company. If, however, at any time prior to the Expiration Date and prior to the exercise in full of this Warrant, any of the following events shall occur:

(a) the Company shall declare any dividend or other distribution upon its outstanding shares of Common Stock payable otherwise than in cash out of its retained earnings or in shares of Common Stock; or

(b) the Company shall authorize the granting to all holders of its outstanding shares of Common Stock any rights, options or warrants to subscribe to or purchase any shares of Common Stock or securities convertible into shares of Common Stock; or

(c) any reclassification of the Common Stock of the Company (other than a subdivision or combination of its outstanding shares of Common Stock), or any consolidation or merger to which the Company is a party and for which approval of any shareholders of the Company is required, or any sale, lease, license, transfer or other disposition of all or substantially all of the assets of the Company, or any other Sale of the Company or a dissolution, liquidation or winding up of the Company shall be proposed; or the Company enters into a letter of intent, term sheet, agreement or other instrument relating to any of the foregoing;

then in any one or more of such events, the Company shall give notice in writing of such event to the Holder hereof, as provided in Section 10 hereof. Such notice shall be given at least 10 days prior to the date fixed as a record date or the date of closing the transfer books for the determination of the shareholders for purposes of such event, or not later than 10 days after the applicable event giving rise to such notice, whichever is earlier.

10. NOTICES.

All notices and other communications given or made pursuant hereto will be in writing and will be deemed to have been duly given on the date delivered, if delivered personally, on the fifth business day after being mailed by registered or certified mail (postage prepaid, return receipt requested), in each case, to the parties at the following addresses, or on the date sent and confirmed by electronic transmission to the email address specified below (or at such other address for a party as may be specified by notice given in accordance with this Section): (a) if to the Company, to Innovative Health Solutions, Inc., 829 South Adams Street, Versailles, Indiana 47042, attention: Chief Executive Officer, email: Brian@i-h-s.com; and (b) if to the Holder, to Brian P. Hannasch, 8815 West State Road 46, Columbus, Indiana 47201, email: bhannasch@circlek.com.

11. SUCCESSORS.

All the covenants and provisions of this Warrant by or for the benefit of the Company shall bind and inure to the benefit of its successors and assigns hereunder. The Company shall not merge or consolidate with or into any other person unless the person resulting from such merger or consolidation (if not the Company) shall expressly assume the due and punctual performance and observance of each and every covenant and condition of this Warrant to be performed and observed by the Company.

12. CAPTIONS.

The captions of the sections and subsections of this Warrant have been inserted for convenience only and shall have no substantive effect.

13. GOVERNING LAW.

This Warrant shall be governed by and construed in accordance with the laws of the State of Indiana, without regard to the conflicts of laws principles thereof.

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed and delivered by its duly authorized officer, and to be attested by its Secretary, as of the date set forth below.

Dated: September 6, 2019

INNOVATIVE HEALTH SOLUTIONS, INC.

By */s/ Brian Carrico*
Brian Carrico
Chief Executive Officer

ATTEST:

Authorized Officer

INNOVATIVE HEALTH SOLUTIONS, INC.
WARRANT TO PURCHASE SHARES OF COMMON STOCK
PURCHASE FORM

The undersigned registered Holder hereby irrevocably elects to exercise the right of purchase represented by the within Warrant for, and to purchase thereunder, _____ shares of the stock provided for therein and:

[ ] tenders herewith payment of the aggregate Warrant Price of such shares in the amount of $_____, in the form of a certified or official bank check payable to the order of the Company; or

[ ] elects to purchase such shares pursuant to the cashless exercise provision in Section 1.2(b) of the Warrant.

The undersigned Holder requests that certificates for such shares be issued in the name of such Holder, as follows:

_____
(PLEASE PRINT NAME, ADDRESS AND FEDERAL TAX I.D. NUMBER)

_____

_____

_____

If such number of shares shall not be all the shares purchasable under the within Warrant, the undersigned Holder requests that a new Warrant for the balance remaining of the shares purchasable under the within Warrant be registered in the name of the undersigned Holder as indicated above and delivered to the address stated above.

Dated: _____

Name of Holder:_____
(PLEASE PRINT)

Signature:_____

INNOVATIVE HEALTH SOLUTIONS, INC.
WARRANT TO PURCHASE SHARES OF COMMON STOCK
ASSIGNMENT FORM

FOR VALUE RECEIVED, the undersigned registered Holder does hereby sell, assign and transfer unto:

_____
(PLEASE PRINT NAME, ADDRESS FEDERAL TAX I.D. NUMBER OF ASSIGNEE)

_____

_____

_____

the right to purchase shares represented by the within Warrant and hereby authorizes the transfer of registration of such Warrant to the assignee on the Warrant Register. The undersigned further directs the Company to issue and deliver to the assignee, at the address set forth above, a new Warrant of like tenor and representing the right to purchase such number of shares.

Dated: _____

Name of Holder:_____
(PLEASE PRINT)

Address:_____

_____

Signature:_____

Exhibit 4.2

THIS WARRANT AND THE SHARES ISSUABLE HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN SECTION 3 BELOW, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER THE SECURITIES ACT AND LAWS OR IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

INNOVATIVE HEALTH SOLUTIONS, INC.

PRE-FUNDED WARRANT TO PURCHASE SERIES A PREFERRED STOCK

Number of Shares: 144,890
(subject to adjustment)

Warrant No. PSA-01 Original Issue Date: April 9, 2020

Innovative Health Solutions, Inc., an Indiana corporation (the "**Company**"), hereby certifies that, for value received, including the payment of the Warrant Purchase Price (as defined below), Masimo Corporation or its registered assigns (the "**Holder**"), is entitled, subject to the terms set forth below, to purchase from the Company up to a total of 144,890 shares of Series A Preferred Stock, without par value (the "**Series A Preferred Stock**"), of the Company (each such share, a "**Warrant Share**" and all such shares, the "**Warrant Shares**") at an exercise price per share equal to $0.0001 per share (as adjusted from time to time as provided in Section 9 herein, the "**Exercise Price**") upon surrender of this Warrant to Purchase Series A Preferred Stock (including any Warrants to Purchase Series A Preferred Stock issued in exchange, transfer or replacement hereof, the "**Warrant**") at any time and from time to time on or after the date hereof (the "**Original Issue Date**"), subject to the following terms and conditions:

1. *Definitions*. For purposes of this Warrant, the following terms shall have the following meanings:

(a) "**Affiliate**" means any Person directly or indirectly controlled by, controlling or under common control with, a Holder, as such terms are used in and construed under Rule 405 under the Securities Act, but only for so long as such control shall continue.

(b) "**Business Day**" means any day except any Saturday, any Sunday and any day which is a federal legal holiday in the United States.

(c) "**Common Stock**" means the common stock of the Company, without par value.

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

(e) "**Fair Market Value**" means (i) the closing price or last sale price of a share of Common Stock reported for the Business Day immediately before the date on which Holder delivers this Warrant together with its Notice of Exercise to the Company, *multiplied* by the number of shares of Common Stock into which a share of Series A Preferred Stock is then convertible, if the Common Stock is then traded on a Trading Market, or (ii) the fair market value of Series A Preferred Stock, as mutually determined in writing by the Company and the Holder, all such determinations to be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during the applicable calculation period, if the Common Stock is not traded in a Trading Market.

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

(g) "**Trading Market**" means the nationally recognized securities exchange, inter-dealer quotation system, over-the-counter market or other trading market on which the Common Stock is primarily listed on and quoted for trading.

2. *Registration of Warrants*. The Company shall register ownership of this Warrant, upon records to be maintained by the Company for that purpose (the "**Warrant Register**"), in the name of the record Holder (which shall include the initial Holder or, as the case may be, any assignee to which this Warrant is assigned hereunder) from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

3. *Transfers*. Subject to compliance with all applicable securities laws and that certain Amended and Restated Shareholders' Agreement, dated October 12, 2017, by and among the Company and certain shareholders listed on the signature pages thereto(as amended, the "**Shareholders' Agreement**"), the Holder may transfer this Warrant upon surrender of the Warrant to the Company, together with the Assignment Notice in the form attached as Schedule 2 hereto, completed and duly signed by the Holder or its duly authorized officer. Upon any such transfer, a new warrant to purchase Series A Preferred Stock in substantially the form of this Warrant (any such new warrant, a "**New Warrant**") evidencing the portion of this Warrant so transferred shall be issued to the transferee, and a New Warrant evidencing the remaining portion of this Warrant not so transferred, if any, shall be issued to the transferring Holder. For the avoidance of all doubt, the Holder shall require any transferee to execute a joinder to the Shareholders' Agreement as a condition to such transfer. The acceptance of the New Warrant by the transferee thereof shall be deemed the acceptance by such transferee of all of the rights and obligations in respect of the New Warrant that the Holder has in respect of this Warrant. The Company shall prepare, issue and deliver at the Company's own expense any New Warrant under this Section 3. Until due presentment for registration of transfer, the Company may treat the registered Holder hereof as the owner and holder for all purposes, and the Company shall not be affected by any notice to the contrary.

4. *Exercise and Duration of Warrants.*

(a) All or any part of this Warrant shall be exercisable by the registered Holder in any manner permitted by this Warrant at any time and from time to time on or after the Original Issue Date.

(b) The Holder may exercise this Warrant by delivering to the Company (i) an exercise notice, in the form attached as Schedule 1 hereto (the "**Exercise Notice**"), completed and duly signed, and (ii) payment of the Exercise Price for the number of Warrant Shares as to which this Warrant is being exercised (which may take the form of a "cashless exercise" if so indicated in the Exercise Notice pursuant to Section 10 below). The date on which such exercise notice is delivered to the Company (as determined in accordance with the notice provisions hereof) is an "**Exercise Date**." The Holder shall not be required to deliver the original Warrant in order to effect an exercise hereunder. Execution and delivery of the Exercise Notice shall have the same effect as cancellation of the original Warrant and issuance of a New Warrant evidencing the right to purchase the remaining number of Warrant Shares, if any. The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.

(c) The aggregate purchase price of this Warrant, in the amount of $2,734,340.40 (the "**Warrant Purchase Price**"), equating to $18.87 per Warrant Share, was pre-funded to the Company on or prior to the Exercise Date and, consequently, no additional consideration shall be required to be paid by the Holder to any Person to effect any exercise of this Warrant, except for the payment of the Exercise Price. The Holder shall not be entitled to the return or refund of all, or any portion, of such pre-funded aggregate Exercise Price under any circumstance or for any reason whatsoever.

5. *Delivery of Warrant Shares.*

(a) Upon exercise of this Warrant, the Company shall promptly (but in no event later than three (3) Business Days after the Exercise Date) issue and cause to be delivered to and in the name of the Holder certificates for such aggregate number of shares of Series A Preferred Stock to which the Holder is entitled pursuant to such exercise of this Warrant.

(b) To the extent permitted by law, the Company's obligations to issue and deliver Warrant Shares in accordance with and subject to the terms hereof (including the limitations set forth in Section 11 below) are absolute and unconditional, irrespective of any action or inaction by the Holder to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any Person or any action to enforce the same, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by the Holder or any other Person of any obligation to the Company or any violation or alleged violation of law by the Holder or any other Person, and irrespective of any other circumstance that might otherwise limit such obligation of the Company to the Holder in connection with the issuance of Warrant Shares. Nothing herein shall limit the Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver certificates representing shares of Series A Preferred Stock upon exercise of the Warrant as required pursuant to the terms hereof.

6. *Charges, Taxes and Expenses*. Issuance and delivery of certificates for shares of Series A Preferred Stock upon exercise of this Warrant shall be made without charge to the Holder for any issue or transfer tax, transfer agent fee or other incidental tax or expense (excluding any applicable stamp duties) in respect of the issuance of such certificates, all of which taxes and expenses shall be paid by the Company; *provided*, *however*, that the Company shall not be required to pay any tax that may be payable in respect of any transfer involved in the registration of any certificates for Warrant Shares or the Warrants in a name other than that of the Holder or an Affiliate thereof. The Holder shall be responsible for all other tax liability that may arise as a result of holding or transferring this Warrant or receiving Warrant Shares upon exercise hereof.

7. *Replacement of Warrant*. If this Warrant is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued in exchange and substitution for and upon cancellation hereof, or in lieu of and substitution for this Warrant, a New Warrant, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction (in such case) and, in each case, a customary and reasonable indemnity and surety bond, if requested by the Company. Applicants for a New Warrant under such circumstances shall also comply with such other reasonable regulations and procedures and pay such other reasonable third-party costs as the Company may prescribe. If a New Warrant is requested as a result of a mutilation of this Warrant, then the Holder shall deliver such mutilated Warrant to the Company as a condition precedent to the Company's obligation to issue the New Warrant.

8. *Reservation of Warrant Shares and Underlying Shares of Common Stock*. The Company covenants that it will, at all times while this Warrant is outstanding, reserve and keep available out of the aggregate of its authorized but unissued and otherwise unreserved Series A Preferred Stock, solely for the purpose of enabling it to issue Warrant Shares upon exercise of this Warrant as herein provided, the number of Warrant Shares that are initially issuable and deliverable upon the exercise of this entire Warrant, free from preemptive rights or any other contingent purchase rights of Persons other than the Holder (taking into account the adjustments and restrictions of Section 9). The Company covenants that it will, at all times while this Warrant is outstanding, reserve and keep available out of the aggregate of its authorized but unissued and otherwise unreserved Common Stock, solely for the purpose of enabling it to issue Common Stock upon conversion of the Warrant Shares, the number of shares of Common Stock that are initially issuable and deliverable upon the conversion of the Warrant Shares (the "**Underlying Shares**"), free from preemptive rights or any other contingent purchase rights of Persons other than the Holder (taking into account the adjustments and restrictions of Section 9). The Company covenants that all Warrant Shares so issuable and deliverable shall, upon issuance and the payment of the applicable Exercise Price in accordance with the terms hereof, be duly and validly authorized, issued and fully paid and non-assessable. The Company covenants that all Underlying Shares so issuable and deliverable shall, upon issuance, be duly and validly authorized, issued and fully paid and non-assessable. The Company will take all such action as may be reasonably necessary to assure that the Warrant Shares and Underlying Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of any securities exchange or automated quotation system upon which the Warrant Shares or Underlying Shares may be listed. The Company further covenants that it will not, without the prior written consent of the Holder, take any actions to increase the par value of the Series A Preferred Stock and Common Stock at any time while this Warrant is outstanding.

9. *Certain Adjustments*. The Exercise Price and number of Warrant Shares issuable upon exercise of this Warrant are subject to adjustment from time to time as set forth in this Section 9.

(a) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding, (i) pays a stock dividend on its Series A Preferred Stock or otherwise makes a distribution on any class of capital stock issued and outstanding on the Original Issue Date and in accordance with the terms of such stock on the Original Issue Date, that is payable in shares of Series A Preferred Stock, (ii) subdivides its outstanding shares of Series A Preferred Stock into a larger number of shares of Series A Preferred Stock, (iii) combines (including by way of reverse stock split) its outstanding shares of Series A Preferred Stock into a smaller number of shares of Series A Preferred Stock or (iv) issues by reclassification of shares of capital stock any additional shares of Series A Preferred Stock of the Company, then in each such case the Exercise Price shall be multiplied by a fraction, the numerator of which shall be the number of shares of Series A Preferred Stock outstanding immediately before such event and the denominator of which shall be the number of shares of Series A Preferred Stock outstanding immediately after such event. Any adjustment made pursuant to clause (i) of this paragraph shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution, provided, however, that if such record date shall have been fixed and such dividend is not fully paid on the date fixed therefor, the Exercise Price shall be recomputed accordingly as of the close of business on such record date and thereafter the Exercise Price shall be adjusted pursuant to this paragraph as of the time of actual payment of such dividends. Any adjustment pursuant to clause (ii) or (iii) of this paragraph shall become effective immediately after the effective date of such subdivision or combination.

(b) Pro Rata Distributions. If the Company, at any time while this Warrant is outstanding, distributes to all holders of Series A Preferred Stock for no consideration (i) evidences of its indebtedness, (ii) any security (other than a distribution of Series A Preferred Stock covered by the preceding paragraph), (iii) rights or warrants to subscribe for or purchase any security or (iv) cash or any other asset (in each case, a "**Distribution**"), other than a reclassification as to which Section 9(c) applies, then in each such case, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of shares of Series A Preferred Stock acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the ownership limitation set forth in Section 11(a) hereof) immediately before the date of which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of Series A Preferred Stock are to be determined for the participation in such Distribution (provided, however, to the extent that the Holder's right to participate in any such Distribution would result in the Holder exceeding the ownership limitation set forth in Section 11(a) hereof, then the Holder shall not be entitled to participate in such Distribution to such extent) and the portion of such Distribution shall be held in abeyance for the benefit of the Holder until the earlier of (i) such time, if ever, as the delivery to such Holder of such portion would not result in the Holder exceeding the ownership limitation set forth in Section 11(a) hereof and (ii) such time as the Holder has exercised this Warrant.

(c) Fundamental Transactions. If, at any time while this Warrant is outstanding (i) the Company effects any merger or consolidation of the Company with or into another Person, in which the Company is not the surviving entity and in which the stockholders of the Company immediately prior to such merger or consolidation do not own, directly or indirectly, at least 50% of the voting power of the surviving entity immediately after such merger or consolidation, (ii) the Company effects any sale to another Person of all or substantially all of its assets in one transaction or a series of related transactions, (iii) the Company consummates a stock purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another Person whereby such other Person acquires more than the 50% of the voting power of the capital stock of the Company (except for any such transaction in which the stockholders of the Company immediately prior to such transaction maintain, in substantially the same proportions, the voting power of such Person immediately after the transaction) or (iv) the Company effects any reclassification of the Series A Preferred Stock or any compulsory share exchange pursuant to which the Series A Preferred Stock is effectively converted into or exchanged for other securities, cash or property (other than as a result of a subdivision or combination of shares of Series A Preferred Stock covered by Section 9(a) above) (in any such case, a "**Fundamental Transaction**"), then following such Fundamental Transaction the Holder shall have the right to receive, upon exercise of this Warrant, the same amount and kind of securities, cash or property as it would have been entitled to receive upon the occurrence of such Fundamental Transaction if it had been, immediately prior to such Fundamental Transaction, the holder of the number of Warrant Shares then issuable upon exercise in full of this Warrant without regard to any limitations on exercise contained herein (the "**Alternate Consideration**"). The Company shall not effect any Fundamental Transaction in which the Company is not the surviving entity or the Alternate Consideration includes securities of another Person unless (i) the Alternate Consideration is solely cash and the Company provides for the simultaneous "cashless exercise" of this Warrant pursuant to Section 10 below or (ii) prior to or simultaneously with the consummation thereof, any successor to the Company, surviving entity or other Person (including any purchaser of assets of the Company) shall assume the obligation to deliver to the Holder such Alternate Consideration as, in accordance with the foregoing provisions, the Holder may be entitled to receive, and the other obligations under this Warrant. The provisions of this paragraph (c) shall similarly apply to subsequent transactions analogous of a Fundamental Transaction type.

(d) Automatic Conversion. In the event that all outstanding shares of Series A Preferred Stock are converted, automatically or by action of the holders thereof, into Common Stock, including, without limitation, in connection with the Company's initial, underwritten public offering and sale of its Common Stock pursuant to an effective registration statement under the Act (the "**IPO**"), then from and after the date on which all outstanding shares of Series A Preferred Stock have been so converted, this Warrant shall be exercisable for such number of shares of Common Stock into which the Warrant Shares would have been converted had the Warrant Shares been outstanding on the date of such conversion, and the Exercise Price shall equal the Exercise Price in effect as of immediately prior to such conversion divided by the number of shares of Common Stock into which one share of Series A Preferred Stock would have been converted, all subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant.

(e) Number of Warrant Shares. Simultaneously with any adjustment to the Exercise Price pursuant to Section 9 (including any adjustment to the Exercise Price that would have been effected but for the final sentence in this paragraph (e)), the number of Warrant Shares that may be purchased upon exercise of this Warrant shall be increased or decreased proportionately, so that after such adjustment the aggregate Exercise Price payable hereunder for the increased or decreased number of Warrant Shares shall be the same as the aggregate Exercise Price in effect immediately prior to such adjustment.

(f) Calculations. All calculations under this Section 9 shall be made to the nearest one-hundredth of one cent or the nearest share, as applicable.

(g) Notice of Adjustments. Upon the occurrence of each adjustment pursuant to this Section 9, the Company at its expense will promptly compute such adjustment, in good faith, in accordance with the terms of this Warrant and prepare a certificate setting forth such adjustment, including a statement of the adjusted Exercise Price and adjusted number or type of Warrant Shares or other securities issuable upon exercise of this Warrant (as applicable), describing the transactions giving rise to such adjustments and showing in detail the facts upon which such adjustment is based. The Company will promptly deliver a copy of each such certificate to the Holder.

(h) Notice of Corporate Events. If, while this Warrant is outstanding, the Company (i) declares a dividend or any other distribution of cash, securities or other property in respect of its Series A Preferred Stock, including, without limitation, any granting of rights or warrants to subscribe for or purchase any capital stock of the Company or any subsidiary, (ii) authorizes or approves, enters into any agreement contemplating or solicits stockholder approval for any Fundamental Transaction, (iii) authorizes the voluntary dissolution, liquidation or winding up of the affairs of the Company, (iv) effects an IPO or (v) effects any reclassification, exchange, combination, substitution, reorganization or recapitalization of the outstanding shares of Series A Preferred Stock or Common Stock, then the Company shall deliver to the Holder a notice of such transaction at least fifteen (15) days prior to the applicable record or effective date on which a Person would need to hold Series A Preferred Stock in order to participate in or vote with respect to such transaction. In addition, if while this Warrant is outstanding, the Company authorizes or approves, enters into any agreement contemplating or solicits stockholder approval for any Fundamental Transaction contemplated by Section 9(c), other than a Fundamental Transaction under clause (iii) of Section 9(c), then the Company shall deliver to the Holder a notice of such Fundamental Transaction at least fifteen (15) days prior to the date such Fundamental Transaction is consummated.

10. *Payment of Cashless Exercise Price*. Notwithstanding anything contained herein to the contrary, the Holder may, in its sole discretion, satisfy its obligation to pay the Exercise Price through a "cashless exercise," in which event the Company shall issue to the Holder the number of Warrant Shares in an exchange of securities effected pursuant to Section 3(a)(9) of the Securities Act as determined as follows:

$X = Y [(A-B)/A]$

where:

"X" equals the number of Warrant Shares to be issued to the Holder;

"Y" equals the total number of Warrant Shares with respect to which this Warrant is then being exercised;

"A" equals the Fair Market Value per share of Series A Preferred Stock; and

"B" equals the Exercise Price per Warrant Share then in effect on the Exercise Date.

In no event will the exercise of this Warrant be settled in cash.

For purposes of Rule 144 promulgated under the Securities Act, it is intended, understood and acknowledged that the Warrant Shares issued in such a "cashless exercise" transaction shall be deemed to have been acquired by the Holder, and the holding period for the Warrant Shares shall be deemed to have commenced, on the Original Issue Date.

11. *Limitations on Exercise.*

(a) Notwithstanding anything to the contrary contained herein, the Company shall not effect any exercise of this Warrant, and the Holder shall not be entitled to exercise this Warrant for a number of Warrant Shares in excess of that number of Warrant Shares which, upon giving effect or immediately prior to such exercise, would cause (i) the aggregate number of shares of Common Stock beneficially owned by the Holder, its Affiliates and any other Persons whose beneficial ownership of Common Stock would be aggregated with the Holder's for purposes of Section 13(d) of the Exchange Act, on a fully diluted, as- converted basis, to exceed 19.99% (the "**Maximum Percentage**") of the total number of issued and outstanding shares of Common Stock following such exercise, or (ii) the combined voting power of the securities of the Company beneficially owned by the Holder and its Affiliates and any other Persons whose beneficial ownership of Common Stock would be aggregated with the Holder's for purposes of Section 13(d) of the Exchange Act to exceed 19.99% of the combined voting power of all of the securities of the Company then outstanding following such exercise. Upon the written request of the Holder, the Company shall within three (3) Business Days confirm in writing or by email to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder since the date as of which such number of outstanding shares of Common Stock was reported. By written notice to the Company, the Holder may from time to time increase or decrease the Maximum Percentage to any other percentage specified in such notice; *provided that* any such increase will not be effective until the sixty-first (61st) day after such notice is delivered to the Company. For purposes of this Section 11(a), the aggregate number of shares of Common Stock or voting securities beneficially owned by the Holder and its Affiliates and any other Persons whose beneficial ownership of Common Stock would be aggregated with the Holder's for purposes of Section 13(d) of the Exchange Act shall include the shares of Common Stock issuable upon the exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of shares of Common Stock which would be issuable upon (x) exercise of the remaining unexercised and non-cancelled portion of this Warrant by the Holder and (y) exercise or conversion of the unexercised, non-converted or non-cancelled portion of any other securities of the Company that do not have voting power (including without limitation, any securities of the Company which would entitle the holder thereof to acquire at any time Common Stock, including without limitation, any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock), is subject to a limitation on conversion or exercise analogous to the limitation contained herein and is beneficially owned by the Holder or any of its Affiliates and other Persons whose beneficial ownership of Common Stock would be aggregated with the Holder's for purposes of Section 13(d) of the Exchange Act.

(b) Notwithstanding anything in this Warrant to the contrary, this Section 11 shall not restrict the number of shares of Common Stock which a Holder may receive or beneficially own in order to determine the amount of securities or other consideration that such Holder may receive in the event of a Fundamental Transaction as contemplated in Section 9(c) of this Warrant.

12. *No Fractional Shares*. No fractional Warrant Shares will be issued in connection with any exercise of this Warrant. In lieu of any fractional shares that would otherwise be issuable, the number of Warrant Shares to be issued shall be rounded down to the next whole number and the Company shall pay the Holder in cash the fair market value (based on the Fair Market Value) for any such fractional shares.

13. *Notices*. Any and all notices or other communications or deliveries hereunder (including, without limitation, any Exercise Notice) shall be in writing and shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via confirmed email, or (ii) upon actual receipt by the Person to whom such notice is required to be given, if by hand delivery or mail. The addresses and email addresses for such communications shall be:

If to the Company:

Innovative Health Solutions, Inc.
Attention: Brian Carrico, Chief Executive Officer
829 S. Adams Street
Versailles, Indiana 47042
Email: brian@i-h-s.com

With a copy (which shall not constitute notice) to:

Joshua Hollingsworth
Barnes & Thornburg LLP
11 South Meridian Street
Indianapolis, Indiana 46204
Email: Joshua.Hollingsworth@btlaw.com

If to the Holder:

Masimo Corporation
Attention: Micah Young, Chief Financial Officer
52 Discovery
Irvine, California 92618
Email: myoung@masimo.com

With a copy (which shall not constitute notice) to:

Jeffrey T. Hartlin
Paul Hastings LLP
1117 S. California Avenue
Palo Alto, California 94304
Email: jeffhartlin@paulhastings.com

or, in each of the above instances, to such other address or email address as the recipient party has specified by written notice given to each other party at least five (5) days prior to the effectiveness of such change.

14. *Warrant Agent*. The Company shall initially serve as warrant agent under this Warrant. Upon ten (10) days' notice to the Holder, the Company may appoint a new warrant agent. Any corporation into which the Company or any new warrant agent may be merged or any corporation resulting from any consolidation to which the Company or any new warrant agent shall be a party or any corporation to which the Company or any new warrant agent transfers substantially all of its corporate trust or shareholders services business shall be a successor warrant agent under this Warrant without any further act. Any such successor warrant agent shall promptly cause notice of its succession as warrant agent to be mailed (by first-class mail, postage prepaid) to the Holder at the Holder's last address as shown on the Warrant Register.

15. *Miscellaneous.*

(a) No Rights as a Stockholder. The Holder, solely in such Person's capacity as a holder of this Warrant, shall not be entitled to vote or receive dividends or be deemed the holder of share capital of the Company for any purpose, nor shall anything contained in this Warrant be construed to confer upon the Holder, solely in such Person's capacity as the Holder of this Warrant, any of the rights of a stockholder of the Company or any right to vote, give or withhold consent to any corporate action (whether any reorganization, issue of stock, reclassification of stock, consolidation, merger, amalgamation, conveyance or otherwise), receive notice of meetings, receive dividends or subscription rights, or otherwise, prior to the issuance to the Holder of the Warrant Shares which such Person is then entitled to receive upon the due exercise of this Warrant. In addition, nothing contained in this Warrant shall be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a stockholder of the Company, whether such liabilities are asserted by the Company or by creditors of the Company.

(b) Authorized Shares. Except and to the extent as waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its certificate or articles of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of the Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (a) create a par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (b) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable Warrant Shares upon the exercise of this Warrant, (c) may validly and legally issue fully paid and non-assessable Underlying Shares upon the conversion of the Warrant Shares, and (d) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof as may be necessary to enable the Company to perform its obligations under this Warrant.

(c) Successors and Assigns. Subject to compliance with applicable securities laws, this Warrant may be assigned by the Holder. This Warrant may not be assigned by the Company without the written consent of the Holder, except to a successor in the event of a Fundamental Transaction. This Warrant shall be binding on and inure to the benefit of the Company and the Holder and their respective successors and assigns. Subject to the preceding sentence, nothing in this Warrant shall be construed to give to any Person other than the Company and the Holder any legal or equitable right, remedy or cause of action under this Warrant. This Warrant may be amended only in writing signed by the Company and the Holder, or their successors and assigns.

(d) Amendment and Waiver. Except as otherwise provided herein, the provisions of the Warrants may be amended and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, only if the Company has obtained the written consent of the Holder.

(e) Acceptance. Receipt of this Warrant by the Holder shall constitute acceptance of and agreement to all of the terms and conditions contained herein.

(f) Governing Law; Jurisdiction. This Warrant shall be governed by the internal law of the State of Indiana, without regard to conflict of laws principles that would result in the application of any law other than the law of the State of Indiana.

(g) Dispute Resolution. The parties (a) hereby irrevocably and unconditionally submit to the jurisdiction of the state courts of Indiana and to the jurisdiction of the United States District Court for the Southern District of Indiana for the purpose of any suit, action or other proceeding arising out of or based upon this Warrant, (b) agree not to commence any suit, action or other proceeding arising out of or based upon this Warrant except in the state courts of Indiana or the United States District Court for the Southern District of Indiana, and (c) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Warrant or the subject matter hereof may not be enforced in or by such court.

(h) Waiver of Jury Trial: EACH PARTY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS WARRANT, THE SECURITIES OR THE SUBJECT MATTER HEREOF OR THEREOF. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS (INCLUDING NEGLIGENCE), BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES HERETO AND THESE PROVISIONS WILL NOT BE SUBJECT TO ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER WARRANTS AND REPRESENTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

Any unresolved controversy or claim arising out of or relating to this Warrant, except as (i) otherwise provided in this Warrant, or (ii) any such controversies or claims arising out of either party's intellectual property rights for which a provisional remedy or equitable relief is sought, shall be submitted to arbitration by one arbitrator mutually agreed upon by the parties, and if no agreement can be reached within thirty (30) days after names of potential arbitrators have been proposed by the American Arbitration Association (the "**AAA**"), then by one arbitrator having reasonable experience in corporate finance transactions of the type provided for in this Warrant and who is chosen by the AAA. The arbitration shall take place in Marion County, Indiana, in accordance with the AAA rules then in effect, and judgment upon any award rendered in such arbitration will be binding and may be entered in any court having jurisdiction thereof. There shall be limited discovery prior to the arbitration hearing as follows: (a) exchange of witness lists and copies of documentary evidence and documents relating to or arising out of the issues to be arbitrated, (b) depositions of all party witnesses, and (c) such other depositions as may be allowed by the arbitrators upon a showing of good cause. Depositions shall be conducted in accordance with the Indiana Code of Civil Procedure, the arbitrator shall be required to provide in writing to the parties the basis for the award or order of such arbitrator, and a court reporter shall record all hearings, with such record constituting the official transcript of such proceedings. Each party will bear its own costs in respect of any disputes arising under this Warrant. Each of the parties to this Warrant consents to personal jurisdiction for any equitable action sought in the U.S. District Court for the Southern District of Indiana or any court of the State of Indiana having subject matter jurisdiction.

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

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have caused this Warrant to be duly executed by their authorized representatives as of the date first indicated above.

COMPANY

INNOVATIVE HEALTH SOLUTIONS, INC.

By: */s/ Brian Carrico*
Name: Brian Carrico
Title: Chief Executive Officer

HOLDER

MASIMO CORPORATION

By:
Name: Micah Young
Title: Executive Vice President, Chief Financial Officer

[*Signature Page to Warrant*]

IN WITNESS WHEREOF, the parties have caused this Warrant to be duly executed by their authorized representatives as of the date first indicated above.

COMPANY

INNOVATIVE HEALTH SOLUTIONS, INC.

By: _____
Name: Brian Carrico
Title: Chief Executive Officer

HOLDER

MASIMO CORPORATION

By: */s/ Micah Young*
Name: Micah Young
Title: Executive Vice President, Chief Financial Officer

[*Signature Page to Warrant*]

SCHEDULE 1

FORM OF EXERCISE NOTICE

(To be executed by the Holder to purchase shares of Series A Preferred Stock under the Warrant)

Ladies and Gentlemen:

(1) The undersigned is the Holder of Warrant No. PSA-01 (the "**Warrant**") issued by Innovative Health Solutions, Inc., an Indiana corporation (the "**Company**"). Capitalized terms used herein and not otherwise defined herein have the respective meanings set forth in the Warrant.

(2) The undersigned hereby exercises its right to purchase Warrant Shares pursuant to the Warrant.

(3) The Holder intends that payment of the Exercise Price shall be made as (check one):

☐ Cash Exercise

☐ "Cashless Exercise" under Section 10 of the Warrant

(4) If the Holder has elected a Cash Exercise, the Holder shall pay the sum of $ _____ in immediately available funds to the Company in accordance with the terms of the Warrant.

(5) The Holder requests that certificates for such Warrant Shares be issued in the name of such Holder, as follows:

_____
(Please Print Name, Address and Federal Tax I.D. Number)

(6) If such number of shares shall not be all shares purchasable under the Warrant, the Holder requests that a new warrant for the balance remaining of the shares under the Warrant be registered in the name of the Holder as indicated above and delivered to the address stated above.

Dated: _____

Holder: _____

By: _____

Name: _____

Title: _____

SCHEDULE 2 ASSIGNMENT NOTICE
Warrant to Purchase Shares of Series A Preferred Stock

(1) For value received, the undersigned Holder does hereby sell, assign and transfer to:

_____

_____

_____(Please Print Name, Address and Federal Tax I.D. Number of Assignee)

The right to purchase _____ shares represented by Warrant No. PSA01 (the "**Warrant**") issued by Innovative Health Solutions, Inc., an Indiana corporation (the "**Company**") and hereby authorizes the transfer and registration of such Warrant to the assignee on the Warrant Register. The undersigned further directs the Company to issue and deliver to the assignee, at the address set forth above, a new warrant representing the right to purchase such number of shares.

Dated: _____

Holder: _____

By: _____

Name: _____

Title: _____

Exhibit 4.3

NEITHER THIS SECURITY NOR THE SECURITIES AS TO WHICH THIS SECURITY MAY BE EXERCISED HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THIS SECURITY AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

COMMON SHARE PURCHASE WARRANT

Neuraxis, Inc.

Warrant Shares: 247,175[1]
Date of Issuance: June 3, 2022 ("**Issuance Date**")

This COMMON SHARE PURCHASE WARRANT (the "**Warrant**") certifies that, for value received (in connection with the issuance by Neuraxis, Inc., a corporation organized under the laws of the State of Indiana (the "**Company**"), to Leonite Fund I, LP, a limited partnership organized under the laws of the State of Delaware (including any permitted and registered assigns, each referred to hereinafter as "**Holder**"), of the senior secured convertible promissory note of even date herewith (the "**Note**"), Holder is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the date of issuance hereof, to purchase from the Company, the number of the Company's common shares noted above (the "**Warrant Shares**") (whereby such number may be adjusted from time to time pursuant to the terms and conditions of this Warrant), at the Exercise Price (defined below) per share then in effect. This Warrant is issued by the Company as of the date hereof in connection with that certain securities purchase agreement, of even date herewith, entered into by and between the Company and the Holder (the "**Purchase Agreement**").

Capitalized terms used in this Warrant shall have the meanings set forth in the Purchase Agreement unless otherwise defined in the body of this Warrant or in Section 12 below. For purposes of this Warrant, the term "**Exercise Price**" shall mean the lower of (i) $5.90 and (ii) a 12.5% discount to the price per share of any subsequent offering by the Company, subject to adjustment as provided herein (including but not limited to cashless exercise), and the term "**Exercise Period**" shall mean the period commencing on the Issuance Date and ending on 6:00 p.m. eastern standard time on the 5 year anniversary thereof.

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1 The number of Warrant Shares is determined based on the number of the Company's common shares that would be issued upon full conversion of the Note. Initially, this will be calculated based on the first prong of the Conversion Price definition in Section 2.2(a) of the Note ($4.72 per share). If the conversion price is adjusted downwards pursuant to the Note, so that the number of shares issuable upon the full conversion of the Note increases, the number of Warrant Shares will be adjusted accordingly.

1. EXERCISE OF WARRANT.

(a) *Mechanics of Exercise*. Subject to the terms and conditions hereof, the rights represented by this Warrant may be exercised in whole or in part at any time or times during the Exercise Period by delivery of a written notice, in the form attached hereto as Exhibit A (the "**Exercise Notice**"), of the Holder's election to exercise this Warrant. The Holder shall not be required to deliver the original Warrant in order to effect an exercise hereunder. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. On or before the third Trading Day (the "**Warrant Share Delivery Date**") following the date on which the Company shall have received the Exercise Notice, and upon receipt by the Company of payment to the Company of an amount equal to the applicable Exercise Price multiplied by the number of Warrant Shares as to which all or a portion of this Warrant is being exercised (the "**Aggregate Exercise Price**" and together with the Exercise Notice, the "**Exercise Delivery Documents**") in cash or by wire transfer of immediately available funds (or by cashless exercise, in which case there shall be no Aggregate Exercise Price provided), the Company shall (or direct its transfer agent to) issue the number of Common Shares to which the Holder is entitled pursuant to such exercise (such number referred to hereinafter as the "**Exercised Amount**" and such shares to be issued referred to hereinafter as the "**Exercised Warrant Shares**"), registered in the Company's share register in the name of the Holder or its designee. At the option of the Holder, such shares shall be issued either (i) in DRS book entry form, (ii) directly into a brokerage account by DWAC transfer (if eligible), or (iii) on one or more certificates dispatched by overnight courier to the address as specified in the Exercise Notice. Upon delivery of the Exercise Delivery Documents, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the certificates evidencing such Warrant Shares. If this Warrant is submitted in connection with any exercise and the number of Warrant Shares represented by this Warrant submitted for exercise is greater than the Exercised Amount, then the Company shall as soon as practicable and in no event later than three Business Days after any exercise and at its own expense, issue a new Warrant (in accordance with Section 6) representing the right to purchase the number of Warrant Shares purchasable immediately prior to such exercise under this Warrant, less the Exercised Amount.

If at any time after the 6 month anniversary of the Issuance Date, the Market Price of one Common Share is greater than the Exercise Price and the Warrant Shares are not registered under an effective non-stale registration statement of the Company, the Holder may elect to receive Warrant Shares pursuant to a cashless exercise, in lieu of a cash exercise, equal to the value of this Warrant determined in the manner described below (or of any portion thereof remaining unexercised) by surrender of this Warrant and a Notice of Exercise, in which event the Company shall issue to Holder a number of Common Shares computed using the following formula:

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

Where X = the number of Shares to be issued to Holder.

Y = the number of Warrant Shares that the Holder elects to purchase under this Warrant (at the date of such calculation).

A = the Market Price (at the date of such calculation).

B = Exercise Price (as adjusted to the date of such calculation).

If the Company fails to cause its transfer agent to transmit to the Holder the respective Common Shares by the respective Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise in Holder's sole discretion, and such failure shall be deemed an event of default under the Note to the extent the Note remains outstanding and any portion thereof unpaid, and this Warrant. In addition, and without in any way limiting the Holder's right to pursue other remedies, including but not limited to, actual damages and/or equitable relief, or the foregoing remedies, the parties agree that if the Company causes the Exercised Warrant Shares to not be delivered by the second (2nd) Trading Day following the Warrant Share Delivery Date, Company shall pay to the Holder $1,000 per day in cash, for each day beyond the Warrant Share Delivery Date that Company fails to deliver such Exercised Warrant Shares. Such cash amount shall be paid to Holder by the fifth day of the month following the month in which it has accrued or, at the option of the Holder (by written notice to Company by the first day of the month following the month in which it has accrued), as follows: (i) in the event that the Note remains outstanding and any portion thereof unpaid, such amount shall be added to the principal amount of the Note, in which event interest shall accrue thereon in accordance with the terms of the Note and such additional principal amount shall be convertible into Common Shares in accordance with the terms of the Note; (ii) in the event that the Note is no longer outstanding and no portion thereof remains unpaid, such amount shall be payable in Common Shares based on the number of shares that would have been due under (i) above, had the Note been outstanding, and pursuant to a conversion of such amount added to the principal amount of the Note. Company agrees that the right to exercise is a valuable right to the Holder, and as such, Company will not take any actions to hamper, delay or prevent any Holder exercise of this Warrant. The damages resulting from a failure, attempt to frustrate, interference with such exercise right are difficult if not impossible to qualify. Accordingly, the parties acknowledge that the liquidated damages provision contained in this section are justified.

(b) *No Fractional Shares*. No fractional shares shall be issued upon the exercise of this Warrant as a consequence of any adjustment pursuant hereto. All Warrant Shares (including fractions) issuable upon exercise of this Warrant may be aggregated for purposes of determining whether the exercise would result in the issuance of any fractional share. If, after aggregation, the exercise would result in the issuance of a fractional share, the Company shall, in lieu of issuance of any fractional share, pay the Holder otherwise entitled to such fraction a sum in cash equal to the product resulting from multiplying the then-current fair market value of a Warrant Share by such fraction.

(c) *Holder's Exercise Limitations*. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, to the extent that after giving effect to issuance of Warrant Shares upon exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other persons acting as a group together with the Holder or any of the Holder's Affiliates), would beneficially own in excess of the Beneficial Ownership Limitation, as defined below. For purposes of the foregoing sentence, the number of Common Shares beneficially owned by the Holder and its Affiliates shall include the number of Common Shares issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of Common Shares which would be issuable upon (i) exercise of the remaining, non-exercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates and (ii) exercise or conversion of the unexercised or non-converted portion of any other securities of the Company (including without limitation any other Common Share Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates. Except as set forth in the preceding sentence, for purposes of this paragraph (d), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this paragraph applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any affiliates) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination.

For purposes of this paragraph, in determining the number of outstanding Common Shares, a Holder may rely on the number of outstanding Common Shares as reflected in (A) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or its transfer agent setting forth the number of Common Shares outstanding. Upon the request of a Holder, the Company shall within two Trading Days confirm to the Holder the number of Common Shares then outstanding. In any case, the number of outstanding Common Shares shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its affiliates since the date as of which such number of outstanding Common Shares was reported. The "**Beneficial Ownership Limitation**" shall be 4.99% of the number of Common Shares outstanding immediately after giving effect to the issuance of Common Shares issuable upon exercise of this Warrant. Upon no fewer than 61 days' prior notice to the Company, a Holder may increase or decrease the Beneficial Ownership Limitation provisions of this paragraph and the provisions of this paragraph shall continue to apply. Any such increase or decrease will not be effective until the 61st day after such notice is delivered to the Company and shall only apply to such Holder and no other Holder. The limitations contained in this paragraph shall apply to a successor Holder of this Warrant.

2. ADJUSTMENTS. The Exercise Price and the number of Warrant Shares shall be adjusted from time to time as follows:

(a) *Distribution of Assets*. If the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of Common Shares, by way of return of capital or otherwise (including without limitation any distribution of cash, shares or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement or other similar transaction) (a "**Distribution**"), at any time after the issuance of this Warrant, then, in each such case:

(i) any Exercise Price in effect immediately prior to the close of business on the record date fixed for the determination of holders of Common Shares entitled to receive the Distribution shall be reduced, effective as of the close of business on such record date, to a price determined by multiplying such Exercise Price by a fraction (i) the numerator of which shall be the Closing Sale Price of the Common Shares on the Trading Day immediately preceding such record date minus the value of the Distribution (as determined in good faith by the Company's Board of Directors) applicable to one Common Share, and (ii) the denominator of which shall be the Closing Sale Price of the Common Shares on the Trading Day immediately preceding such record date; and

(ii) the number of Warrant Shares shall be increased to a number of shares equal to the number of Common Shares obtainable immediately prior to the close of business on the record date fixed for the determination of holders of Common Shares entitled to receive the Distribution multiplied by the reciprocal of the fraction set forth in the immediately preceding clause (i); provided, however, that in the event that the Distribution is of Common Shares of a company (other than the Company) whose common stock is traded on a national securities exchange or a national automated quotation system ("Other Shares of Common Stock"), then the Holder may elect to receive a warrant to purchase Other Shares of Common Stock in lieu of an increase in the number of Warrant Shares, the terms of which shall be identical to those of this Warrant, except that such warrant shall be exercisable into the number of Other Shares of Common Stock that would have been payable to the Holder pursuant to the Distribution had the Holder exercised this Warrant immediately prior to such record date and with an aggregate exercise price equal to the product of the amount by which the exercise price of this Warrant was decreased with respect to the Distribution pursuant to the terms of the immediately preceding clause (i) and the number of Warrant Shares calculated in accordance with the first part of this clause (ii).

(b) Proportional Adjustments of Outstanding Common Shares and Common Share Dividends. If the Company shall at any time or from time to time after the date hereof, issue additional Common Shares to all of its current shareholders on a pro rata basis or pay a share dividend in Common Shares, then the Exercise Price shall be proportionately adjusted. Any adjustments under this Section 2(b) shall be effective at the close of business on the date the share split becomes effective or the date of payment of the share dividend, as applicable. For the avoidance of doubt, this adjustment shall not apply when shares of outstanding Common Share are merged proportionally across all shareholders to form a smaller number of outstanding shares.

(c) Anti-dilution Adjustment. If at any time while this Warrant is outstanding, the Company sells or grants (or has sold or granted, as the case may be) any option to purchase or sells or grants any right to reprice, or otherwise disposes of or issues (or has sold or issued, as the case may be, or announces any sale, grant or any option to purchase or other disposition), any Common Share or other securities convertible into, exercisable for or otherwise entitled any person or entity the right to acquire Common Shares at an effective price per share that is lower than the Exercise Price then in effect hereunder (such lower price, the "**Base Exercise Price**" and such issuances, collectively, a "**Dilutive Issuance**") (it being agreed that if the holder of the Common Share or other securities so issued shall at any time, whether by operation of purchase price adjustments, reset provisions, floating conversion, exercise or exchange prices or otherwise, or due to warrants, options or rights per share which are issued in connection with such issuance, be entitled to receive Common Shares at an effective price per share that is lower than the Exercise Price, such issuance shall be deemed to have occurred for less than the Exercise Price on such date of the Dilutive Issuance), then the Exercise Price shall be reduced to a price equal to the Base Exercise Price. For purposes of this Section 2(c), an "**Exempt Issuance**" shall have the meaning ascribed to such term in the Note. In the event of an issuance of securities involving multiple tranches or closings, any adjustment pursuant to this Section 2(c) shall be calculated as if all such securities were issued at the initial closing.

3. FUNDAMENTAL TRANSACTIONS. If, at any time while this Warrant is outstanding, (i) the Company effects any merger of the Company with or into another entity and the Company is not the surviving entity (such surviving entity, the "**Successor Entity**"), (ii) the Company effects any sale of all or substantially all of its assets in one or a series of related transactions, (iii) any tender offer or exchange offer (whether by the Company or by another individual or entity, and approved by the Company) is completed pursuant to which holders of Common Shares are permitted to tender or exchange their Common Shares for other securities, cash or property and the holders of at least 50% of the Common Shares accept such offer, or (iv) the Company effects any reclassification of the Common Shares or any compulsory share exchange pursuant to which the Common Shares are effectively converted into or exchanged for other securities, cash or property (other than as a result of a subdivision or combination of Common Shares) (in any such case, a "**Fundamental Transaction**"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive the number of Common Shares of the Successor Entity or of the Company and any additional consideration (the "**Alternate Consideration**") receivable upon or as a result of such reorganization, reclassification, merger, consolidation or disposition of assets by a holder of the number of Common Shares for which this Warrant is exercisable immediately prior to such event (disregarding any limitation on exercise contained herein solely for the purpose of such determination). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one Common Share in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Shares are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. To the extent necessary to effectuate the foregoing provisions, any Successor Entity in such Fundamental Transaction shall issue to the Holder a new warrant consistent with the foregoing provisions and evidencing the Holder's right to exercise such warrant into Alternate Consideration.

4. NON-CIRCUMVENTION. The Company covenants and agrees that it will not, by amendment of its certificate of formation, certificate of incorporation, operating agreement, or bylaws, or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, and will at all times in good faith carry out all the provisions of this Warrant and take all action as may be required to protect the rights of the Holder. Without limiting the generality of the foregoing, the Company (i) shall not increase the par value of any Common Shares receivable upon the exercise of this Warrant above the Exercise Price then in effect, (ii) shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable Common Shares upon the exercise of this Warrant, and (iii) shall, for so long as this Warrant is outstanding, have authorized and reserved, free from preemptive rights, a sufficient number of Common Shares to provide for the exercise of the rights represented by this Warrant (without regard to any limitations on exercise).

5. WARRANT HOLDER NOT DEEMED A SHAREHOLDER. Except as otherwise specifically provided herein, this Warrant, in and of itself, shall not entitle the Holder to any voting rights or other rights as a shareholder of the Company. In addition, nothing contained in this Warrant shall be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a shareholder of the Company, whether such liabilities are asserted by the Company or by creditors of the Company.

6. REISSUANCE.

(a) *Lost, Stolen or Mutilated Warrant*. If this Warrant is lost, stolen, mutilated or destroyed, the Company will, on such terms as to indemnity or otherwise as it may reasonably impose (which shall, in the case of a mutilated Warrant, include the surrender thereof), issue a new Warrant of like denomination and tenor as this Warrant so lost, stolen, mutilated or destroyed.

(b) *Issuance of New Warrants*. Whenever the Company is required to issue a new Warrant pursuant to the terms of this Warrant, such new Warrant shall be of like tenor with this Warrant, and shall have an issuance date, as indicated on the face of such new Warrant which is the same as the Issuance Date.

7. TRANSFER.

(a) *Notice of Transfer*. The Holder agrees that it will give written notice to the Company of its intent to transfer this Warrant or any Warrant Shares, describing briefly the manner of any proposed transfer and such transfer requires the prior written consent of the Company, which will not be unreasonably withheld or delayed. Promptly upon receiving such written notice, the Company shall present copies thereof to the Company's counsel. Subject to the aforesaid, if the proposed transfer may be effected without registration or qualification (under any federal or state securities laws), the Company, as promptly as practicable, shall notify the Holder thereof, whereupon the Holder shall be entitled to transfer this Warrant or to dispose of Warrant Shares received upon the previous exercise of this Warrant, all in accordance with the terms of the notice delivered by the Holder to the Company; provided, however, that an appropriate legend may be endorsed on this Warrant or the certificates for such Warrant Shares respecting restrictions upon transfer thereof necessary or advisable in the opinion of counsel and satisfactory to the Company to prevent further transfers which would be in violation of Section 5 of the Securities Act and applicable state securities laws; and provided further that the prospective transferee or purchaser shall execute the Assignment of Warrant attached hereto as Exhibit B and such other documents and make such representations, warranties, and agreements as may be required solely to comply with the exemptions relied upon by the Company for the transfer or disposition of the Warrant or Warrant Shares.

(b) If the proposed transfer or disposition of this Warrant or such Warrant Shares described in the written notice given pursuant to this Section 7 may not be effected without registration or qualification of this Warrant or such Warrant Shares, the Holder will limit its activities in respect to such transfer or disposition as are permitted by law.

(c) Any transferee of all or a portion of this Warrant shall succeed to the rights and benefits of the initial Holder of this Warrant under Section 5.6 of the Purchase Agreement.

8. NOTICES. Whenever notice is required to be given under this Warrant, unless otherwise provided herein, such notice shall be given in accordance with the notice provisions contained in the Purchase Agreement. The Company shall provide the Holder with prompt written notice (i) immediately upon any adjustment of the Exercise Price, setting forth in reasonable detail, the calculation of such adjustment and (ii) at least 20 days prior to the date on which the Company closes its books or takes a record (A) with respect to any dividend or distribution upon the Common Shares, (B) with respect to any grants, issuances or sales of any shares or other securities directly or indirectly convertible into or exercisable or exchangeable for Common Shares or other property, pro rata to the holders of Common Shares or (C) for determining rights to vote with respect to any Fundamental Transaction, dissolution or liquidation, provided in each case that such information shall be made known to the public prior to or in conjunction with such notice being provided to the Holder.

9. AMENDMENT AND WAIVER. The terms of this Warrant may be amended or waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and the Holder.

10. GOVERNING LAW. This Warrant shall be governed by and construed in accordance with the laws of the State of Delaware without regard to principles of conflicts of laws. Any action brought by either party against the other concerning the transactions contemplated by this Warrant shall be brought only in the state courts or federal courts sitting in Delaware. The parties to this Warrant hereby irrevocably waive any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon *forum non conveniens*. **THE COMPANY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS WARRANT OR ANY TRANSACTION CONTEMPLATED HEREBY**. The prevailing party shall be entitled to recover from the other party its reasonable attorney's fees and costs. In the event that any provision of this Warrant or any other agreement delivered in connection herewith is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision of any agreement. Each party hereby irrevocably waives personal service of process and consents to process being served in any suit, action or proceeding in connection with this Agreement or any other Transaction Document by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law.

11. ACCEPTANCE. Receipt of this Warrant by the Holder shall constitute acceptance of and agreement to all of the terms and conditions contained herein.

12. CERTAIN DEFINITIONS. For purposes of this Warrant, the following terms shall have the following meanings:

(a) "Nasdaq" means The Nasdaq Stock Market (www.Nasdaq.com).

(b) "Closing Sale Price" means, for any security as of any date, (i) the last closing trade price for such security on the Principal Market, as reported by Nasdaq, or, if the Principal Market begins to operate on an extended hours basis and does not designate the closing trade price, then the last trade price of such security prior to 4:00 p.m., New York time, as reported by Nasdaq, or (ii) if the foregoing does not apply, the last trade price of such security in the over-the-counter market for such security as reported by Nasdaq, or (iii) if no last trade price is reported for such security by Nasdaq, the average of the bid and ask prices of any market makers for such security as reported by the OTC Markets or any other similar domestic or foreign exchange. If the Closing Sale Price cannot be calculated for a security on a particular date on any of the foregoing bases, the Closing Sale Price of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. All such determinations to be appropriately adjusted for any share dividend, share split, share combination or other similar transaction during the applicable calculation period.

(c) "Common Share" means the Ordinary Shares of the Company and any other class of securities into which such securities may hereafter be reclassified or changed.

(d) "Common Share Equivalents" means any securities of the Company that would entitle the holder thereof to acquire at any time Common Shares, including without limitation any debt, preferred shares, rights, options, warrants or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Shares.

(e) "Principal Market" means the primary national securities exchange or over the counter market on which the Common Shares are then traded.

(f) "Market Price" means the highest traded price of the Common Shares during the thirty (30) Trading Days prior to the date of the respective Exercise Notice.

(g) "Trading Day" means (i) any day on which the Common Shares are listed or quoted and traded on its Principal Market, (ii) if the Common Shares are not then listed or quoted and traded on any national securities exchange, then a day on which trading occurs on any over-the-counter markets, or (iii) if trading does not occur on the over-the-counter markets, any Business Day.

[*signature page follows*]

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed as of the Issuance Date set forth above.

Neuraxis, Inc.

By: */s/ Brian Carrico*
Name: Brian Carrico
Title: President and Chief Executive Officer

[*signature page to Warrant*]

EXHIBIT A

EXERCISE NOTICE

(To be executed by the registered holder to exercise this Common Share Purchase Warrant)

THE UNDERSIGNED holder hereby exercises the right to purchase _____of the Common Shares ("Warrant Shares") of **Neuraxis, Inc.**, a corporation organized under the laws of the State of Indiana (the "Company"), evidenced by the attached copy of the Common Share Purchase Warrant (the "Warrant"). Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Warrant.

1. Form of Exercise Price. The Holder intends that payment of the Exercise Price shall be made as (check one):

   ☐ a cash exercise with respect to _____Warrant Shares; or
   ☐ by cashless exercise pursuant to the Warrant.

2. Payment of Exercise Price. If cash exercise is selected above, the holder shall pay the applicable Aggregate Exercise Price in the sum of $ _____ to the Company in accordance with the terms of the Warrant.

3. Delivery of Warrant Shares. The Company shall deliver to the holder _____Warrant Shares in accordance with the terms of the Warrant.

Date: _____

_____
(Print Name of Registered Holder)

By: _____
Name: _____
Title: _____

EXHIBIT B

ASSIGNMENT OF WARRANT

(To be signed only upon authorized transfer of the Warrant)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto _____ the right to purchase _____ Common Shares of **Neuraxis, Inc.**, to which the within Common Share Purchase Warrant relates and appoints _____, as attorney-in-fact, to transfer said right on the books of Neuraxis, Inc. with full power of substitution and re-substitution in the premises. By accepting such transfer, the transferee has agreed to be bound in all respects by the terms and conditions of the within Warrant.

Dated: _____

_____
(Signature) *

_____
(Name)

_____
(Address)

_____
(Social Security or Tax Identification No.)

* The signature on this Assignment of Warrant must correspond to the name as written upon the face of the Common Share Purchase Warrant in every particular without alteration or enlargement or any change whatsoever. When signing on behalf of a corporation, partnership, trust or other entity, please indicate your position(s) and title(s) with such entity.

NEITHER THIS SECURITY NOR THE SECURITIES AS TO WHICH THIS SECURITY MAY BE EXERCISED HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THIS SECURITY AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

COMMON SHARE PURCHASE WARRANT

Neuraxis, Inc.

Warrant Shares: 82,392[1]
Date of Issuance: July 8, 2022 ("**Issuance Date**")

This COMMON SHARE PURCHASE WARRANT (the "**Warrant**") certifies that, for value received (in connection with the issuance by Neuraxis, Inc., a corporation organized under the laws of the State of Indiana (the "**Company**"), to Leonite Fund I, LP, a limited partnership organized under the laws of the State of Delaware (including any permitted and registered assigns, each referred to hereinafter as "**Holder**"), of the senior secured convertible promissory note of even date herewith (the "**Note**"), Holder is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the date of issuance hereof, to purchase from the Company, the number of the Company's common shares noted above (the "**Warrant Shares**") (whereby such number may be adjusted from time to time pursuant to the terms and conditions of this Warrant), at the Exercise Price (defined below) per share then in effect. This Warrant is issued by the Company as of the date hereof in connection with that certain securities purchase agreement, dated June 3, 2022, entered into by and between the Company and the Holder (the "**Purchase Agreement**").

Capitalized terms used in this Warrant shall have the meanings set forth in the Purchase Agreement unless otherwise defined in the body of this Warrant or in Section 12 below. For purposes of this Warrant, the term "**Exercise Price**" shall mean the lower of (i) $5.90 and (ii) a 12.5% discount to the price per share of any subsequent offering by the Company, subject to adjustment as provided herein (including but not limited to cashless exercise), and the term "**Exercise Period**" shall mean the period commencing on the Issuance Date and ending on 6:00 p.m. eastern standard time on the 5 year anniversary thereof.

1 The number of Warrant Shares is determined based on the number of the Company's common shares that would be issued upon full conversion of the Note. Initially, this will be calculated based on the first prong of the Conversion Price definition in Section 2.2(a) of the Note ($4.72 per share). If the conversion price is adjusted downwards pursuant to the Note, so that the number of shares issuable upon the full conversion of the Note increases, the number of Warrant Shares will be adjusted accordingly.

1. EXERCISE OF WARRANT.

(a) *Mechanics of Exercise*. Subject to the terms and conditions hereof, the rights represented by this Warrant may be exercised in whole or in part at any time or times during the Exercise Period by delivery of a written notice, in the form attached hereto as Exhibit A (the "**Exercise Notice**"), of the Holder's election to exercise this Warrant. The Holder shall not be required to deliver the original Warrant in order to effect an exercise hereunder. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. On or before the third Trading Day (the "**Warrant Share Delivery Date**") following the date on which the Company shall have received the Exercise Notice, and upon receipt by the Company of payment to the Company of an amount equal to the applicable Exercise Price multiplied by the number of Warrant Shares as to which all or a portion of this Warrant is being exercised (the "**Aggregate Exercise Price**" and together with the Exercise Notice, the "**Exercise Delivery Documents**") in cash or by wire transfer of immediately available funds (or by cashless exercise, in which case there shall be no Aggregate Exercise Price provided), the Company shall (or direct its transfer agent to) issue the number of Common Shares to which the Holder is entitled pursuant to such exercise (such number referred to hereinafter as the "**Exercised Amount**" and such shares to be issued referred to hereinafter as the "**Exercised Warrant Shares**"), registered in the Company's share register in the name of the Holder or its designee. At the option of the Holder, such shares shall be issued either (i) in DRS book entry form, (ii) directly into a brokerage account by DWAC transfer (if eligible), or (iii) on one or more certificates dispatched by overnight courier to the address as specified in the Exercise Notice. Upon delivery of the Exercise Delivery Documents, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the certificates evidencing such Warrant Shares. If this Warrant is submitted in connection with any exercise and the number of Warrant Shares represented by this Warrant submitted for exercise is greater than the Exercised Amount, then the Company shall as soon as practicable and in no event later than three Business Days after any exercise and at its own expense, issue a new Warrant (in accordance with Section 6) representing the right to purchase the number of Warrant Shares purchasable immediately prior to such exercise under this Warrant, less the Exercised Amount.

If at any time after the 6 month anniversary of the Issuance Date, the Market Price of one Common Share is greater than the Exercise Price and the Warrant Shares are not registered under an effective non-stale registration statement of the Company, the Holder may elect to receive Warrant Shares pursuant to a cashless exercise, in lieu of a cash exercise, equal to the value of this Warrant determined in the manner described below (or of any portion thereof remaining unexercised) by surrender of this Warrant and a Notice of Exercise, in which event the Company shall issue to Holder a number of Common Shares computed using the following formula:

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

Where X = the number of Shares to be issued to Holder.

Y = the number of Warrant Shares that the Holder elects to purchase under this Warrant (at the date of such calculation).

A = the Market Price (at the date of such calculation).

B = Exercise Price (as adjusted to the date of such calculation).

If the Company fails to cause its transfer agent to transmit to the Holder the respective Common Shares by the respective Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise in Holder's sole discretion, and such failure shall be deemed an event of default under the Note to the extent the Note remains outstanding and any portion thereof unpaid, and this Warrant. In addition, and without in any way limiting the Holder's right to pursue other remedies, including but not limited to, actual damages and/or equitable relief, or the foregoing remedies, the parties agree that if the Company causes the Exercised Warrant Shares to not be delivered by the second (2nd) Trading Day following the Warrant Share Delivery Date, Company shall pay to the Holder $1,000 per day in cash, for each day beyond the Warrant Share Delivery Date that Company fails to deliver such Exercised Warrant Shares. Such cash amount shall be paid to Holder by the fifth day of the month following the month in which it has accrued or, at the option of the Holder (by written notice to Company by the first day of the month following the month in which it has accrued), as follows: (i) in the event that the Note remains outstanding and any portion thereof unpaid, such amount shall be added to the principal amount of the Note, in which event interest shall accrue thereon in accordance with the terms of the Note and such additional principal amount shall be convertible into Common Shares in accordance with the terms of the Note; (ii) in the event that the Note is no longer outstanding and no portion thereof remains unpaid, such amount shall be payable in Common Shares based on the number of shares that would have been due under (i) above, had the Note been outstanding, and pursuant to a conversion of such amount added to the principal amount of the Note. Company agrees that the right to exercise is a valuable right to the Holder, and as such, Company will not take any actions to hamper, delay or prevent any Holder exercise of this Warrant. The damages resulting from a failure, attempt to frustrate, interference with such exercise right are difficult if not impossible to qualify. Accordingly, the parties acknowledge that the liquidated damages provision contained in this section are justified.

(b) *No Fractional Shares*. No fractional shares shall be issued upon the exercise of this Warrant as a consequence of any adjustment pursuant hereto. All Warrant Shares (including fractions) issuable upon exercise of this Warrant may be aggregated for purposes of determining whether the exercise would result in the issuance of any fractional share. If, after aggregation, the exercise would result in the issuance of a fractional share, the Company shall, in lieu of issuance of any fractional share, pay the Holder otherwise entitled to such fraction a sum in cash equal to the product resulting from multiplying the then-current fair market value of a Warrant Share by such fraction.

(c) *Holder's Exercise Limitations*. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, to the extent that after giving effect to issuance of Warrant Shares upon exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other persons acting as a group together with the Holder or any of the Holder's Affiliates), would beneficially own in excess of the Beneficial Ownership Limitation, as defined below. For purposes of the foregoing sentence, the number of Common Shares beneficially owned by the Holder and its Affiliates shall include the number of Common Shares issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of Common Shares which would be issuable upon (i) exercise of the remaining, non-exercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates and (ii) exercise or conversion of the unexercised or non-converted portion of any other securities of the Company (including without limitation any other Common Share Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates. Except as set forth in the preceding sentence, for purposes of this paragraph (d), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this paragraph applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any affiliates) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination.

For purposes of this paragraph, in determining the number of outstanding Common Shares, a Holder may rely on the number of outstanding Common Shares as reflected in (A) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or its transfer agent setting forth the number of Common Shares outstanding. Upon the request of a Holder, the Company shall within two Trading Days confirm to the Holder the number of Common Shares then outstanding. In any case, the number of outstanding Common Shares shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its affiliates since the date as of which such number of outstanding Common Shares was reported. The "**Beneficial Ownership Limitation**" shall be 4.99% of the number of Common Shares outstanding immediately after giving effect to the issuance of Common Shares issuable upon exercise of this Warrant. Upon no fewer than 61 days' prior notice to the Company, a Holder may increase or decrease the Beneficial Ownership Limitation provisions of this paragraph and the provisions of this paragraph shall continue to apply. Any such increase or decrease will not be effective until the 61st day after such notice is delivered to the Company and shall only apply to such Holder and no other Holder. The limitations contained in this paragraph shall apply to a successor Holder of this Warrant.

2. ADJUSTMENTS. The Exercise Price and the number of Warrant Shares shall be adjusted from time to time as follows:

(a) *Distribution of Assets*. If the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of Common Shares, by way of return of capital or otherwise (including without limitation any distribution of cash, shares or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement or other similar transaction) (a "**Distribution**"), at any time after the issuance of this Warrant, then, in each such case:

(i) any Exercise Price in effect immediately prior to the close of business on the record date fixed for the determination of holders of Common Shares entitled to receive the Distribution shall be reduced, effective as of the close of business on such record date, to a price determined by multiplying such Exercise Price by a fraction (i) the numerator of which shall be the Closing Sale Price of the Common Shares on the Trading Day immediately preceding such record date minus the value of the Distribution (as determined in good faith by the Company's Board of Directors) applicable to one Common Share, and (ii) the denominator of which shall be the Closing Sale Price of the Common Shares on the Trading Day immediately preceding such record date; and

(ii) the number of Warrant Shares shall be increased to a number of shares equal to the number of Common Shares obtainable immediately prior to the close of business on the record date fixed for the determination of holders of Common Shares entitled to receive the Distribution multiplied by the reciprocal of the fraction set forth in the immediately preceding clause (i); provided, however, that in the event that the Distribution is of Common Shares of a company (other than the Company) whose common stock is traded on a national securities exchange or a national automated quotation system ("Other Shares of Common Stock"), then the Holder may elect to receive a warrant to purchase Other Shares of Common Stock in lieu of an increase in the number of Warrant Shares, the terms of which shall be identical to those of this Warrant, except that such warrant shall be exercisable into the number of Other Shares of Common Stock that would have been payable to the Holder pursuant to the Distribution had the Holder exercised this Warrant immediately prior to such record date and with an aggregate exercise price equal to the product of the amount by which the exercise price of this Warrant was decreased with respect to the Distribution pursuant to the terms of the immediately preceding clause (i) and the number of Warrant Shares calculated in accordance with the first part of this clause (ii).

(b) Proportional Adjustments of Outstanding Common Shares and Common Share Dividends. If the Company shall at any time or from time to time after the date hereof, issue additional Common Shares to all of its current shareholders on a pro rata basis or pay a share dividend in Common Shares, then the Exercise Price shall be proportionately adjusted. Any adjustments under this Section 2(b) shall be effective at the close of business on the date the share split becomes effective or the date of payment of the share dividend, as applicable. For the avoidance of doubt, this adjustment shall not apply when shares of outstanding Common Share are merged proportionally across all shareholders to form a smaller number of outstanding shares.

(c) Anti-dilution Adjustment. If at any time while this Warrant is outstanding, the Company sells or grants (or has sold or granted, as the case may be) any option to purchase or sells or grants any right to reprice, or otherwise disposes of or issues (or has sold or issued, as the case may be, or announces any sale, grant or any option to purchase or other disposition), any Common Share or other securities convertible into, exercisable for or otherwise entitled any person or entity the right to acquire Common Shares at an effective price per share that is lower than the Exercise Price then in effect hereunder (such lower price, the "**Base Exercise Price**" and such issuances, collectively, a "**Dilutive Issuance**") (it being agreed that if the holder of the Common Share or other securities so issued shall at any time, whether by operation of purchase price adjustments, reset provisions, floating conversion, exercise or exchange prices or otherwise, or due to warrants, options or rights per share which are issued in connection with such issuance, be entitled to receive Common Shares at an effective price per share that is lower than the Exercise Price, such issuance shall be deemed to have occurred for less than the Exercise Price on such date of the Dilutive Issuance), then the Exercise Price shall be reduced to a price equal to the Base Exercise Price. For purposes of this Section 2(c), an "**Exempt Issuance**" shall have the meaning ascribed to such term in the Note. In the event of an issuance of securities involving multiple tranches or closings, any adjustment pursuant to this Section 2(c) shall be calculated as if all such securities were issued at the initial closing.

3. FUNDAMENTAL TRANSACTIONS. If, at any time while this Warrant is outstanding, (i) the Company effects any merger of the Company with or into another entity and the Company is not the surviving entity (such surviving entity, the "**Successor Entity**"), (ii) the Company effects any sale of all or substantially all of its assets in one or a series of related transactions, (iii) any tender offer or exchange offer (whether by the Company or by another individual or entity, and approved by the Company) is completed pursuant to which holders of Common Shares are permitted to tender or exchange their Common Shares for other securities, cash or property and the holders of at least 50% of the Common Shares accept such offer, or (iv) the Company effects any reclassification of the Common Shares or any compulsory share exchange pursuant to which the Common Shares are effectively converted into or exchanged for other securities, cash or property (other than as a result of a subdivision or combination of Common Shares) (in any such case, a "**Fundamental Transaction**"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive the number of Common Shares of the Successor Entity or of the Company and any additional consideration (the "**Alternate Consideration**") receivable upon or as a result of such reorganization, reclassification, merger, consolidation or disposition of assets by a holder of the number of Common Shares for which this Warrant is exercisable immediately prior to such event (disregarding any limitation on exercise contained herein solely for the purpose of such determination). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one Common Share in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Shares are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. To the extent necessary to effectuate the foregoing provisions, any Successor Entity in such Fundamental Transaction shall issue to the Holder a new warrant consistent with the foregoing provisions and evidencing the Holder's right to exercise such warrant into Alternate Consideration.

4. NON-CIRCUMVENTION. The Company covenants and agrees that it will not, by amendment of its certificate of formation, certificate of incorporation, operating agreement, or bylaws, or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, and will at all times in good faith carry out all the provisions of this Warrant and take all action as may be required to protect the rights of the Holder. Without limiting the generality of the foregoing, the Company (i) shall not increase the par value of any Common Shares receivable upon the exercise of this Warrant above the Exercise Price then in effect, (ii) shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable Common Shares upon the exercise of this Warrant, and (iii) shall, for so long as this Warrant is outstanding, have authorized and reserved, free from preemptive rights, a sufficient number of Common Shares to provide for the exercise of the rights represented by this Warrant (without regard to any limitations on exercise).

5. WARRANT HOLDER NOT DEEMED A SHAREHOLDER. Except as otherwise specifically provided herein, this Warrant, in and of itself, shall not entitle the Holder to any voting rights or other rights as a shareholder of the Company. In addition, nothing contained in this Warrant shall be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a shareholder of the Company, whether such liabilities are asserted by the Company or by creditors of the Company.

6. REISSUANCE.

(a) *Lost, Stolen or Mutilated Warrant*. If this Warrant is lost, stolen, mutilated or destroyed, the Company will, on such terms as to indemnity or otherwise as it may reasonably impose (which shall, in the case of a mutilated Warrant, include the surrender thereof), issue a new Warrant of like denomination and tenor as this Warrant so lost, stolen, mutilated or destroyed.

(b) *Issuance of New Warrants*. Whenever the Company is required to issue a new Warrant pursuant to the terms of this Warrant, such new Warrant shall be of like tenor with this Warrant, and shall have an issuance date, as indicated on the face of such new Warrant which is the same as the Issuance Date.

7. TRANSFER.

(a) *Notice of Transfer*. The Holder agrees that it will give written notice to the Company of its intent to transfer this Warrant or any Warrant Shares, describing briefly the manner of any proposed transfer and such transfer requires the prior written consent of the Company, which will not be unreasonably withheld or delayed. Promptly upon receiving such written notice, the Company shall present copies thereof to the Company's counsel. Subject to the aforesaid, if the proposed transfer may be effected without registration or qualification (under any federal or state securities laws), the Company, as promptly as practicable, shall notify the Holder thereof, whereupon the Holder shall be entitled to transfer this Warrant or to dispose of Warrant Shares received upon the previous exercise of this Warrant, all in accordance with the terms of the notice delivered by the Holder to the Company; provided, however, that an appropriate legend may be endorsed on this Warrant or the certificates for such Warrant Shares respecting restrictions upon transfer thereof necessary or advisable in the opinion of counsel and satisfactory to the Company to prevent further transfers which would be in violation of Section 5 of the Securities Act and applicable state securities laws; and provided further that the prospective transferee or purchaser shall execute the Assignment of Warrant attached hereto as Exhibit B and such other documents and make such representations, warranties, and agreements as may be required solely to comply with the exemptions relied upon by the Company for the transfer or disposition of the Warrant or Warrant Shares.

(b) If the proposed transfer or disposition of this Warrant or such Warrant Shares described in the written notice given pursuant to this Section 7 may not be effected without registration or qualification of this Warrant or such Warrant Shares, the Holder will limit its activities in respect to such transfer or disposition as are permitted by law.

(c) Any transferee of all or a portion of this Warrant shall succeed to the rights and benefits of the initial Holder of this Warrant under Section 5.6 of the Purchase Agreement.

8. NOTICES. Whenever notice is required to be given under this Warrant, unless otherwise provided herein, such notice shall be given in accordance with the notice provisions contained in the Purchase Agreement. The Company shall provide the Holder with prompt written notice (i) immediately upon any adjustment of the Exercise Price, setting forth in reasonable detail, the calculation of such adjustment and (ii) at least 20 days prior to the date on which the Company closes its books or takes a record (A) with respect to any dividend or distribution upon the Common Shares, (B) with respect to any grants, issuances or sales of any shares or other securities directly or indirectly convertible into or exercisable or exchangeable for Common Shares or other property, pro rata to the holders of Common Shares or (C) for determining rights to vote with respect to any Fundamental Transaction, dissolution or liquidation, provided in each case that such information shall be made known to the public prior to or in conjunction with such notice being provided to the Holder.

9. AMENDMENT AND WAIVER. The terms of this Warrant may be amended or waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and the Holder.

10. GOVERNING LAW. This Warrant shall be governed by and construed in accordance with the laws of the State of Delaware without regard to principles of conflicts of laws. Any action brought by either party against the other concerning the transactions contemplated by this Warrant shall be brought only in the state courts or federal courts sitting in Delaware. The parties to this Warrant hereby irrevocably waive any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon *forum non conveniens*. **THE COMPANY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS WARRANT OR ANY TRANSACTION CONTEMPLATED HEREBY**. The prevailing party shall be entitled to recover from the other party its reasonable attorney's fees and costs. In the event that any provision of this Warrant or any other agreement delivered in connection herewith is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision of any agreement. Each party hereby irrevocably waives personal service of process and consents to process being served in any suit, action or proceeding in connection with this Agreement or any other Transaction Document by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law.

11. ACCEPTANCE. Receipt of this Warrant by the Holder shall constitute acceptance of and agreement to all of the terms and conditions contained herein.

12. CERTAIN DEFINITIONS. For purposes of this Warrant, the following terms shall have the following meanings:

(a) "Nasdaq" means The Nasdaq Stock Market (www.Nasdaq.com).

(b) "Closing Sale Price" means, for any security as of any date, (i) the last closing trade price for such security on the Principal Market, as reported by Nasdaq, or, if the Principal Market begins to operate on an extended hours basis and does not designate the closing trade price, then the last trade price of such security prior to 4:00 p.m., New York time, as reported by Nasdaq, or (ii) if the foregoing does not apply, the last trade price of such security in the over-the-counter market for such security as reported by Nasdaq, or (iii) if no last trade price is reported for such security by Nasdaq, the average of the bid and ask prices of any market makers for such security as reported by the OTC Markets or any other similar domestic or foreign exchange. If the Closing Sale Price cannot be calculated for a security on a particular date on any of the foregoing bases, the Closing Sale Price of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. All such determinations to be appropriately adjusted for any share dividend, share split, share combination or other similar transaction during the applicable calculation period.

(c) "Common Share" means the Ordinary Shares of the Company and any other class of securities into which such securities may hereafter be reclassified or changed.

(d) "Common Share Equivalents" means any securities of the Company that would entitle the holder thereof to acquire at any time Common Shares, including without limitation any debt, preferred shares, rights, options, warrants or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Shares.

(e) "Principal Market" means the primary national securities exchange or over the counter market on which the Common Shares are then traded.

(f) "Market Price" means the highest traded price of the Common Shares during the thirty (30) Trading Days prior to the date of the respective Exercise Notice.

(g) "Trading Day" means (i) any day on which the Common Shares are listed or quoted and traded on its Principal Market, (ii) if the Common Shares are not then listed or quoted and traded on any national securities exchange, then a day on which trading occurs on any over-the-counter markets, or (iii) if trading does not occur on the over-the-counter markets, any Business Day.

[*signature page follows*]

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed as of the Issuance Date set forth above.

Neuraxis, Inc.

By: */s/ Brian Carrico*
Name: Brian Carrico
Title: President and Chief Executive Officer

[*signature page to Warrant*]

EXHIBIT A

EXERCISE NOTICE

(To be executed by the registered holder to exercise this Common Share Purchase Warrant)

THE UNDERSIGNED holder hereby exercises the right to purchase _____ of the Common Shares ("Warrant Shares") of **Neuraxis, Inc.**, a corporation organized under the laws of the State of Indiana (the "Company"), evidenced by the attached copy of the Common Share Purchase Warrant (the "Warrant"). Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Warrant.

1. Form of Exercise Price. The Holder intends that payment of the Exercise Price shall be made as (check one):

☐ a cash exercise with respect to _____Warrant Shares; or
☐ by cashless exercise pursuant to the Warrant.

2. Payment of Exercise Price. If cash exercise is selected above, the holder shall pay the applicable Aggregate Exercise Price in the sum of $ _____ to the Company in accordance with the terms of the Warrant.

3. Delivery of Warrant Shares. The Company shall deliver to the holder _____Warrant Shares in accordance with the terms of the Warrant.

Date: _____

_____
(Print Name of Registered Holder)

By: _____
Name: _____
Title: _____

EXHIBIT B

ASSIGNMENT OF WARRANT

(To be signed only upon authorized transfer of the Warrant)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto _____the right to purchase _____Common Shares of **Neuraxis, Inc.**, to which the within Common Share Purchase Warrant relates and appoints _____, as attorney-in-fact, to transfer said right on the books of Neuraxis, Inc. with full power of substitution and re-substitution in the premises. By accepting such transfer, the transferee has agreed to be bound in all respects by the terms and conditions of the within Warrant.

Dated: _____

_____
(Signature) *

_____
(Name)

_____
(Address)

_____
(Social Security or Tax Identification No.)

* The signature on this Assignment of Warrant must correspond to the name as written upon the face of the Common Share Purchase Warrant in every particular without alteration or enlargement or any change whatsoever. When signing on behalf of a corporation, partnership, trust or other entity, please indicate your position(s) and title(s) with such entity.

NEITHER THIS SECURITY NOR THE SECURITIES AS TO WHICH THIS SECURITY MAY BE EXERCISED HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THIS SECURITY AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

COMMON SHARE PURCHASE WARRANT

Neuraxis, Inc.

Warrant Shares: 82,392[1]
Date of Issuance: October 3, 2022 ("**Issuance Date**")

This COMMON SHARE PURCHASE WARRANT (the "**Warrant**") certifies that, for value received (in connection with the issuance by Neuraxis, Inc., a corporation organized under the laws of the State of Indiana (the "**Company**"), to Leonite Fund I, LP, a limited partnership organized under the laws of the State of Delaware (including any permitted and registered assigns, each referred to hereinafter as "**Holder**"), of the senior secured convertible promissory note of even date herewith (the "**Note**"), Holder is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the date of issuance hereof, to purchase from the Company, the number of the Company's common shares noted above (the "**Warrant Shares**") (whereby such number may be adjusted from time to time pursuant to the terms and conditions of this Warrant), at the Exercise Price (defined below) per share then in effect. This Warrant is issued by the Company as of the date hereof in connection with that certain securities purchase agreement, dated June 3, 2022, entered into by and between the Company and the Holder (the "**Purchase Agreement**").

Capitalized terms used in this Warrant shall have the meanings set forth in the Purchase Agreement unless otherwise defined in the body of this Warrant or in Section 12 below. For purposes of this Warrant, the term "**Exercise Price**" shall mean the lower of (i) $5.90 and (ii) a 12.5% discount to the price per share of any subsequent offering by the Company, subject to adjustment as provided herein (including but not limited to cashless exercise), and the term "**Exercise Period**" shall mean the period commencing on the Issuance Date and ending on 6:00 p.m. eastern standard time on the 5 year anniversary thereof.

1. EXERCISE OF WARRANT.

(a) *Mechanics of Exercise*. Subject to the terms and conditions hereof, the rights represented by this Warrant may be exercised in whole or in part at any time or times during the Exercise Period by delivery of a written notice, in the form attached hereto as Exhibit A (the "**Exercise Notice**"), of the Holder's election to

[1] The number of Warrant Shares is determined based on the number of the Company's common shares that would be issued upon full conversion of the Note. Initially, this will be calculated based on the first prong of the Conversion Price definition in Section 2.2(a) of the Note ($4.72 per share). If the conversion price is adjusted downwards pursuant to the Note, so that the number of shares issuable upon the full conversion of the Note increases, the number of Warrant Shares will be adjusted accordingly.

exercise this Warrant. The Holder shall not be required to deliver the original Warrant in order to effect an exercise hereunder. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. On or before the third Trading Day (the "**Warrant Share Delivery Date**") following the date on which the Company shall have received the Exercise Notice, and upon receipt by the Company of payment to the Company of an amount equal to the applicable Exercise Price multiplied by the number of Warrant Shares as to which all or a portion of this Warrant is being exercised (the "**Aggregate Exercise Price**" and together with the Exercise Notice, the "**Exercise Delivery Documents**") in cash or by wire transfer of immediately available funds (or by cashless exercise, in which case there shall be no Aggregate Exercise Price provided), the Company shall (or direct its transfer agent to) issue the number of Common Shares to which the Holder is entitled pursuant to such exercise (such number referred to hereinafter as the "**Exercised Amount**" and such shares to be issued referred to hereinafter as the "**Exercised Warrant Shares**"), registered in the Company's share register in the name of the Holder or its designee. At the option of the Holder, such shares shall be issued either (i) in DRS book entry form, (ii) directly into a brokerage account by DWAC transfer (if eligible), or (iii) on one or more certificates dispatched by overnight courier to the address as specified in the Exercise Notice. Upon delivery of the Exercise Delivery Documents, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the certificates evidencing such Warrant Shares. If this Warrant is submitted in connection with any exercise and the number of Warrant Shares represented by this Warrant submitted for exercise is greater than the Exercised Amount, then the Company shall as soon as practicable and in no event later than three Business Days after any exercise and at its own expense, issue a new Warrant (in accordance with Section 6) representing the right to purchase the number of Warrant Shares purchasable immediately prior to such exercise under this Warrant, less the Exercised Amount.

If at any time after the 6 month anniversary of the Issuance Date, the Market Price of one Common Share is greater than the Exercise Price and the Warrant Shares are not registered under an effective non-stale registration statement of the Company, the Holder may elect to receive Warrant Shares pursuant to a cashless exercise, in lieu of a cash exercise, equal to the value of this Warrant determined in the manner described below (or of any portion thereof remaining unexercised) by surrender of this Warrant and a Notice of Exercise, in which event the Company shall issue to Holder a number of Common Shares computed using the following formula:

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

Where $X =$ the number of Shares to be issued to Holder.

$Y =$ the number of Warrant Shares that the Holder elects to purchase under this Warrant (at the date of such calculation).

$A =$ the Market Price (at the date of such calculation).

$B =$ Exercise Price (as adjusted to the date of such calculation).

If the Company fails to cause its transfer agent to transmit to the Holder the respective Common Shares by the respective Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise in Holder's sole discretion, and such failure shall be deemed an event of default under the Note to the extent the Note remains outstanding and any portion thereof unpaid, and this Warrant. In addition, and without in any way limiting the Holder's right to pursue other remedies, including but not limited to, actual damages and/or equitable relief, or the foregoing remedies, the parties agree that if the Company causes the Exercised Warrant Shares to not be delivered by the second (2nd) Trading Day following the Warrant Share Delivery Date, Company shall pay to the Holder $1,000 per day in cash, for each day beyond the Warrant Share Delivery Date that Company fails to deliver such

Exercised Warrant Shares. Such cash amount shall be paid to Holder by the fifth day of the month following the month in which it has accrued or, at the option of the Holder (by written notice to Company by the first day of the month following the month in which it has accrued), as follows: (i) in the event that the Note remains outstanding and any portion thereof unpaid, such amount shall be added to the principal amount of the Note, in which event interest shall accrue thereon in accordance with the terms of the Note and such additional principal amount shall be convertible into Common Shares in accordance with the terms of the Note; (ii) in the event that the Note is no longer outstanding and no portion thereof remains unpaid, such amount shall be payable in Common Shares based on the number of shares that would have been due under (i) above, had the Note been outstanding, and pursuant to a conversion of such amount added to the principal amount of the Note. Company agrees that the right to exercise is a valuable right to the Holder, and as such, Company will not take any actions to hamper, delay or prevent any Holder exercise of this Warrant. The damages resulting from a failure, attempt to frustrate, interference with such exercise right are difficult if not impossible to qualify. Accordingly, the parties acknowledge that the liquidated damages provision contained in this section are justified.

(b) *No Fractional Shares*. No fractional shares shall be issued upon the exercise of this Warrant as a consequence of any adjustment pursuant hereto. All Warrant Shares (including fractions) issuable upon exercise of this Warrant may be aggregated for purposes of determining whether the exercise would result in the issuance of any fractional share. If, after aggregation, the exercise would result in the issuance of a fractional share, the Company shall, in lieu of issuance of any fractional share, pay the Holder otherwise entitled to such fraction a sum in cash equal to the product resulting from multiplying the then-current fair market value of a Warrant Share by such fraction.

(c) *Holder's Exercise Limitations*. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, to the extent that after giving effect to issuance of Warrant Shares upon exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other persons acting as a group together with the Holder or any of the Holder's Affiliates), would beneficially own in excess of the Beneficial Ownership Limitation, as defined below. For purposes of the foregoing sentence, the number of Common Shares beneficially owned by the Holder and its Affiliates shall include the number of Common Shares issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of Common Shares which would be issuable upon (i) exercise of the remaining, non-exercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates and (ii) exercise or conversion of the unexercised or non-converted portion of any other securities of the Company (including without limitation any other Common Share Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates. Except as set forth in the preceding sentence, for purposes of this paragraph (d), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this paragraph applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any affiliates) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination.

For purposes of this paragraph, in determining the number of outstanding Common Shares, a Holder may rely on the number of outstanding Common Shares as reflected in (A) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or its transfer agent setting forth the number of Common Shares outstanding. Upon the request of a Holder, the Company shall within two Trading Days confirm to the Holder the

number of Common Shares then outstanding. In any case, the number of outstanding Common Shares shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its affiliates since the date as of which such number of outstanding Common Shares was reported. The "**Beneficial Ownership Limitation**" shall be 4.99% of the number of Common Shares outstanding immediately after giving effect to the issuance of Common Shares issuable upon exercise of this Warrant. Upon no fewer than 61 days' prior notice to the Company, a Holder may increase or decrease the Beneficial Ownership Limitation provisions of this paragraph and the provisions of this paragraph shall continue to apply. Any such increase or decrease will not be effective until the 61st day after such notice is delivered to the Company and shall only apply to such Holder and no other Holder. The limitations contained in this paragraph shall apply to a successor Holder of this Warrant.

2. ADJUSTMENTS. The Exercise Price and the number of Warrant Shares shall be adjusted from time to time as follows:

(a) *Distribution of Assets*. If the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of Common Shares, by way of return of capital or otherwise (including without limitation any distribution of cash, shares or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement or other similar transaction) (a "**Distribution**"), at any time after the issuance of this Warrant, then, in each such case:

(i) any Exercise Price in effect immediately prior to the close of business on the record date fixed for the determination of holders of Common Shares entitled to receive the Distribution shall be reduced, effective as of the close of business on such record date, to a price determined by multiplying such Exercise Price by a fraction (i) the numerator of which shall be the Closing Sale Price of the Common Shares on the Trading Day immediately preceding such record date minus the value of the Distribution (as determined in good faith by the Company's Board of Directors) applicable to one Common Share, and (ii) the denominator of which shall be the Closing Sale Price of the Common Shares on the Trading Day immediately preceding such record date; and

(ii) the number of Warrant Shares shall be increased to a number of shares equal to the number of Common Shares obtainable immediately prior to the close of business on the record date fixed for the determination of holders of Common Shares entitled to receive the Distribution multiplied by the reciprocal of the fraction set forth in the immediately preceding clause (i); provided, however, that in the event that the Distribution is of Common Shares of a company (other than the Company) whose common stock is traded on a national securities exchange or a national automated quotation system ("Other Shares of Common Stock"), then the Holder may elect to receive a warrant to purchase Other Shares of Common Stock in lieu of an increase in the number of Warrant Shares, the terms of which shall be identical to those of this Warrant, except that such warrant shall be exercisable into the number of Other Shares of Common Stock that would have been payable to the Holder pursuant to the Distribution had the Holder exercised this Warrant immediately prior to such record date and with an aggregate exercise price equal to the product of the amount by which the exercise price of this Warrant was decreased with respect to the Distribution pursuant to the terms of the immediately preceding clause (i) and the number of Warrant Shares calculated in accordance with the first part of this clause (ii).

(b) Proportional Adjustments of Outstanding Common Shares and Common Share Dividends. If the Company shall at any time or from time to time after the date hereof, issue additional Common Shares to all of its current shareholders on a pro rata basis or pay a share dividend in Common Shares, then the Exercise Price shall be proportionately adjusted. Any adjustments under this Section 2(b) shall be effective at the close of business on the date the share split becomes effective or the date of payment of the share dividend, as applicable. For the avoidance of doubt, this adjustment shall not apply when shares of outstanding Common Share are merged proportionally across all shareholders to form a smaller number of outstanding shares.

(c) Anti-dilution Adjustment. If at any time while this Warrant is outstanding, the Company sells or grants (or has sold or granted, as the case may be) any option to purchase or sells or grants any right to reprice, or otherwise disposes of or issues (or has sold or issued, as the case may be, or announces any sale, grant or any option to purchase or other disposition), any Common Share or other securities convertible into, exercisable for or otherwise entitled any person or entity the right to acquire Common Shares at an effective price per share that is lower than the Exercise Price then in effect hereunder (such lower price, the "**Base Exercise Price**" and such issuances, collectively, a "**Dilutive Issuance**") (it being agreed that if the holder of the Common Share or other securities so issued shall at any time, whether by operation of purchase price adjustments, reset provisions, floating conversion, exercise or exchange prices or otherwise, or due to warrants, options or rights per share which are issued in connection with such issuance, be entitled to receive Common Shares at an effective price per share that is lower than the Exercise Price, such issuance shall be deemed to have occurred for less than the Exercise Price on such date of the Dilutive Issuance), then the Exercise Price shall be reduced to a price equal to the Base Exercise Price. For purposes of this Section 2(c), an "**Exempt Issuance**" shall have the meaning ascribed to such term in the Note. In the event of an issuance of securities involving multiple tranches or closings, any adjustment pursuant to this Section 2(c) shall be calculated as if all such securities were issued at the initial closing.

3. FUNDAMENTAL TRANSACTIONS. If, at any time while this Warrant is outstanding, (i) the Company effects any merger of the Company with or into another entity and the Company is not the surviving entity (such surviving entity, the "**Successor Entity**"), (ii) the Company effects any sale of all or substantially all of its assets in one or a series of related transactions, (iii) any tender offer or exchange offer (whether by the Company or by another individual or entity, and approved by the Company) is completed pursuant to which holders of Common Shares are permitted to tender or exchange their Common Shares for other securities, cash or property and the holders of at least 50% of the Common Shares accept such offer, or (iv) the Company effects any reclassification of the Common Shares or any compulsory share exchange pursuant to which the Common Shares are effectively converted into or exchanged for other securities, cash or property (other than as a result of a subdivision or combination of Common Shares) (in any such case, a "**Fundamental Transaction**"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive the number of Common Shares of the Successor Entity or of the Company and any additional consideration (the "**Alternate Consideration**") receivable upon or as a result of such reorganization, reclassification, merger, consolidation or disposition of assets by a holder of the number of Common Shares for which this Warrant is exercisable immediately prior to such event (disregarding any limitation on exercise contained herein solely for the purpose of such determination). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one Common Share in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Shares are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. To the extent necessary to effectuate the foregoing provisions, any Successor Entity in such Fundamental Transaction shall issue to the Holder a new warrant consistent with the foregoing provisions and evidencing the Holder's right to exercise such warrant into Alternate Consideration.

4. NON-CIRCUMVENTION. The Company covenants and agrees that it will not, by amendment of its certificate of formation, certificate of incorporation, operating agreement, or bylaws, or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, and will at all times in good faith carry out all the provisions of this Warrant and take all action as may be required to protect the rights of the Holder. Without limiting the generality of the foregoing, the Company (i) shall not increase the par value of any Common Shares receivable upon the exercise of this Warrant above the Exercise Price then in effect, (ii) shall take all such actions as may be necessary or appropriate in order that the

Company may validly and legally issue fully paid and non-assessable Common Shares upon the exercise of this Warrant, and (iii) shall, for so long as this Warrant is outstanding, have authorized and reserved, free from preemptive rights, a sufficient number of Common Shares to provide for the exercise of the rights represented by this Warrant (without regard to any limitations on exercise).

5. WARRANT HOLDER NOT DEEMED A SHAREHOLDER. Except as otherwise specifically provided herein, this Warrant, in and of itself, shall not entitle the Holder to any voting rights or other rights as a shareholder of the Company. In addition, nothing contained in this Warrant shall be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a shareholder of the Company, whether such liabilities are asserted by the Company or by creditors of the Company.

6. REISSUANCE.

(a) *Lost, Stolen or Mutilated Warrant*. If this Warrant is lost, stolen, mutilated or destroyed, the Company will, on such terms as to indemnity or otherwise as it may reasonably impose (which shall, in the case of a mutilated Warrant, include the surrender thereof), issue a new Warrant of like denomination and tenor as this Warrant so lost, stolen, mutilated or destroyed.

(b) *Issuance of New Warrants*. Whenever the Company is required to issue a new Warrant pursuant to the terms of this Warrant, such new Warrant shall be of like tenor with this Warrant, and shall have an issuance date, as indicated on the face of such new Warrant which is the same as the Issuance Date.

7. TRANSFER.

(a) *Notice of Transfer*. The Holder agrees that it will give written notice to the Company of its intent to transfer this Warrant or any Warrant Shares, describing briefly the manner of any proposed transfer and such transfer requires the prior written consent of the Company, which will not be unreasonably withheld or delayed. Promptly upon receiving such written notice, the Company shall present copies thereof to the Company's counsel. Subject to the aforesaid, if the proposed transfer may be effected without registration or qualification (under any federal or state securities laws), the Company, as promptly as practicable, shall notify the Holder thereof, whereupon the Holder shall be entitled to transfer this Warrant or to dispose of Warrant Shares received upon the previous exercise of this Warrant, all in accordance with the terms of the notice delivered by the Holder to the Company; provided, however, that an appropriate legend may be endorsed on this Warrant or the certificates for such Warrant Shares respecting restrictions upon transfer thereof necessary or advisable in the opinion of counsel and satisfactory to the Company to prevent further transfers which would be in violation of Section 5 of the Securities Act and applicable state securities laws; and provided further that the prospective transferee or purchaser shall execute the Assignment of Warrant attached hereto as Exhibit B and such other documents and make such representations, warranties, and agreements as may be required solely to comply with the exemptions relied upon by the Company for the transfer or disposition of the Warrant or Warrant Shares.

(b) If the proposed transfer or disposition of this Warrant or such Warrant Shares described in the written notice given pursuant to this Section 7 may not be effected without registration or qualification of this Warrant or such Warrant Shares, the Holder will limit its activities in respect to such transfer or disposition as are permitted by law.

(c) Any transferee of all or a portion of this Warrant shall succeed to the rights and benefits of the initial Holder of this Warrant under Section 5.6 of the Purchase Agreement.

8. NOTICES. Whenever notice is required to be given under this Warrant, unless otherwise provided herein, such notice shall be given in accordance with the notice provisions contained in the Purchase Agreement. The Company shall provide the Holder with prompt written notice (i) immediately upon any adjustment of the

Exercise Price, setting forth in reasonable detail, the calculation of such adjustment and (ii) at least 20 days prior to the date on which the Company closes its books or takes a record (A) with respect to any dividend or distribution upon the Common Shares, (B) with respect to any grants, issuances or sales of any shares or other securities directly or indirectly convertible into or exercisable or exchangeable for Common Shares or other property, pro rata to the holders of Common Shares or (C) for determining rights to vote with respect to any Fundamental Transaction, dissolution or liquidation, provided in each case that such information shall be made known to the public prior to or in conjunction with such notice being provided to the Holder.

9. AMENDMENT AND WAIVER. The terms of this Warrant may be amended or waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and the Holder.

10. GOVERNING LAW. This Warrant shall be governed by and construed in accordance with the laws of the State of Delaware without regard to principles of conflicts of laws. Any action brought by either party against the other concerning the transactions contemplated by this Warrant shall be brought only in the state courts or federal courts sitting in Delaware. The parties to this Warrant hereby irrevocably waive any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon *forum non conveniens*. **THE COMPANY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS WARRANT OR ANY TRANSACTION CONTEMPLATED HEREBY**. The prevailing party shall be entitled to recover from the other party its reasonable attorney's fees and costs. In the event that any provision of this Warrant or any other agreement delivered in connection herewith is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision of any agreement. Each party hereby irrevocably waives personal service of process and consents to process being served in any suit, action or proceeding in connection with this Agreement or any other Transaction Document by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law.

11. ACCEPTANCE. Receipt of this Warrant by the Holder shall constitute acceptance of and agreement to all of the terms and conditions contained herein.

12. CERTAIN DEFINITIONS. For purposes of this Warrant, the following terms shall have the following meanings:

(a) "Nasdaq" means The Nasdaq Stock Market (www.Nasdaq.com).

(b) "Closing Sale Price" means, for any security as of any date, (i) the last closing trade price for such security on the Principal Market, as reported by Nasdaq, or, if the Principal Market begins to operate on an extended hours basis and does not designate the closing trade price, then the last trade price of such security prior to 4:00 p.m., New York time, as reported by Nasdaq, or (ii) if the foregoing does not apply, the last trade price of such security in the over-the-counter market for such security as reported by Nasdaq, or (iii) if no last trade price is reported for such security by Nasdaq, the average of the bid and ask prices of any market makers for such security as reported by the OTC Markets or any other similar domestic or foreign exchange. If the Closing Sale Price cannot be calculated for a security on a particular date on any of the foregoing bases, the Closing Sale Price of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. All such

determinations to be appropriately adjusted for any share dividend, share split, share combination or other similar transaction during the applicable calculation period.

(c) "Common Share" means the Ordinary Shares of the Company and any other class of securities into which such securities may hereafter be reclassified or changed.

(d) "Common Share Equivalents" means any securities of the Company that would entitle the holder thereof to acquire at any time Common Shares, including without limitation any debt, preferred shares, rights, options, warrants or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Shares.

(e) "Principal Market" means the primary national securities exchange or over the counter market on which the Common Shares are then traded.

(f) "Market Price" means the highest traded price of the Common Shares during the thirty (30) Trading Days prior to the date of the respective Exercise Notice.

(g) "Trading Day" means (i) any day on which the Common Shares are listed or quoted and traded on its Principal Market, (ii) if the Common Shares are not then listed or quoted and traded on any national securities exchange, then a day on which trading occurs on any over-the-counter markets, or (iii) if trading does not occur on the over-the-counter markets, any Business Day.

[*signature page follows*]

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed as of the Issuance Date set forth above.

Neuraxis, Inc.

By: /s/ Brian Carrico
Name: Brian Carrico
Title: President and Chief Executive Officer

[*signature page to Warrant*]

EXHIBIT A

EXERCISE NOTICE

(To be executed by the registered holder to exercise this Common Share Purchase Warrant)

THE UNDERSIGNED holder hereby exercises the right to purchase _____ of the Common Shares ("Warrant Shares") of **Neuraxis, Inc.**, a corporation organized under the laws of the State of Indiana (the "Company"), evidenced by the attached copy of the Common Share Purchase Warrant (the "Warrant"). Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Warrant.

1. Form of Exercise Price. The Holder intends that payment of the Exercise Price shall be made as (check one):

   ☐ a cash exercise with respect to _____ Warrant Shares; or
   ☐ by cashless exercise pursuant to the Warrant.

2. Payment of Exercise Price. If cash exercise is selected above, the holder shall pay the applicable Aggregate Exercise Price in the sum of $_____ to the Company in accordance with the terms of the Warrant.

3. Delivery of Warrant Shares. The Company shall deliver to the holder _____ Warrant Shares in accordance with the terms of the Warrant.

Date: _____

_____
(Print Name of Registered Holder)

By: _____
Name: _____
Title: _____

EXHIBIT B

ASSIGNMENT OF WARRANT

(To be signed only upon authorized transfer of the Warrant)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto _____ the right to purchase _____ Common Shares of **Neuraxis, Inc.**, to which the within Common Share Purchase Warrant relates and appoints _____, as attorney-in-fact, to transfer said right on the books of Neuraxis, Inc. with full power of substitution and re-substitution in the premises. By accepting such transfer, the transferee has agreed to be bound in all respects by the terms and conditions of the within Warrant.

Dated: _____

_____
(Signature) *

_____
(Name)

_____
(Address)

_____
(Social Security or Tax Identification No.)

* The signature on this Assignment of Warrant must correspond to the name as written upon the face of the Common Share Purchase Warrant in every particular without alteration or enlargement or any change whatsoever. When signing on behalf of a corporation, partnership, trust or other entity, please indicate your position(s) and title(s) with such entity.

NEITHER THIS SECURITY NOR THE SECURITIES AS TO WHICH THIS SECURITY MAY BE EXERCISED HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THIS SECURITY AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

COMMON SHARE PURCHASE WARRANT

Neuraxis, Inc.

Warrant Shares: 35,311[1]
Date of Issuance: November 30, 2022 ("**Issuance Date**")

This COMMON SHARE PURCHASE WARRANT (the "**Warrant**") certifies that, for value received (in connection with the issuance by Neuraxis, Inc., a corporation organized under the laws of the State of Indiana (the "**Company**"), to Leonite Fund I, LP, a limited partnership organized under the laws of the State of Delaware (including any permitted and registered assigns, each referred to hereinafter as "**Holder**"), of the senior secured convertible promissory note of even date herewith (the "**Note**"), Holder is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the date of issuance hereof, to purchase from the Company, the number of the Company's common shares noted above (the "**Warrant Shares**") (whereby such number may be adjusted from time to time pursuant to the terms and conditions of this Warrant), at the Exercise Price (defined below) per share then in effect. This Warrant is issued by the Company as of the date hereof in connection with that certain securities purchase agreement, dated June 3, 2022, and amended from time to time thereafter, entered into by and between the Company and the Holder (the "**Purchase Agreement**").

Capitalized terms used in this Warrant shall have the meanings set forth in the Purchase Agreement unless otherwise defined in the body of this Warrant or in Section 12 below. For purposes of this Warrant, the term "**Exercise Price**" shall mean the lower of (i) $5.90 and (ii) a 12.5% discount to the price per share of any subsequent offering by the Company, subject to adjustment as provided herein (including but not limited to cashless exercise), and the term "**Exercise Period**" shall mean the period commencing on the Issuance Date and ending on 6:00 p.m. eastern standard time on the 5 year anniversary thereof.

1. EXERCISE OF WARRANT.

(a) *Mechanics of Exercise*. Subject to the terms and conditions hereof, the rights represented by this Warrant may be exercised in whole or in part at any time or times during the Exercise Period by delivery of a written notice, in the form attached hereto as Exhibit A (the "**Exercise Notice**"), of the Holder's election to

[1] The number of Warrant Shares is determined based on the number of the Company's common shares that would be issued upon full conversion of the Note. Initially, this will be calculated based on the first prong of the Conversion Price definition in Section 2.2(a) of the Note ($4.72 per share). If the conversion price is adjusted downwards pursuant to the Note, so that the number of shares issuable upon the full conversion of the Note increases, the number of Warrant Shares will be adjusted accordingly.

exercise this Warrant. The Holder shall not be required to deliver the original Warrant in order to effect an exercise hereunder. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. On or before the third Trading Day (the "**Warrant Share Delivery Date**") following the date on which the Company shall have received the Exercise Notice, and upon receipt by the Company of payment to the Company of an amount equal to the applicable Exercise Price multiplied by the number of Warrant Shares as to which all or a portion of this Warrant is being exercised (the "**Aggregate Exercise Price**" and together with the Exercise Notice, the "**Exercise Delivery Documents**") in cash or by wire transfer of immediately available funds (or by cashless exercise, in which case there shall be no Aggregate Exercise Price provided), the Company shall (or direct its transfer agent to) issue the number of Common Shares to which the Holder is entitled pursuant to such exercise (such number referred to hereinafter as the "**Exercised Amount**" and such shares to be issued referred to hereinafter as the "**Exercised Warrant Shares**"), registered in the Company's share register in the name of the Holder or its designee. At the option of the Holder, such shares shall be issued either (i) in DRS book entry form, (ii) directly into a brokerage account by DWAC transfer (if eligible), or (iii) on one or more certificates dispatched by overnight courier to the address as specified in the Exercise Notice. Upon delivery of the Exercise Delivery Documents, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the certificates evidencing such Warrant Shares. If this Warrant is submitted in connection with any exercise and the number of Warrant Shares represented by this Warrant submitted for exercise is greater than the Exercised Amount, then the Company shall as soon as practicable and in no event later than three Business Days after any exercise and at its own expense, issue a new Warrant (in accordance with Section 6) representing the right to purchase the number of Warrant Shares purchasable immediately prior to such exercise under this Warrant, less the Exercised Amount.

If at any time after the 6 month anniversary of the Issuance Date, the Market Price of one Common Share is greater than the Exercise Price and the Warrant Shares are not registered under an effective non-stale registration statement of the Company, the Holder may elect to receive Warrant Shares pursuant to a cashless exercise, in lieu of a cash exercise, equal to the value of this Warrant determined in the manner described below (or of any portion thereof remaining unexercised) by surrender of this Warrant and a Notice of Exercise, in which event the Company shall issue to Holder a number of Common Shares computed using the following formula:

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

Where $X =$ the number of Shares to be issued to Holder.

$Y =$ the number of Warrant Shares that the Holder elects to purchase under this Warrant (at the date of such calculation).

$A =$ the Market Price (at the date of such calculation).

$B =$ Exercise Price (as adjusted to the date of such calculation).

If the Company fails to cause its transfer agent to transmit to the Holder the respective Common Shares by the respective Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise in Holder's sole discretion, and such failure shall be deemed an event of default under the Note to the extent the Note remains outstanding and any portion thereof unpaid, and this Warrant. In addition, and without in any way limiting the Holder's right to pursue other remedies, including but not limited to, actual damages and/or equitable relief, or the foregoing remedies, the parties agree that if the Company causes the Exercised Warrant Shares to not be delivered by the second (2nd) Trading Day following the Warrant Share Delivery Date, Company shall pay to the Holder $1,000 per day in cash, for each day beyond the Warrant Share Delivery Date that Company fails to deliver such

Exercised Warrant Shares. Such cash amount shall be paid to Holder by the fifth day of the month following the month in which it has accrued or, at the option of the Holder (by written notice to Company by the first day of the month following the month in which it has accrued), as follows: (i) in the event that the Note remains outstanding and any portion thereof unpaid, such amount shall be added to the principal amount of the Note, in which event interest shall accrue thereon in accordance with the terms of the Note and such additional principal amount shall be convertible into Common Shares in accordance with the terms of the Note; (ii) in the event that the Note is no longer outstanding and no portion thereof remains unpaid, such amount shall be payable in Common Shares based on the number of shares that would have been due under (i) above, had the Note been outstanding, and pursuant to a conversion of such amount added to the principal amount of the Note. Company agrees that the right to exercise is a valuable right to the Holder, and as such, Company will not take any actions to hamper, delay or prevent any Holder exercise of this Warrant. The damages resulting from a failure, attempt to frustrate, interference with such exercise right are difficult if not impossible to qualify. Accordingly, the parties acknowledge that the liquidated damages provision contained in this section are justified.

(b) *No Fractional Shares*. No fractional shares shall be issued upon the exercise of this Warrant as a consequence of any adjustment pursuant hereto. All Warrant Shares (including fractions) issuable upon exercise of this Warrant may be aggregated for purposes of determining whether the exercise would result in the issuance of any fractional share. If, after aggregation, the exercise would result in the issuance of a fractional share, the Company shall, in lieu of issuance of any fractional share, pay the Holder otherwise entitled to such fraction a sum in cash equal to the product resulting from multiplying the then-current fair market value of a Warrant Share by such fraction.

(c) *Holder's Exercise Limitations*. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, to the extent that after giving effect to issuance of Warrant Shares upon exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other persons acting as a group together with the Holder or any of the Holder's Affiliates), would beneficially own in excess of the Beneficial Ownership Limitation, as defined below. For purposes of the foregoing sentence, the number of Common Shares beneficially owned by the Holder and its Affiliates shall include the number of Common Shares issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of Common Shares which would be issuable upon (i) exercise of the remaining, non-exercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates and (ii) exercise or conversion of the unexercised or non-converted portion of any other securities of the Company (including without limitation any other Common Share Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates. Except as set forth in the preceding sentence, for purposes of this paragraph (d), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this paragraph applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any affiliates) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination.

For purposes of this paragraph, in determining the number of outstanding Common Shares, a Holder may rely on the number of outstanding Common Shares as reflected in (A) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or its transfer agent setting forth the number of Common Shares outstanding. Upon the request of a Holder, the Company shall within two Trading Days confirm to the Holder the

number of Common Shares then outstanding. In any case, the number of outstanding Common Shares shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its affiliates since the date as of which such number of outstanding Common Shares was reported. The "**Beneficial Ownership Limitation**" shall be 4.99% of the number of Common Shares outstanding immediately after giving effect to the issuance of Common Shares issuable upon exercise of this Warrant. Upon no fewer than 61 days' prior notice to the Company, a Holder may increase or decrease the Beneficial Ownership Limitation provisions of this paragraph and the provisions of this paragraph shall continue to apply. Any such increase or decrease will not be effective until the 61st day after such notice is delivered to the Company and shall only apply to such Holder and no other Holder. The limitations contained in this paragraph shall apply to a successor Holder of this Warrant.

2. ADJUSTMENTS. The Exercise Price and the number of Warrant Shares shall be adjusted from time to time as follows:

(a) *Distribution of Assets*. If the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of Common Shares, by way of return of capital or otherwise (including without limitation any distribution of cash, shares or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement or other similar transaction) (a "**Distribution**"), at any time after the issuance of this Warrant, then, in each such case:

(i) any Exercise Price in effect immediately prior to the close of business on the record date fixed for the determination of holders of Common Shares entitled to receive the Distribution shall be reduced, effective as of the close of business on such record date, to a price determined by multiplying such Exercise Price by a fraction (i) the numerator of which shall be the Closing Sale Price of the Common Shares on the Trading Day immediately preceding such record date minus the value of the Distribution (as determined in good faith by the Company's Board of Directors) applicable to one Common Share, and (ii) the denominator of which shall be the Closing Sale Price of the Common Shares on the Trading Day immediately preceding such record date; and

(ii) the number of Warrant Shares shall be increased to a number of shares equal to the number of Common Shares obtainable immediately prior to the close of business on the record date fixed for the determination of holders of Common Shares entitled to receive the Distribution multiplied by the reciprocal of the fraction set forth in the immediately preceding clause (i); provided, however, that in the event that the Distribution is of Common Shares of a company (other than the Company) whose common stock is traded on a national securities exchange or a national automated quotation system ("Other Shares of Common Stock"), then the Holder may elect to receive a warrant to purchase Other Shares of Common Stock in lieu of an increase in the number of Warrant Shares, the terms of which shall be identical to those of this Warrant, except that such warrant shall be exercisable into the number of Other Shares of Common Stock that would have been payable to the Holder pursuant to the Distribution had the Holder exercised this Warrant immediately prior to such record date and with an aggregate exercise price equal to the product of the amount by which the exercise price of this Warrant was decreased with respect to the Distribution pursuant to the terms of the immediately preceding clause (i) and the number of Warrant Shares calculated in accordance with the first part of this clause (ii).

(b) Proportional Adjustments of Outstanding Common Shares and Common Share Dividends. If the Company shall at any time or from time to time after the date hereof, issue additional Common Shares to all of its current shareholders on a pro rata basis or pay a share dividend in Common Shares, then the Exercise Price shall be proportionately adjusted. Any adjustments under this Section 2(b) shall be effective at the close of business on the date the share split becomes effective or the date of payment of the share dividend, as applicable. For the avoidance of doubt, this adjustment shall not apply when shares of outstanding Common Share are merged proportionally across all shareholders to form a smaller number of outstanding shares.

(c) Anti-dilution Adjustment. If at any time while this Warrant is outstanding, the Company sells or grants (or has sold or granted, as the case may be) any option to purchase or sells or grants any right to reprice, or otherwise disposes of or issues (or has sold or issued, as the case may be, or announces any sale, grant or any option to purchase or other disposition), any Common Share or other securities convertible into, exercisable for or otherwise entitled any person or entity the right to acquire Common Shares at an effective price per share that is lower than the Exercise Price then in effect hereunder (such lower price, the "**Base Exercise Price**" and such issuances, collectively, a "**Dilutive Issuance**") (it being agreed that if the holder of the Common Share or other securities so issued shall at any time, whether by operation of purchase price adjustments, reset provisions, floating conversion, exercise or exchange prices or otherwise, or due to warrants, options or rights per share which are issued in connection with such issuance, be entitled to receive Common Shares at an effective price per share that is lower than the Exercise Price, such issuance shall be deemed to have occurred for less than the Exercise Price on such date of the Dilutive Issuance), then the Exercise Price shall be reduced to a price equal to the Base Exercise Price. For purposes of this Section 2(c), an "**Exempt Issuance**" shall have the meaning ascribed to such term in the Note. In the event of an issuance of securities involving multiple tranches or closings, any adjustment pursuant to this Section 2(c) shall be calculated as if all such securities were issued at the initial closing.

3. FUNDAMENTAL TRANSACTIONS. If, at any time while this Warrant is outstanding, (i) the Company effects any merger of the Company with or into another entity and the Company is not the surviving entity (such surviving entity, the "**Successor Entity**"), (ii) the Company effects any sale of all or substantially all of its assets in one or a series of related transactions, (iii) any tender offer or exchange offer (whether by the Company or by another individual or entity, and approved by the Company) is completed pursuant to which holders of Common Shares are permitted to tender or exchange their Common Shares for other securities, cash or property and the holders of at least 50% of the Common Shares accept such offer, or (iv) the Company effects any reclassification of the Common Shares or any compulsory share exchange pursuant to which the Common Shares are effectively converted into or exchanged for other securities, cash or property (other than as a result of a subdivision or combination of Common Shares) (in any such case, a "**Fundamental Transaction**"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive the number of Common Shares of the Successor Entity or of the Company and any additional consideration (the "**Alternate Consideration**") receivable upon or as a result of such reorganization, reclassification, merger, consolidation or disposition of assets by a holder of the number of Common Shares for which this Warrant is exercisable immediately prior to such event (disregarding any limitation on exercise contained herein solely for the purpose of such determination). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one Common Share in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Shares are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. To the extent necessary to effectuate the foregoing provisions, any Successor Entity in such Fundamental Transaction shall issue to the Holder a new warrant consistent with the foregoing provisions and evidencing the Holder's right to exercise such warrant into Alternate Consideration.

4. NON-CIRCUMVENTION. The Company covenants and agrees that it will not, by amendment of its certificate of formation, certificate of incorporation, operating agreement, or bylaws, or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, and will at all times in good faith carry out all the provisions of this Warrant and take all action as may be required to protect the rights of the Holder. Without limiting the generality of the foregoing, the Company (i) shall not increase the par value of any Common Shares receivable upon the exercise of this Warrant above the Exercise Price then in effect, (ii) shall take all such actions as may be necessary or appropriate in order that the

Company may validly and legally issue fully paid and non-assessable Common Shares upon the exercise of this Warrant, and (iii) shall, for so long as this Warrant is outstanding, have authorized and reserved, free from preemptive rights, a sufficient number of Common Shares to provide for the exercise of the rights represented by this Warrant (without regard to any limitations on exercise).

5. WARRANT HOLDER NOT DEEMED A SHAREHOLDER. Except as otherwise specifically provided herein, this Warrant, in and of itself, shall not entitle the Holder to any voting rights or other rights as a shareholder of the Company. In addition, nothing contained in this Warrant shall be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a shareholder of the Company, whether such liabilities are asserted by the Company or by creditors of the Company.

6. REISSUANCE.

(a) *Lost, Stolen or Mutilated Warrant*. If this Warrant is lost, stolen, mutilated or destroyed, the Company will, on such terms as to indemnity or otherwise as it may reasonably impose (which shall, in the case of a mutilated Warrant, include the surrender thereof), issue a new Warrant of like denomination and tenor as this Warrant so lost, stolen, mutilated or destroyed.

(b) *Issuance of New Warrants*. Whenever the Company is required to issue a new Warrant pursuant to the terms of this Warrant, such new Warrant shall be of like tenor with this Warrant, and shall have an issuance date, as indicated on the face of such new Warrant which is the same as the Issuance Date.

7. TRANSFER.

(a) *Notice of Transfer*. The Holder agrees that it will give written notice to the Company of its intent to transfer this Warrant or any Warrant Shares, describing briefly the manner of any proposed transfer and such transfer requires the prior written consent of the Company, which will not be unreasonably withheld or delayed. Promptly upon receiving such written notice, the Company shall present copies thereof to the Company's counsel. Subject to the aforesaid, if the proposed transfer may be effected without registration or qualification (under any federal or state securities laws), the Company, as promptly as practicable, shall notify the Holder thereof, whereupon the Holder shall be entitled to transfer this Warrant or to dispose of Warrant Shares received upon the previous exercise of this Warrant, all in accordance with the terms of the notice delivered by the Holder to the Company; provided, however, that an appropriate legend may be endorsed on this Warrant or the certificates for such Warrant Shares respecting restrictions upon transfer thereof necessary or advisable in the opinion of counsel and satisfactory to the Company to prevent further transfers which would be in violation of Section 5 of the Securities Act and applicable state securities laws; and provided further that the prospective transferee or purchaser shall execute the Assignment of Warrant attached hereto as Exhibit B and such other documents and make such representations, warranties, and agreements as may be required solely to comply with the exemptions relied upon by the Company for the transfer or disposition of the Warrant or Warrant Shares.

(b) If the proposed transfer or disposition of this Warrant or such Warrant Shares described in the written notice given pursuant to this Section 7 may not be effected without registration or qualification of this Warrant or such Warrant Shares, the Holder will limit its activities in respect to such transfer or disposition as are permitted by law.

(c) Any transferee of all or a portion of this Warrant shall succeed to the rights and benefits of the initial Holder of this Warrant under Section 5.6 of the Purchase Agreement.

8. NOTICES. Whenever notice is required to be given under this Warrant, unless otherwise provided herein, such notice shall be given in accordance with the notice provisions contained in the Purchase Agreement. The Company shall provide the Holder with prompt written notice (i) immediately upon any adjustment of the

Exercise Price, setting forth in reasonable detail, the calculation of such adjustment and (ii) at least 20 days prior to the date on which the Company closes its books or takes a record (A) with respect to any dividend or distribution upon the Common Shares, (B) with respect to any grants, issuances or sales of any shares or other securities directly or indirectly convertible into or exercisable or exchangeable for Common Shares or other property, pro rata to the holders of Common Shares or (C) for determining rights to vote with respect to any Fundamental Transaction, dissolution or liquidation, provided in each case that such information shall be made known to the public prior to or in conjunction with such notice being provided to the Holder.

9. AMENDMENT AND WAIVER. The terms of this Warrant may be amended or waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and the Holder.

10. GOVERNING LAW. This Warrant shall be governed by and construed in accordance with the laws of the State of Delaware without regard to principles of conflicts of laws. Any action brought by either party against the other concerning the transactions contemplated by this Warrant shall be brought only in the state courts or federal courts sitting in Delaware. The parties to this Warrant hereby irrevocably waive any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon *forum non conveniens*. **THE COMPANY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS WARRANT OR ANY TRANSACTION CONTEMPLATED HEREBY**. The prevailing party shall be entitled to recover from the other party its reasonable attorney's fees and costs. In the event that any provision of this Warrant or any other agreement delivered in connection herewith is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision of any agreement. Each party hereby irrevocably waives personal service of process and consents to process being served in any suit, action or proceeding in connection with this Agreement or any other Transaction Document by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law.

11. ACCEPTANCE. Receipt of this Warrant by the Holder shall constitute acceptance of and agreement to all of the terms and conditions contained herein.

12. CERTAIN DEFINITIONS. For purposes of this Warrant, the following terms shall have the following meanings:

(a) "Nasdaq" means The Nasdaq Stock Market (www.Nasdaq.com).

(b) "Closing Sale Price" means, for any security as of any date, (i) the last closing trade price for such security on the Principal Market, as reported by Nasdaq, or, if the Principal Market begins to operate on an extended hours basis and does not designate the closing trade price, then the last trade price of such security prior to 4:00 p.m., New York time, as reported by Nasdaq, or (ii) if the foregoing does not apply, the last trade price of such security in the over-the-counter market for such security as reported by Nasdaq, or (iii) if no last trade price is reported for such security by Nasdaq, the average of the bid and ask prices of any market makers for such security as reported by the OTC Markets or any other similar domestic or foreign exchange. If the Closing Sale Price cannot be calculated for a security on a particular date on any of the foregoing bases, the Closing Sale Price of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. All such

determinations to be appropriately adjusted for any share dividend, share split, share combination or other similar transaction during the applicable calculation period.

(c) "Common Share" means the Ordinary Shares of the Company and any other class of securities into which such securities may hereafter be reclassified or changed.

(d) "Common Share Equivalents" means any securities of the Company that would entitle the holder thereof to acquire at any time Common Shares, including without limitation any debt, preferred shares, rights, options, warrants or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Shares.

(e) "Principal Market" means the primary national securities exchange or over the counter market on which the Common Shares are then traded.

(f) "Market Price" means the highest traded price of the Common Shares during the thirty (30) Trading Days prior to the date of the respective Exercise Notice.

(g) "Trading Day" means (i) any day on which the Common Shares are listed or quoted and traded on its Principal Market, (ii) if the Common Shares are not then listed or quoted and traded on any national securities exchange, then a day on which trading occurs on any over-the-counter markets, or (iii) if trading does not occur on the over-the-counter markets, any Business Day.

[*signature page follows*]

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed as of the Issuance Date set forth above.

Neuraxis, Inc.

By: /s/ Brian Carrico
Name: Brian Carrico
Title: President and Chief Executive Officer

[*signature page to Warrant*]

EXHIBIT A

EXERCISE NOTICE

(To be executed by the registered holder to exercise this Common Share Purchase Warrant)

THE UNDERSIGNED holder hereby exercises the right to purchase _____ of the Common Shares ("Warrant Shares") of **Neuraxis, Inc.**, a corporation organized under the laws of the State of Indiana (the "Company"), evidenced by the attached copy of the Common Share Purchase Warrant (the "Warrant"). Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Warrant.

1. Form of Exercise Price. The Holder intends that payment of the Exercise Price shall be made as (check one):

   ☐ a cash exercise with respect to _____ Warrant Shares; or
   ☐ by cashless exercise pursuant to the Warrant.

2. Payment of Exercise Price. If cash exercise is selected above, the holder shall pay the applicable Aggregate Exercise Price in the sum of $_____ to the Company in accordance with the terms of the Warrant.

3. Delivery of Warrant Shares. The Company shall deliver to the holder _____ Warrant Shares in accordance with the terms of the Warrant.

Date: _____

_____
(Print Name of Registered Holder)

By: _____
Name: _____
Title: _____

EXHIBIT B

ASSIGNMENT OF WARRANT

(To be signed only upon authorized transfer of the Warrant)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto _____ the right to purchase _____ Common Shares of **Neuraxis, Inc.**, to which the within Common Share Purchase Warrant relates and appoints _____, as attorney-in-fact, to transfer said right on the books of Neuraxis, Inc. with full power of substitution and re-substitution in the premises. By accepting such transfer, the transferee has agreed to be bound in all respects by the terms and conditions of the within Warrant.

Dated: _____

_____
(Signature) *

_____
(Name)

_____
(Address)

_____
(Social Security or Tax Identification No.)

* The signature on this Assignment of Warrant must correspond to the name as written upon the face of the Common Share Purchase Warrant in every particular without alteration or enlargement or any change whatsoever. When signing on behalf of a corporation, partnership, trust or other entity, please indicate your position(s) and title(s) with such entity.

NEITHER THIS SECURITY NOR THE SECURITIES AS TO WHICH THIS SECURITY MAY BE EXERCISED HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THIS SECURITY AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

COMMON SHARE PURCHASE WARRANT

Neuraxis, Inc.

Warrant Shares: 35,311[1]
Date of Issuance: June 10, 2022 ("**Issuance Date**")

This COMMON SHARE PURCHASE WARRANT (the "**Warrant**") certifies that, for value received (in connection with the issuance by Neuraxis, Inc., a corporation organized under the laws of the State of Indiana (the "**Company**"), to EMMIS CAPITAL II, LLC, a limited liability company organized under the laws of the State of Delaware (including any permitted and registered assigns, each referred to hereinafter as "**Holder**"), of the senior secured convertible promissory note of even date herewith (the "**Note**"), Holder is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the date of issuance hereof, to purchase from the Company, the number of the Company's common shares noted above (the "**Warrant Shares**") (whereby such number may be adjusted from time to time pursuant to the terms and conditions of this Warrant), at the Exercise Price (defined below) per share then in effect. This Warrant is issued by the Company as of the date hereof in connection with that certain securities purchase agreement, of even date herewith, entered into by and between the Company and the Holder (the "**Purchase Agreement**").

Capitalized terms used in this Warrant shall have the meanings set forth in the Purchase Agreement unless otherwise defined in the body of this Warrant or in Section 12 below. For purposes of this Warrant, the term "**Exercise Price**" shall mean the lower of (i) $5.90 and (ii) a 12.5% discount to the price per share of any subsequent offering by the Company, subject to adjustment as provided herein (including but not limited to cashless exercise), and the term "**Exercise Period**" shall mean the period commencing on the Issuance Date and ending on 6:00 p.m. eastern standard time on the 5 year anniversary thereof.

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1 The number of Warrant Shares is determined based on the number of the Company's common shares that would be issued upon full conversion of the Note. Initially, this will be calculated based on the first prong of the Conversion Price definition in Section 2.2(a) of the Note ($4.72 per share). If the conversion price is adjusted downwards pursuant to the Note, so that the number of shares issuable upon the full conversion of the Note increases, the number of Warrant Shares will be adjusted accordingly.

1. EXERCISE OF WARRANT.

(a) *Mechanics of Exercise*. Subject to the terms and conditions hereof, the rights represented by this Warrant may be exercised in whole or in part at any time or times during the Exercise Period by delivery of a written notice, in the form attached hereto as Exhibit A (the "**Exercise Notice**"), of the Holder's election to exercise this Warrant. The Holder shall not be required to deliver the original Warrant in order to effect an exercise hereunder. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. On or before the third Trading Day (the "**Warrant Share Delivery Date**") following the date on which the Company shall have received the Exercise Notice, and upon receipt by the Company of payment to the Company of an amount equal to the applicable Exercise Price multiplied by the number of Warrant Shares as to which all or a portion of this Warrant is being exercised (the "**Aggregate Exercise Price**" and together with the Exercise Notice, the "**Exercise Delivery Documents**") in cash or by wire transfer of immediately available funds (or by cashless exercise, in which case there shall be no Aggregate Exercise Price provided), the Company shall (or direct its transfer agent to) issue the number of Common Shares to which the Holder is entitled pursuant to such exercise (such number referred to hereinafter as the "**Exercised Amount**" and such shares to be issued referred to hereinafter as the "**Exercised Warrant Shares**"), registered in the Company's share register in the name of the Holder or its designee. At the option of the Holder, such shares shall be issued either (i) in DRS book entry form, (ii) directly into a brokerage account by DWAC transfer (if eligible), or (iii) on one or more certificates dispatched by overnight courier to the address as specified in the Exercise Notice. Upon delivery of the Exercise Delivery Documents, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the certificates evidencing such Warrant Shares. If this Warrant is submitted in connection with any exercise and the number of Warrant Shares represented by this Warrant submitted for exercise is greater than the Exercised Amount, then the Company shall as soon as practicable and in no event later than three Business Days after any exercise and at its own expense, issue a new Warrant (in accordance with Section 6) representing the right to purchase the number of Warrant Shares purchasable immediately prior to such exercise under this Warrant, less the Exercised Amount.

If at any time after the 6 month anniversary of the Issuance Date, the Market Price of one Common Share is greater than the Exercise Price and the Warrant Shares are not registered under an effective non-stale registration statement of the Company, the Holder may elect to receive Warrant Shares pursuant to a cashless exercise, in lieu of a cash exercise, equal to the value of this Warrant determined in the manner described below (or of any portion thereof remaining unexercised) by surrender of this Warrant and a Notice of Exercise, in which event the Company shall issue to Holder a number of Common Shares computed using the following formula:

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

Where X = the number of Shares to be issued to Holder.

Y = the number of Warrant Shares that the Holder elects to purchase under this Warrant (at the date of such calculation).

A = the Market Price (at the date of such calculation).

B = Exercise Price (as adjusted to the date of such calculation).

If the Company fails to cause its transfer agent to transmit to the Holder the respective Common Shares by the respective Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise in Holder's sole discretion, and such failure shall be deemed an event of default under the Note to the extent the Note remains outstanding and any portion thereof unpaid, and this Warrant. In addition, and without in any way limiting the Holder's right to pursue other remedies, including but not limited to, actual damages and/or equitable relief, or the foregoing remedies, the parties agree that if the Company causes the Exercised Warrant Shares to not be delivered by the second (2nd) Trading Day following the Warrant Share Delivery Date, Company shall pay to the Holder $1,000 per day in cash, for each day beyond the Warrant Share Delivery Date that Company fails to deliver such Exercised Warrant Shares. Such cash amount shall be paid to Holder by the fifth day of the month following the month in which it has accrued or, at the option of the Holder (by written notice to Company by the first day of the month following the month in which it has accrued), as follows: (i) in the event that the Note remains outstanding and any portion thereof unpaid, such amount shall be added to the principal amount of the Note, in which event interest shall accrue thereon in accordance with the terms of the Note and such additional principal amount shall be convertible into Common Shares in accordance with the terms of the Note; (ii) in the event that the Note is no longer outstanding and no portion thereof remains unpaid, such amount shall be payable in Common Shares based on the number of shares that would have been due under (i) above, had the Note been outstanding, and pursuant to a conversion of such amount added to the principal amount of the Note. Company agrees that the right to exercise is a valuable right to the Holder, and as such, Company will not take any actions to hamper, delay or prevent any Holder exercise of this Warrant. The damages resulting from a failure, attempt to frustrate, interference with such exercise right are difficult if not impossible to qualify. Accordingly, the parties acknowledge that the liquidated damages provision contained in this section are justified.

(b) *No Fractional Shares*. No fractional shares shall be issued upon the exercise of this Warrant as a consequence of any adjustment pursuant hereto. All Warrant Shares (including fractions) issuable upon exercise of this Warrant may be aggregated for purposes of determining whether the exercise would result in the issuance of any fractional share. If, after aggregation, the exercise would result in the issuance of a fractional share, the Company shall, in lieu of issuance of any fractional share, pay the Holder otherwise entitled to such fraction a sum in cash equal to the product resulting from multiplying the then-current fair market value of a Warrant Share by such fraction.

(c) *Holder's Exercise Limitations*. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, to the extent that after giving effect to issuance of Warrant Shares upon exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other persons acting as a group together with the Holder or any of the Holder's Affiliates), would beneficially own in excess of the Beneficial Ownership Limitation, as defined below. For purposes of the foregoing sentence, the number of Common Shares beneficially owned by the Holder and its Affiliates shall include the number of Common Shares issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of Common Shares which would be issuable upon (i) exercise of the remaining, non-exercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates and (ii) exercise or conversion of the unexercised or non-converted portion of any other securities of the Company (including without limitation any other Common Share Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates. Except as set forth in the preceding sentence, for purposes of this paragraph (d), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this paragraph applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any affiliates) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination.

For purposes of this paragraph, in determining the number of outstanding Common Shares, a Holder may rely on the number of outstanding Common Shares as reflected in (A) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or its transfer agent setting forth the number of Common Shares outstanding. Upon the request of a Holder, the Company shall within two Trading Days confirm to the Holder the number of Common Shares then outstanding. In any case, the number of outstanding Common Shares shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its affiliates since the date as of which such number of outstanding Common Shares was reported. The "**Beneficial Ownership Limitation**" shall be 4.99% of the number of Common Shares outstanding immediately after giving effect to the issuance of Common Shares issuable upon exercise of this Warrant. Upon no fewer than 61 days' prior notice to the Company, a Holder may increase or decrease the Beneficial Ownership Limitation provisions of this paragraph and the provisions of this paragraph shall continue to apply. Any such increase or decrease will not be effective until the 61st day after such notice is delivered to the Company and shall only apply to such Holder and no other Holder. The limitations contained in this paragraph shall apply to a successor Holder of this Warrant.

2. ADJUSTMENTS. The Exercise Price and the number of Warrant Shares shall be adjusted from time to time as follows:

(a) *Distribution of Assets*. If the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of Common Shares, by way of return of capital or otherwise (including without limitation any distribution of cash, shares or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement or other similar transaction) (a "**Distribution**"), at any time after the issuance of this Warrant, then, in each such case:

(i) any Exercise Price in effect immediately prior to the close of business on the record date fixed for the determination of holders of Common Shares entitled to receive the Distribution shall be reduced, effective as of the close of business on such record date, to a price determined by multiplying such Exercise Price by a fraction (i) the numerator of which shall be the Closing Sale Price of the Common Shares on the Trading Day immediately preceding such record date minus the value of the Distribution (as determined in good faith by the Company's Board of Directors) applicable to one Common Share, and (ii) the denominator of which shall be the Closing Sale Price of the Common Shares on the Trading Day immediately preceding such record date; and

(ii) the number of Warrant Shares shall be increased to a number of shares equal to the number of Common Shares obtainable immediately prior to the close of business on the record date fixed for the determination of holders of Common Shares entitled to receive the Distribution multiplied by the reciprocal of the fraction set forth in the immediately preceding clause (i); provided, however, that in the event that the Distribution is of Common Shares of a company (other than the Company) whose common stock is traded on a national securities exchange or a national automated quotation system ("Other Shares of Common Stock"), then the Holder may elect to receive a warrant to purchase Other Shares of Common Stock in lieu of an increase in the number of Warrant Shares, the terms of which shall be identical to those of this Warrant, except that such warrant shall be exercisable into the number of Other Shares of Common Stock that would have been payable to the Holder pursuant to the Distribution had the Holder exercised this Warrant immediately prior to such record date and with an aggregate exercise price equal to the product of the amount by which the exercise price of this Warrant was decreased with respect to the Distribution pursuant to the terms of the immediately preceding clause (i) and the number of Warrant Shares calculated in accordance with the first part of this clause (ii).

(b) Proportional Adjustments of Outstanding Common Shares and Common Share Dividends. If the Company shall at any time or from time to time after the date hereof, issue additional Common Shares to all of its current shareholders on a pro rata basis or pay a share dividend in Common Shares, then the Exercise Price shall be proportionately adjusted. Any adjustments under this Section 2(b) shall be effective at the close of business on the date the share split becomes effective or the date of payment of the share dividend, as applicable. For the avoidance of doubt, this adjustment shall not apply when shares of outstanding Common Share are merged proportionally across all shareholders to form a smaller number of outstanding shares.

(c) Anti-dilution Adjustment. If at any time while this Warrant is outstanding, the Company sells or grants (or has sold or granted, as the case may be) any option to purchase or sells or grants any right to reprice, or otherwise disposes of or issues (or has sold or issued, as the case may be, or announces any sale, grant or any option to purchase or other disposition), any Common Share or other securities convertible into, exercisable for or otherwise entitled any person or entity the right to acquire Common Shares at an effective price per share that is lower than the Exercise Price then in effect hereunder (such lower price, the "**Base Exercise Price**" and such issuances, collectively, a "**Dilutive Issuance**") (it being agreed that if the holder of the Common Share or other securities so issued shall at any time, whether by operation of purchase price adjustments, reset provisions, floating conversion, exercise or exchange prices or otherwise, or due to warrants, options or rights per share which are issued in connection with such issuance, be entitled to receive Common Shares at an effective price per share that is lower than the Exercise Price, such issuance shall be deemed to have occurred for less than the Exercise Price on such date of the Dilutive Issuance), then the Exercise Price shall be reduced to a price equal to the Base Exercise Price. For purposes of this Section 2(c), an "**Exempt Issuance**" shall have the meaning ascribed to such term in the Note. In the event of an issuance of securities involving multiple tranches or closings, any adjustment pursuant to this Section 2(c) shall be calculated as if all such securities were issued at the initial closing.

3. FUNDAMENTAL TRANSACTIONS. If, at any time while this Warrant is outstanding, (i) the Company effects any merger of the Company with or into another entity and the Company is not the surviving entity (such surviving entity, the "**Successor Entity**"), (ii) the Company effects any sale of all or substantially all of its assets in one or a series of related transactions, (iii) any tender offer or exchange offer (whether by the Company or by another individual or entity, and approved by the Company) is completed pursuant to which holders of Common Shares are permitted to tender or exchange their Common Shares for other securities, cash or property and the holders of at least 50% of the Common Shares accept such offer, or (iv) the Company effects any reclassification of the Common Shares or any compulsory share exchange pursuant to which the Common Shares are effectively converted into or exchanged for other securities, cash or property (other than as a result of a subdivision or combination of Common Shares) (in any such case, a "**Fundamental Transaction**"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive the number of Common Shares of the Successor Entity or of the Company and any additional consideration (the "**Alternate Consideration**") receivable upon or as a result of such reorganization, reclassification, merger, consolidation or disposition of assets by a holder of the number of Common Shares for which this Warrant is exercisable immediately prior to such event (disregarding any limitation on exercise contained herein solely for the purpose of such determination). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one Common Share in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Shares are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. To the extent necessary to effectuate the foregoing provisions, any Successor Entity in such Fundamental Transaction shall issue to the Holder a new warrant consistent with the foregoing provisions and evidencing the Holder's right to exercise such warrant into Alternate Consideration.

4. NON-CIRCUMVENTION. The Company covenants and agrees that it will not, by amendment of its certificate of formation, certificate of incorporation, operating agreement, or bylaws, or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, and will at all times in good faith carry out all the provisions of this Warrant and take all action as may be required to protect the rights of the Holder. Without limiting the generality of the foregoing, the Company (i) shall not increase the par value of any Common Shares receivable upon the exercise of this Warrant above the Exercise Price then in effect, (ii) shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable Common Shares upon the exercise of this Warrant, and (iii) shall, for so long as this Warrant is outstanding, have authorized and reserved, free from preemptive rights, a sufficient number of Common Shares to provide for the exercise of the rights represented by this Warrant (without regard to any limitations on exercise).

5. WARRANT HOLDER NOT DEEMED A SHAREHOLDER. Except as otherwise specifically provided herein, this Warrant, in and of itself, shall not entitle the Holder to any voting rights or other rights as a shareholder of the Company. In addition, nothing contained in this Warrant shall be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a shareholder of the Company, whether such liabilities are asserted by the Company or by creditors of the Company.

6. REISSUANCE.

(a) *Lost, Stolen or Mutilated Warrant*. If this Warrant is lost, stolen, mutilated or destroyed, the Company will, on such terms as to indemnity or otherwise as it may reasonably impose (which shall, in the case of a mutilated Warrant, include the surrender thereof), issue a new Warrant of like denomination and tenor as this Warrant so lost, stolen, mutilated or destroyed.

(b) *Issuance of New Warrants*. Whenever the Company is required to issue a new Warrant pursuant to the terms of this Warrant, such new Warrant shall be of like tenor with this Warrant, and shall have an issuance date, as indicated on the face of such new Warrant which is the same as the Issuance Date.

7. TRANSFER.

(a) *Notice of Transfer*. The Holder agrees that it will give written notice to the Company of its intent to transfer this Warrant or any Warrant Shares, describing briefly the manner of any proposed transfer and such transfer requires the prior written consent of the Company, which will not be unreasonably withheld or delayed. Promptly upon receiving such written notice, the Company shall present copies thereof to the Company's counsel. Subject to the aforesaid, if the proposed transfer may be effected without registration or qualification (under any federal or state securities laws), the Company, as promptly as practicable, shall notify the Holder thereof, whereupon the Holder shall be entitled to transfer this Warrant or to dispose of Warrant Shares received upon the previous exercise of this Warrant, all in accordance with the terms of the notice delivered by the Holder to the Company; provided, however, that an appropriate legend may be endorsed on this Warrant or the certificates for such Warrant Shares respecting restrictions upon transfer thereof necessary or advisable in the opinion of counsel and satisfactory to the Company to prevent further transfers which would be in violation of Section 5 of the Securities Act and applicable state securities laws; and provided further that the prospective transferee or purchaser shall execute the Assignment of Warrant attached hereto as Exhibit B and such other documents and make such representations, warranties, and agreements as may be required solely to comply with the exemptions relied upon by the Company for the transfer or disposition of the Warrant or Warrant Shares.

(b) If the proposed transfer or disposition of this Warrant or such Warrant Shares described in the written notice given pursuant to this Section 7 may not be effected without registration or qualification of this Warrant or such Warrant Shares, the Holder will limit its activities in respect to such transfer or disposition as are permitted by law.

(c) Any transferee of all or a portion of this Warrant shall succeed to the rights and benefits of the initial Holder of this Warrant under Section 5.6 of the Purchase Agreement.

8. NOTICES. Whenever notice is required to be given under this Warrant, unless otherwise provided herein, such notice shall be given in accordance with the notice provisions contained in the Purchase Agreement. The Company shall provide the Holder with prompt written notice (i) immediately upon any adjustment of the Exercise Price, setting forth in reasonable detail, the calculation of such adjustment and (ii) at least 20 days prior to the date on which the Company closes its books or takes a record (A) with respect to any dividend or distribution upon the Common Shares, (B) with respect to any grants, issuances or sales of any shares or other securities directly or indirectly convertible into or exercisable or exchangeable for Common Shares or other property, pro rata to the holders of Common Shares or (C) for determining rights to vote with respect to any Fundamental Transaction, dissolution or liquidation, provided in each case that such information shall be made known to the public prior to or in conjunction with such notice being provided to the Holder.

9. AMENDMENT AND WAIVER. The terms of this Warrant may be amended or waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and the Holder.

10. GOVERNING LAW. This Warrant shall be governed by and construed in accordance with the laws of the State of Delaware without regard to principles of conflicts of laws. Any action brought by either party against the other concerning the transactions contemplated by this Warrant shall be brought only in the state courts or federal courts sitting in Delaware. The parties to this Warrant hereby irrevocably waive any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon *forum non conveniens*. **THE COMPANY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS WARRANT OR ANY TRANSACTION CONTEMPLATED HEREBY**. The prevailing party shall be entitled to recover from the other party its reasonable attorney's fees and costs. In the event that any provision of this Warrant or any other agreement delivered in connection herewith is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision of any agreement. Each party hereby irrevocably waives personal service of process and consents to process being served in any suit, action or proceeding in connection with this Agreement or any other Transaction Document by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law.

11. ACCEPTANCE. Receipt of this Warrant by the Holder shall constitute acceptance of and agreement to all of the terms and conditions contained herein.

12. CERTAIN DEFINITIONS. For purposes of this Warrant, the following terms shall have the following meanings:

(a) "Nasdaq" means The Nasdaq Stock Market (www.Nasdaq.com).

(b) "Closing Sale Price" means, for any security as of any date, (i) the last closing trade price for such security on the Principal Market, as reported by Nasdaq, or, if the Principal Market begins to operate on an extended hours basis and does not designate the closing trade price, then the last trade price of such security prior to 4:00 p.m., New York time, as reported by Nasdaq, or (ii) if the foregoing does not apply, the last trade price of such security in the over-the-counter market for such security as reported by Nasdaq, or (iii) if no last trade price is reported for such security by Nasdaq, the average of the bid and ask prices of any market makers for such security as reported by the OTC Markets or any other similar domestic or foreign exchange. If the Closing Sale Price cannot be calculated for a security on a particular date on any of the foregoing bases, the Closing Sale Price of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. All such determinations to be appropriately adjusted for any share dividend, share split, share combination or other similar transaction during the applicable calculation period.

(c) "Common Share" means the Ordinary Shares of the Company and any other class of securities into which such securities may hereafter be reclassified or changed.

(d) "Common Share Equivalents" means any securities of the Company that would entitle the holder thereof to acquire at any time Common Shares, including without limitation any debt, preferred shares, rights, options, warrants or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Shares.

(e) "Principal Market" means the primary national securities exchange or over the counter market on which the Common Shares are then traded.

(f) "Market Price" means the highest traded price of the Common Shares during the thirty (30) Trading Days prior to the date of the respective Exercise Notice.

(g) "Trading Day" means (i) any day on which the Common Shares are listed or quoted and traded on its Principal Market, (ii) if the Common Shares are not then listed or quoted and traded on any national securities exchange, then a day on which trading occurs on any over-the-counter markets, or (iii) if trading does not occur on the over-the-counter markets, any Business Day.

[*signature page follows*]

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed as of the Issuance Date set forth above.

Neuraxis, Inc.

By: */s/ Brian Carrico*
Name: Brian Carrico
Title: President and Chief Executive Officer

[*signature page to Warrant*]

EXHIBIT A

EXERCISE NOTICE

(To be executed by the registered holder to exercise this Common Share Purchase Warrant)

THE UNDERSIGNED holder hereby exercises the right to purchase _____of the Common Shares ("Warrant Shares") of **Neuraxis, Inc.**, a corporation organized under the laws of the State of Indiana (the "Company"), evidenced by the attached copy of the Common Share Purchase Warrant (the "Warrant"). Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Warrant.

1. Form of Exercise Price. The Holder intends that payment of the Exercise Price shall be made as (check one):

☐ a cash exercise with respect to _____Warrant Shares; or
☐ by cashless exercise pursuant to the Warrant.

2. Payment of Exercise Price. If cash exercise is selected above, the holder shall pay the applicable Aggregate Exercise Price in the sum of $ _____ to the Company in accordance with the terms of the Warrant.

3. Delivery of Warrant Shares. The Company shall deliver to the holder _____Warrant Shares in accordance with the terms of the Warrant.

Date: _____

_____
(Print Name of Registered Holder)

By: _____
Name: _____
Title: _____

EXHIBIT B

ASSIGNMENT OF WARRANT

(To be signed only upon authorized transfer of the Warrant)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto _____ the right to purchase _____ Common Shares of **Neuraxis, Inc.**, to which the within Common Share Purchase Warrant relates and appoints _____, as attorney-in-fact, to transfer said right on the books of Neuraxis, Inc. with full power of substitution and re-substitution in the premises. By accepting such transfer, the transferee has agreed to be bound in all respects by the terms and conditions of the within Warrant.

Dated: _____

_____
(Signature) *

_____
(Name)

_____
(Address)

_____
(Social Security or Tax Identification No.)

* The signature on this Assignment of Warrant must correspond to the name as written upon the face of the Common Share Purchase Warrant in every particular without alteration or enlargement or any change whatsoever. When signing on behalf of a corporation, partnership, trust or other entity, please indicate your position(s) and title(s) with such entity.

Exhibit 4.9

NEITHER THIS SECURITY NOR THE SECURITIES AS TO WHICH THIS SECURITY MAY BE EXERCISED HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THIS SECURITY AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

COMMON SHARE PURCHASE WARRANT

Neuraxis, Inc.

Warrant Shares: 11,770[1]
Date of Issuance: July 12, 2022 ("**Issuance Date**")

This COMMON SHARE PURCHASE WARRANT (the "**Warrant**") certifies that, for value received (in connection with the issuance by Neuraxis, Inc., a corporation organized under the laws of the State of Indiana (the "**Company**"), to Exchange Listing, LLC, a limited liability company organized under the laws of the State of Nevada (including any permitted and registered assigns, each referred to hereinafter as "**Holder**"), of the senior secured convertible promissory note of even date herewith (the "**Note**"), Holder is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the date of issuance hereof, to purchase from the Company, the number of the Company's common shares noted above (the "**Warrant Shares**") (whereby such number may be adjusted from time to time pursuant to the terms and conditions of this Warrant), at the Exercise Price (defined below) per share then in effect. This Warrant is issued by the Company as of the date hereof in connection with that certain securities purchase agreement, dated June 3, 2022, entered into by and between the Company and the Holder (the "**Purchase Agreement**").

Capitalized terms used in this Warrant shall have the meanings set forth in the Purchase Agreement unless otherwise defined in the body of this Warrant or in Section 12 below. For purposes of this Warrant, the term "**Exercise Price**" shall mean the lower of (i) $5.90 and (ii) a 12.5% discount to the price per share of any subsequent offering by the Company, subject to adjustment as provided herein (including but not limited to cashless exercise), and the term "**Exercise Period**" shall mean the period commencing on the Issuance Date and ending on 6:00 p.m. eastern standard time on the 5 year anniversary thereof.

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1 The number of Warrant Shares is determined based on the number of the Company's common shares that would be issued upon full conversion of the Note. Initially, this will be calculated based on the first prong of the Conversion Price definition in Section 2.2(a) of the Note ($4.72 per share). If the conversion price is adjusted downwards pursuant to the Note, so that the number of shares issuable upon the full conversion of the Note increases, the number of Warrant Shares will be adjusted accordingly.

1. EXERCISE OF WARRANT.

(a) *Mechanics of Exercise*. Subject to the terms and conditions hereof, the rights represented by this Warrant may be exercised in whole or in part at any time or times during the Exercise Period by delivery of a written notice, in the form attached hereto as Exhibit A (the "**Exercise Notice**"), of the Holder's election to exercise this Warrant. The Holder shall not be required to deliver the original Warrant in order to effect an exercise hereunder. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. On or before the third Trading Day (the "**Warrant Share Delivery Date**") following the date on which the Company shall have received the Exercise Notice, and upon receipt by the Company of payment to the Company of an amount equal to the applicable Exercise Price multiplied by the number of Warrant Shares as to which all or a portion of this Warrant is being exercised (the "**Aggregate Exercise Price**" and together with the Exercise Notice, the "**Exercise Delivery Documents**") in cash or by wire transfer of immediately available funds (or by cashless exercise, in which case there shall be no Aggregate Exercise Price provided), the Company shall (or direct its transfer agent to) issue the number of Common Shares to which the Holder is entitled pursuant to such exercise (such number referred to hereinafter as the "**Exercised Amount**" and such shares to be issued referred to hereinafter as the "**Exercised Warrant Shares**"), registered in the Company's share register in the name of the Holder or its designee. At the option of the Holder, such shares shall be issued either (i) in DRS book entry form, (ii) directly into a brokerage account by DWAC transfer (if eligible), or (iii) on one or more certificates dispatched by overnight courier to the address as specified in the Exercise Notice. Upon delivery of the Exercise Delivery Documents, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the certificates evidencing such Warrant Shares. If this Warrant is submitted in connection with any exercise and the number of Warrant Shares represented by this Warrant submitted for exercise is greater than the Exercised Amount, then the Company shall as soon as practicable and in no event later than three Business Days after any exercise and at its own expense, issue a new Warrant (in accordance with Section 6) representing the right to purchase the number of Warrant Shares purchasable immediately prior to such exercise under this Warrant, less the Exercised Amount.

If at any time after the 6 month anniversary of the Issuance Date, the Market Price of one Common Share is greater than the Exercise Price and the Warrant Shares are not registered under an effective non-stale registration statement of the Company, the Holder may elect to receive Warrant Shares pursuant to a cashless exercise, in lieu of a cash exercise, equal to the value of this Warrant determined in the manner described below (or of any portion thereof remaining unexercised) by surrender of this Warrant and a Notice of Exercise, in which event the Company shall issue to Holder a number of Common Shares computed using the following formula:

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

Where X = the number of Shares to be issued to Holder.

Y = the number of Warrant Shares that the Holder elects to purchase under this Warrant (at the date of such calculation).

A = the Market Price (at the date of such calculation).

B = Exercise Price (as adjusted to the date of such calculation).

If the Company fails to cause its transfer agent to transmit to the Holder the respective Common Shares by the respective Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise in Holder's sole discretion, and such failure shall be deemed an event of default under the Note to the extent the Note remains outstanding and any portion thereof unpaid, and this Warrant. In addition, and without in any way limiting the Holder's right to pursue other remedies, including but not limited to, actual damages and/or equitable relief, or the foregoing remedies, the parties agree that if the Company causes the Exercised Warrant Shares to not be delivered by the second (2nd) Trading Day following the Warrant Share Delivery Date, Company shall pay to the Holder $1,000 per day in cash, for each day beyond the Warrant Share Delivery Date that Company fails to deliver such Exercised Warrant Shares. Such cash amount shall be paid to Holder by the fifth day of the month following the month in which it has accrued or, at the option of the Holder (by written notice to Company by the first day of the month following the month in which it has accrued), as follows: (i) in the event that the Note remains outstanding and any portion thereof unpaid, such amount shall be added to the principal amount of the Note, in which event interest shall accrue thereon in accordance with the terms of the Note and such additional principal amount shall be convertible into Common Shares in accordance with the terms of the Note; (ii) in the event that the Note is no longer outstanding and no portion thereof remains unpaid, such amount shall be payable in Common Shares based on the number of shares that would have been due under (i) above, had the Note been outstanding, and pursuant to a conversion of such amount added to the principal amount of the Note. Company agrees that the right to exercise is a valuable right to the Holder, and as such, Company will not take any actions to hamper, delay or prevent any Holder exercise of this Warrant. The damages resulting from a failure, attempt to frustrate, interference with such exercise right are difficult if not impossible to qualify. Accordingly, the parties acknowledge that the liquidated damages provision contained in this section are justified.

(b) *No Fractional Shares*. No fractional shares shall be issued upon the exercise of this Warrant as a consequence of any adjustment pursuant hereto. All Warrant Shares (including fractions) issuable upon exercise of this Warrant may be aggregated for purposes of determining whether the exercise would result in the issuance of any fractional share. If, after aggregation, the exercise would result in the issuance of a fractional share, the Company shall, in lieu of issuance of any fractional share, pay the Holder otherwise entitled to such fraction a sum in cash equal to the product resulting from multiplying the then-current fair market value of a Warrant Share by such fraction.

(c) *Holder's Exercise Limitations*. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, to the extent that after giving effect to issuance of Warrant Shares upon exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other persons acting as a group together with the Holder or any of the Holder's Affiliates), would beneficially own in excess of the Beneficial Ownership Limitation, as defined below. For purposes of the foregoing sentence, the number of Common Shares beneficially owned by the Holder and its Affiliates shall include the number of Common Shares issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of Common Shares which would be issuable upon (i) exercise of the remaining, non-exercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates and (ii) exercise or conversion of the unexercised or non-converted portion of any other securities of the Company (including without limitation any other Common Share Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates. Except as set forth in the preceding sentence, for purposes of this paragraph (d), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this paragraph applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any affiliates) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination.

For purposes of this paragraph, in determining the number of outstanding Common Shares, a Holder may rely on the number of outstanding Common Shares as reflected in (A) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or its transfer agent setting forth the number of Common Shares outstanding. Upon the request of a Holder, the Company shall within two Trading Days confirm to the Holder the number of Common Shares then outstanding. In any case, the number of outstanding Common Shares shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its affiliates since the date as of which such number of outstanding Common Shares was reported. The "**Beneficial Ownership Limitation**" shall be 4.99% of the number of Common Shares outstanding immediately after giving effect to the issuance of Common Shares issuable upon exercise of this Warrant. Upon no fewer than 61 days' prior notice to the Company, a Holder may increase or decrease the Beneficial Ownership Limitation provisions of this paragraph and the provisions of this paragraph shall continue to apply. Any such increase or decrease will not be effective until the 61st day after such notice is delivered to the Company and shall only apply to such Holder and no other Holder. The limitations contained in this paragraph shall apply to a successor Holder of this Warrant.

2. ADJUSTMENTS. The Exercise Price and the number of Warrant Shares shall be adjusted from time to time as follows:

(a) *Distribution of Assets*. If the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of Common Shares, by way of return of capital or otherwise (including without limitation any distribution of cash, shares or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement or other similar transaction) (a "**Distribution**"), at any time after the issuance of this Warrant, then, in each such case:

(i) any Exercise Price in effect immediately prior to the close of business on the record date fixed for the determination of holders of Common Shares entitled to receive the Distribution shall be reduced, effective as of the close of business on such record date, to a price determined by multiplying such Exercise Price by a fraction (i) the numerator of which shall be the Closing Sale Price of the Common Shares on the Trading Day immediately preceding such record date minus the value of the Distribution (as determined in good faith by the Company's Board of Directors) applicable to one Common Share, and (ii) the denominator of which shall be the Closing Sale Price of the Common Shares on the Trading Day immediately preceding such record date; and

(ii) the number of Warrant Shares shall be increased to a number of shares equal to the number of Common Shares obtainable immediately prior to the close of business on the record date fixed for the determination of holders of Common Shares entitled to receive the Distribution multiplied by the reciprocal of the fraction set forth in the immediately preceding clause (i); provided, however, that in the event that the Distribution is of Common Shares of a company (other than the Company) whose common stock is traded on a national securities exchange or a national automated quotation system ("Other Shares of Common Stock"), then the Holder may elect to receive a warrant to purchase Other Shares of Common Stock in lieu of an increase in the number of Warrant Shares, the terms of which shall be identical to those of this Warrant, except that such warrant shall be exercisable into the number of Other Shares of Common Stock that would have been payable to the Holder pursuant to the Distribution had the Holder exercised this Warrant immediately prior to such record date and with an aggregate exercise price equal to the product of the amount by which the exercise price of this Warrant was decreased with respect to the Distribution pursuant to the terms of the immediately preceding clause (i) and the number of Warrant Shares calculated in accordance with the first part of this clause (ii).

(b) Proportional Adjustments of Outstanding Common Shares and Common Share Dividends. If the Company shall at any time or from time to time after the date hereof, issue additional Common Shares to all of its current shareholders on a pro rata basis or pay a share dividend in Common Shares, then the Exercise Price shall be proportionately adjusted. Any adjustments under this Section 2(b) shall be effective at the close of business on the date the share split becomes effective or the date of payment of the share dividend, as applicable. For the avoidance of doubt, this adjustment shall not apply when shares of outstanding Common Share are merged proportionally across all shareholders to form a smaller number of outstanding shares.

(c) Anti-dilution Adjustment. If at any time while this Warrant is outstanding, the Company sells or grants (or has sold or granted, as the case may be) any option to purchase or sells or grants any right to reprice, or otherwise disposes of or issues (or has sold or issued, as the case may be, or announces any sale, grant or any option to purchase or other disposition), any Common Share or other securities convertible into, exercisable for or otherwise entitled any person or entity the right to acquire Common Shares at an effective price per share that is lower than the Exercise Price then in effect hereunder (such lower price, the "**Base Exercise Price**" and such issuances, collectively, a "**Dilutive Issuance**") (it being agreed that if the holder of the Common Share or other securities so issued shall at any time, whether by operation of purchase price adjustments, reset provisions, floating conversion, exercise or exchange prices or otherwise, or due to warrants, options or rights per share which are issued in connection with such issuance, be entitled to receive Common Shares at an effective price per share that is lower than the Exercise Price, such issuance shall be deemed to have occurred for less than the Exercise Price on such date of the Dilutive Issuance), then the Exercise Price shall be reduced to a price equal to the Base Exercise Price. For purposes of this Section 2(c), an "**Exempt Issuance**" shall have the meaning ascribed to such term in the Note. In the event of an issuance of securities involving multiple tranches or closings, any adjustment pursuant to this Section 2(c) shall be calculated as if all such securities were issued at the initial closing.

3. FUNDAMENTAL TRANSACTIONS. If, at any time while this Warrant is outstanding, (i) the Company effects any merger of the Company with or into another entity and the Company is not the surviving entity (such surviving entity, the "**Successor Entity**"), (ii) the Company effects any sale of all or substantially all of its assets in one or a series of related transactions, (iii) any tender offer or exchange offer (whether by the Company or by another individual or entity, and approved by the Company) is completed pursuant to which holders of Common Shares are permitted to tender or exchange their Common Shares for other securities, cash or property and the holders of at least 50% of the Common Shares accept such offer, or (iv) the Company effects any reclassification of the Common Shares or any compulsory share exchange pursuant to which the Common Shares are effectively converted into or exchanged for other securities, cash or property (other than as a result of a subdivision or combination of Common Shares) (in any such case, a "**Fundamental Transaction**"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive the number of Common Shares of the Successor Entity or of the Company and any additional consideration (the "**Alternate Consideration**") receivable upon or as a result of such reorganization, reclassification, merger, consolidation or disposition of assets by a holder of the number of Common Shares for which this Warrant is exercisable immediately prior to such event (disregarding any limitation on exercise contained herein solely for the purpose of such determination). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one Common Share in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Shares are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. To the extent necessary to effectuate the foregoing provisions, any Successor Entity in such Fundamental Transaction shall issue to the Holder a new warrant consistent with the foregoing provisions and evidencing the Holder's right to exercise such warrant into Alternate Consideration.

4. NON-CIRCUMVENTION. The Company covenants and agrees that it will not, by amendment of its certificate of formation, certificate of incorporation, operating agreement, or bylaws, or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, and will at all times in good faith carry out all the provisions of this Warrant and take all action as may be required to protect the rights of the Holder. Without limiting the generality of the foregoing, the Company (i) shall not increase the par value of any Common Shares receivable upon the exercise of this Warrant above the Exercise Price then in effect, (ii) shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable Common Shares upon the exercise of this Warrant, and (iii) shall, for so long as this Warrant is outstanding, have authorized and reserved, free from preemptive rights, a sufficient number of Common Shares to provide for the exercise of the rights represented by this Warrant (without regard to any limitations on exercise).

5. WARRANT HOLDER NOT DEEMED A SHAREHOLDER. Except as otherwise specifically provided herein, this Warrant, in and of itself, shall not entitle the Holder to any voting rights or other rights as a shareholder of the Company. In addition, nothing contained in this Warrant shall be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a shareholder of the Company, whether such liabilities are asserted by the Company or by creditors of the Company.

6. REISSUANCE.

(a) *Lost, Stolen or Mutilated Warrant*. If this Warrant is lost, stolen, mutilated or destroyed, the Company will, on such terms as to indemnity or otherwise as it may reasonably impose (which shall, in the case of a mutilated Warrant, include the surrender thereof), issue a new Warrant of like denomination and tenor as this Warrant so lost, stolen, mutilated or destroyed.

(b) *Issuance of New Warrants*. Whenever the Company is required to issue a new Warrant pursuant to the terms of this Warrant, such new Warrant shall be of like tenor with this Warrant, and shall have an issuance date, as indicated on the face of such new Warrant which is the same as the Issuance Date.

7. TRANSFER.

(a) *Notice of Transfer*. The Holder agrees that it will give written notice to the Company of its intent to transfer this Warrant or any Warrant Shares, describing briefly the manner of any proposed transfer and such transfer requires the prior written consent of the Company, which will not be unreasonably withheld or delayed. Promptly upon receiving such written notice, the Company shall present copies thereof to the Company's counsel. Subject to the aforesaid, if the proposed transfer may be effected without registration or qualification (under any federal or state securities laws), the Company, as promptly as practicable, shall notify the Holder thereof, whereupon the Holder shall be entitled to transfer this Warrant or to dispose of Warrant Shares received upon the previous exercise of this Warrant, all in accordance with the terms of the notice delivered by the Holder to the Company; provided, however, that an appropriate legend may be endorsed on this Warrant or the certificates for such Warrant Shares respecting restrictions upon transfer thereof necessary or advisable in the opinion of counsel and satisfactory to the Company to prevent further transfers which would be in violation of Section 5 of the Securities Act and applicable state securities laws; and provided further that the prospective transferee or purchaser shall execute the Assignment of Warrant attached hereto as Exhibit B and such other documents and make such representations, warranties, and agreements as may be required solely to comply with the exemptions relied upon by the Company for the transfer or disposition of the Warrant or Warrant Shares.

(b) If the proposed transfer or disposition of this Warrant or such Warrant Shares described in the written notice given pursuant to this Section 7 may not be effected without registration or qualification of this Warrant or such Warrant Shares, the Holder will limit its activities in respect to such transfer or disposition as are permitted by law.

(c) Any transferee of all or a portion of this Warrant shall succeed to the rights and benefits of the initial Holder of this Warrant under Section 5.6 of the Purchase Agreement.

8. NOTICES. Whenever notice is required to be given under this Warrant, unless otherwise provided herein, such notice shall be given in accordance with the notice provisions contained in the Purchase Agreement. The Company shall provide the Holder with prompt written notice (i) immediately upon any adjustment of the Exercise Price, setting forth in reasonable detail, the calculation of such adjustment and (ii) at least 20 days prior to the date on which the Company closes its books or takes a record (A) with respect to any dividend or distribution upon the Common Shares, (B) with respect to any grants, issuances or sales of any shares or other securities directly or indirectly convertible into or exercisable or exchangeable for Common Shares or other property, pro rata to the holders of Common Shares or (C) for determining rights to vote with respect to any Fundamental Transaction, dissolution or liquidation, provided in each case that such information shall be made known to the public prior to or in conjunction with such notice being provided to the Holder.

9. AMENDMENT AND WAIVER. The terms of this Warrant may be amended or waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and the Holder.

10. GOVERNING LAW. This Warrant shall be governed by and construed in accordance with the laws of the State of Delaware without regard to principles of conflicts of laws. Any action brought by either party against the other concerning the transactions contemplated by this Warrant shall be brought only in the state courts or federal courts sitting in Delaware. The parties to this Warrant hereby irrevocably waive any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon *forum non conveniens*. **THE COMPANY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS WARRANT OR ANY TRANSACTION CONTEMPLATED HEREBY**. The prevailing party shall be entitled to recover from the other party its reasonable attorney's fees and costs. In the event that any provision of this Warrant or any other agreement delivered in connection herewith is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision of any agreement. Each party hereby irrevocably waives personal service of process and consents to process being served in any suit, action or proceeding in connection with this Agreement or any other Transaction Document by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law.

11. ACCEPTANCE. Receipt of this Warrant by the Holder shall constitute acceptance of and agreement to all of the terms and conditions contained herein.

12. CERTAIN DEFINITIONS. For purposes of this Warrant, the following terms shall have the following meanings:

(a) "Nasdaq" means The Nasdaq Stock Market (www.Nasdaq.com).

(b) "Closing Sale Price" means, for any security as of any date, (i) the last closing trade price for such security on the Principal Market, as reported by Nasdaq, or, if the Principal Market begins to operate on an extended hours basis and does not designate the closing trade price, then the last trade price of such security prior to 4:00 p.m., New York time, as reported by Nasdaq, or (ii) if the foregoing does not apply, the last trade price of such security in the over-the-counter market for such security as reported by Nasdaq, or (iii) if no last trade price is reported for such security by Nasdaq, the average of the bid and ask prices of any market makers for such security as reported by the OTC Markets or any other similar domestic or foreign exchange. If the Closing Sale Price cannot be calculated for a security on a particular date on any of the foregoing bases, the Closing Sale Price of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. All such determinations to be appropriately adjusted for any share dividend, share split, share combination or other similar transaction during the applicable calculation period.

(c) "Common Share" means the Ordinary Shares of the Company and any other class of securities into which such securities may hereafter be reclassified or changed.

(d) "Common Share Equivalents" means any securities of the Company that would entitle the holder thereof to acquire at any time Common Shares, including without limitation any debt, preferred shares, rights, options, warrants or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Shares.

(e) "Principal Market" means the primary national securities exchange or over the counter market on which the Common Shares are then traded.

(f) "Market Price" means the highest traded price of the Common Shares during the thirty (30) Trading Days prior to the date of the respective Exercise Notice.

(g) "Trading Day" means (i) any day on which the Common Shares are listed or quoted and traded on its Principal Market, (ii) if the Common Shares are not then listed or quoted and traded on any national securities exchange, then a day on which trading occurs on any over-the-counter markets, or (iii) if trading does not occur on the over-the-counter markets, any Business Day.

[*signature page follows*]

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed as of the Issuance Date set forth above.

Neuraxis, Inc.

By: */s/ Brian Carrico*
Name: Brian Carrico
Title: President and Chief Executive Officer

[*signature page to Warrant*]

EXHIBIT A

EXERCISE NOTICE

(To be executed by the registered holder to exercise this Common Share Purchase Warrant)

THE UNDERSIGNED holder hereby exercises the right to purchase _____of the Common Shares ("Warrant Shares") of **Neuraxis, Inc.**, a corporation organized under the laws of the State of Indiana (the "Company"), evidenced by the attached copy of the Common Share Purchase Warrant (the "Warrant"). Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Warrant.

1. Form of Exercise Price. The Holder intends that payment of the Exercise Price shall be made as (check one):

   ☐ a cash exercise with respect to _____Warrant Shares; or
   ☐ by cashless exercise pursuant to the Warrant.

2. Payment of Exercise Price. If cash exercise is selected above, the holder shall pay the applicable Aggregate Exercise Price in the sum of $ _____ to the Company in accordance with the terms of the Warrant.

3. Delivery of Warrant Shares. The Company shall deliver to the holder _____Warrant Shares in accordance with the terms of the Warrant.

Date: _____

_____
(Print Name of Registered Holder)

By: _____
Name: _____
Title: _____

EXHIBIT B

ASSIGNMENT OF WARRANT

(To be signed only upon authorized transfer of the Warrant)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto _____ the right to purchase _____ Common Shares of **Neuraxis, Inc.**, to which the within Common Share Purchase Warrant relates and appoints _____, as attorney-in-fact, to transfer said right on the books of Neuraxis, Inc. with full power of substitution and re-substitution in the premises. By accepting such transfer, the transferee has agreed to be bound in all respects by the terms and conditions of the within Warrant.

Dated: _____

_____
(Signature) *

_____
(Name)

_____
(Address)

_____
(Social Security or Tax Identification No.)

* The signature on this Assignment of Warrant must correspond to the name as written upon the face of the Common Share Purchase Warrant in every particular without alteration or enlargement or any change whatsoever. When signing on behalf of a corporation, partnership, trust or other entity, please indicate your position(s) and title(s) with such entity.

NEITHER THIS SECURITY NOR THE SECURITIES AS TO WHICH THIS SECURITY MAY BE EXERCISED HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THIS SECURITY AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

COMMON SHARE PURCHASE WARRANT

Neuraxis, Inc.

Warrant Shares: 11,770[1]
Date of Issuance: October 4, 2022 ("**Issuance Date**")

This COMMON SHARE PURCHASE WARRANT (the "**Warrant**") certifies that, for value received (in connection with the issuance by Neuraxis, Inc., a corporation organized under the laws of the State of Indiana (the "**Company**"), to Exchange Listing, LLC, a limited liability company organized under the laws of the State of Nevada (including any permitted and registered assigns, each referred to hereinafter as "**Holder**"), of the senior secured convertible promissory note of even date herewith (the "**Note**"), Holder is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the date of issuance hereof, to purchase from the Company, the number of the Company's common shares noted above (the "**Warrant Shares**") (whereby such number may be adjusted from time to time pursuant to the terms and conditions of this Warrant), at the Exercise Price (defined below) per share then in effect. This Warrant is issued by the Company as of the date hereof in connection with that certain securities purchase agreement, dated June 3, 2022, entered into by and between the Company and the Holder (the "**Purchase Agreement**").

Capitalized terms used in this Warrant shall have the meanings set forth in the Purchase Agreement unless otherwise defined in the body of this Warrant or in Section 12 below. For purposes of this Warrant, the term "**Exercise Price**" shall mean the lower of (i) $5.90 and (ii) a 12.5% discount to the price per share of any subsequent offering by the Company, subject to adjustment as provided herein (including but not limited to cashless exercise), and the term "**Exercise Period**" shall mean the period commencing on the Issuance Date and ending on 6:00 p.m. eastern standard time on the 5 year anniversary thereof.

1. EXERCISE OF WARRANT.

(a) *Mechanics of Exercise*. Subject to the terms and conditions hereof, the rights represented by this Warrant may be exercised in whole or in part at any time or times during the Exercise Period by delivery of

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[1] The number of Warrant Shares is determined based on the number of the Company's common shares that would be issued upon full conversion of the Note. Initially, this will be calculated based on the first prong of the Conversion Price definition in Section 2.2(a) of the Note ($4.72 per share). If the conversion price is adjusted downwards pursuant to the Note, so that the number of shares issuable upon the full conversion of the Note increases, the number of Warrant Shares will be adjusted accordingly.

a written notice, in the form attached hereto as Exhibit A (the "**Exercise Notice**"), of the Holder's election to exercise this Warrant. The Holder shall not be required to deliver the original Warrant in order to effect an exercise hereunder. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. On or before the third Trading Day (the "**Warrant Share Delivery Date**") following the date on which the Company shall have received the Exercise Notice, and upon receipt by the Company of payment to the Company of an amount equal to the applicable Exercise Price multiplied by the number of Warrant Shares as to which all or a portion of this Warrant is being exercised (the "**Aggregate Exercise Price**" and together with the Exercise Notice, the "**Exercise Delivery Documents**") in cash or by wire transfer of immediately available funds (or by cashless exercise, in which case there shall be no Aggregate Exercise Price provided), the Company shall (or direct its transfer agent to) issue the number of Common Shares to which the Holder is entitled pursuant to such exercise (such number referred to hereinafter as the "**Exercised Amount**" and such shares to be issued referred to hereinafter as the "**Exercised Warrant Shares**"), registered in the Company's share register in the name of the Holder or its designee. At the option of the Holder, such shares shall be issued either (i) in DRS book entry form, (ii) directly into a brokerage account by DWAC transfer (if eligible), or (iii) on one or more certificates dispatched by overnight courier to the address as specified in the Exercise Notice. Upon delivery of the Exercise Delivery Documents, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the certificates evidencing such Warrant Shares. If this Warrant is submitted in connection with any exercise and the number of Warrant Shares represented by this Warrant submitted for exercise is greater than the Exercised Amount, then the Company shall as soon as practicable and in no event later than three Business Days after any exercise and at its own expense, issue a new Warrant (in accordance with Section 6) representing the right to purchase the number of Warrant Shares purchasable immediately prior to such exercise under this Warrant, less the Exercised Amount.

If at any time after the 6 month anniversary of the Issuance Date, the Market Price of one Common Share is greater than the Exercise Price and the Warrant Shares are not registered under an effective non-stale registration statement of the Company, the Holder may elect to receive Warrant Shares pursuant to a cashless exercise, in lieu of a cash exercise, equal to the value of this Warrant determined in the manner described below (or of any portion thereof remaining unexercised) by surrender of this Warrant and a Notice of Exercise, in which event the Company shall issue to Holder a number of Common Shares computed using the following formula:

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

Where $X =$ the number of Shares to be issued to Holder.

$Y =$ the number of Warrant Shares that the Holder elects to purchase under this Warrant (at the date of such calculation).

$A =$ the Market Price (at the date of such calculation).

$B =$ Exercise Price (as adjusted to the date of such calculation).

If the Company fails to cause its transfer agent to transmit to the Holder the respective Common Shares by the respective Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise in Holder's sole discretion, and such failure shall be deemed an event of default under the Note to the extent the Note remains outstanding and any portion thereof unpaid, and this Warrant. In addition, and without in any way limiting the Holder's right to pursue other remedies, including but not limited to, actual damages and/or equitable relief, or the foregoing remedies, the parties agree that if the Company causes the Exercised Warrant Shares to not be delivered by the second (2nd) Trading Day following the Warrant Share Delivery Date, Company shall pay to the Holder

$1,000 per day in cash, for each day beyond the Warrant Share Delivery Date that Company fails to deliver such Exercised Warrant Shares. Such cash amount shall be paid to Holder by the fifth day of the month following the month in which it has accrued or, at the option of the Holder (by written notice to Company by the first day of the month following the month in which it has accrued), as follows: (i) in the event that the Note remains outstanding and any portion thereof unpaid, such amount shall be added to the principal amount of the Note, in which event interest shall accrue thereon in accordance with the terms of the Note and such additional principal amount shall be convertible into Common Shares in accordance with the terms of the Note; (ii) in the event that the Note is no longer outstanding and no portion thereof remains unpaid, such amount shall be payable in Common Shares based on the number of shares that would have been due under (i) above, had the Note been outstanding, and pursuant to a conversion of such amount added to the principal amount of the Note. Company agrees that the right to exercise is a valuable right to the Holder, and as such, Company will not take any actions to hamper, delay or prevent any Holder exercise of this Warrant. The damages resulting from a failure, attempt to frustrate, interference with such exercise right are difficult if not impossible to qualify. Accordingly, the parties acknowledge that the liquidated damages provision contained in this section are justified.

(b) *No Fractional Shares*. No fractional shares shall be issued upon the exercise of this Warrant as a consequence of any adjustment pursuant hereto. All Warrant Shares (including fractions) issuable upon exercise of this Warrant may be aggregated for purposes of determining whether the exercise would result in the issuance of any fractional share. If, after aggregation, the exercise would result in the issuance of a fractional share, the Company shall, in lieu of issuance of any fractional share, pay the Holder otherwise entitled to such fraction a sum in cash equal to the product resulting from multiplying the then-current fair market value of a Warrant Share by such fraction.

(c) *Holder's Exercise Limitations*. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, to the extent that after giving effect to issuance of Warrant Shares upon exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other persons acting as a group together with the Holder or any of the Holder's Affiliates), would beneficially own in excess of the Beneficial Ownership Limitation, as defined below. For purposes of the foregoing sentence, the number of Common Shares beneficially owned by the Holder and its Affiliates shall include the number of Common Shares issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of Common Shares which would be issuable upon (i) exercise of the remaining, non-exercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates and (ii) exercise or conversion of the unexercised or non-converted portion of any other securities of the Company (including without limitation any other Common Share Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates. Except as set forth in the preceding sentence, for purposes of this paragraph (d), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this paragraph applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any affiliates) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination.

For purposes of this paragraph, in determining the number of outstanding Common Shares, a Holder may rely on the number of outstanding Common Shares as reflected in (A) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or its transfer agent setting forth the number of Common Shares

outstanding. Upon the request of a Holder, the Company shall within two Trading Days confirm to the Holder the number of Common Shares then outstanding. In any case, the number of outstanding Common Shares shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its affiliates since the date as of which such number of outstanding Common Shares was reported. The "**Beneficial Ownership Limitation**" shall be 4.99% of the number of Common Shares outstanding immediately after giving effect to the issuance of Common Shares issuable upon exercise of this Warrant. Upon no fewer than 61 days' prior notice to the Company, a Holder may increase or decrease the Beneficial Ownership Limitation provisions of this paragraph and the provisions of this paragraph shall continue to apply. Any such increase or decrease will not be effective until the 61st day after such notice is delivered to the Company and shall only apply to such Holder and no other Holder. The limitations contained in this paragraph shall apply to a successor Holder of this Warrant.

2. ADJUSTMENTS. The Exercise Price and the number of Warrant Shares shall be adjusted from time to time as follows:

(a) *Distribution of Assets*. If the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of Common Shares, by way of return of capital or otherwise (including without limitation any distribution of cash, shares or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement or other similar transaction) (a "**Distribution**"), at any time after the issuance of this Warrant, then, in each such case:

(i) any Exercise Price in effect immediately prior to the close of business on the record date fixed for the determination of holders of Common Shares entitled to receive the Distribution shall be reduced, effective as of the close of business on such record date, to a price determined by multiplying such Exercise Price by a fraction (i) the numerator of which shall be the Closing Sale Price of the Common Shares on the Trading Day immediately preceding such record date minus the value of the Distribution (as determined in good faith by the Company's Board of Directors) applicable to one Common Share, and (ii) the denominator of which shall be the Closing Sale Price of the Common Shares on the Trading Day immediately preceding such record date; and

(ii) the number of Warrant Shares shall be increased to a number of shares equal to the number of Common Shares obtainable immediately prior to the close of business on the record date fixed for the determination of holders of Common Shares entitled to receive the Distribution multiplied by the reciprocal of the fraction set forth in the immediately preceding clause (i); provided, however, that in the event that the Distribution is of Common Shares of a company (other than the Company) whose common stock is traded on a national securities exchange or a national automated quotation system ("Other Shares of Common Stock"), then the Holder may elect to receive a warrant to purchase Other Shares of Common Stock in lieu of an increase in the number of Warrant Shares, the terms of which shall be identical to those of this Warrant, except that such warrant shall be exercisable into the number of Other Shares of Common Stock that would have been payable to the Holder pursuant to the Distribution had the Holder exercised this Warrant immediately prior to such record date and with an aggregate exercise price equal to the product of the amount by which the exercise price of this Warrant was decreased with respect to the Distribution pursuant to the terms of the immediately preceding clause (i) and the number of Warrant Shares calculated in accordance with the first part of this clause (ii).

(b) Proportional Adjustments of Outstanding Common Shares and Common Share Dividends. If the Company shall at any time or from time to time after the date hereof, issue additional Common Shares to all of its current shareholders on a pro rata basis or pay a share dividend in Common Shares, then the Exercise Price shall be proportionately adjusted. Any adjustments under this Section 2(b) shall be effective at the close of business on the date the share split becomes effective or the date of payment of the share dividend, as applicable. For the

avoidance of doubt, this adjustment shall not apply when shares of outstanding Common Share are merged proportionally across all shareholders to form a smaller number of outstanding shares.

(c) Anti-dilution Adjustment. If at any time while this Warrant is outstanding, the Company sells or grants (or has sold or granted, as the case may be) any option to purchase or sells or grants any right to reprice, or otherwise disposes of or issues (or has sold or issued, as the case may be, or announces any sale, grant or any option to purchase or other disposition), any Common Share or other securities convertible into, exercisable for or otherwise entitled any person or entity the right to acquire Common Shares at an effective price per share that is lower than the Exercise Price then in effect hereunder (such lower price, the "**Base Exercise Price**" and such issuances, collectively, a "**Dilutive Issuance**") (it being agreed that if the holder of the Common Share or other securities so issued shall at any time, whether by operation of purchase price adjustments, reset provisions, floating conversion, exercise or exchange prices or otherwise, or due to warrants, options or rights per share which are issued in connection with such issuance, be entitled to receive Common Shares at an effective price per share that is lower than the Exercise Price, such issuance shall be deemed to have occurred for less than the Exercise Price on such date of the Dilutive Issuance), then the Exercise Price shall be reduced to a price equal to the Base Exercise Price. For purposes of this Section 2(c), an "**Exempt Issuance**" shall have the meaning ascribed to such term in the Note. In the event of an issuance of securities involving multiple tranches or closings, any adjustment pursuant to this Section 2(c) shall be calculated as if all such securities were issued at the initial closing.

3. FUNDAMENTAL TRANSACTIONS. If, at any time while this Warrant is outstanding, (i) the Company effects any merger of the Company with or into another entity and the Company is not the surviving entity (such surviving entity, the "**Successor Entity**"), (ii) the Company effects any sale of all or substantially all of its assets in one or a series of related transactions, (iii) any tender offer or exchange offer (whether by the Company or by another individual or entity, and approved by the Company) is completed pursuant to which holders of Common Shares are permitted to tender or exchange their Common Shares for other securities, cash or property and the holders of at least 50% of the Common Shares accept such offer, or (iv) the Company effects any reclassification of the Common Shares or any compulsory share exchange pursuant to which the Common Shares are effectively converted into or exchanged for other securities, cash or property (other than as a result of a subdivision or combination of Common Shares) (in any such case, a "**Fundamental Transaction**"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive the number of Common Shares of the Successor Entity or of the Company and any additional consideration (the "**Alternate Consideration**") receivable upon or as a result of such reorganization, reclassification, merger, consolidation or disposition of assets by a holder of the number of Common Shares for which this Warrant is exercisable immediately prior to such event (disregarding any limitation on exercise contained herein solely for the purpose of such determination). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one Common Share in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Shares are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. To the extent necessary to effectuate the foregoing provisions, any Successor Entity in such Fundamental Transaction shall issue to the Holder a new warrant consistent with the foregoing provisions and evidencing the Holder's right to exercise such warrant into Alternate Consideration.

4. NON-CIRCUMVENTION. The Company covenants and agrees that it will not, by amendment of its certificate of formation, certificate of incorporation, operating agreement, or bylaws, or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, and will at all times in good faith carry out all the provisions of this Warrant and take all action as may be required to protect the rights of the Holder. Without limiting the generality of the foregoing, the Company

(i) shall not increase the par value of any Common Shares receivable upon the exercise of this Warrant above the Exercise Price then in effect, (ii) shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable Common Shares upon the exercise of this Warrant, and (iii) shall, for so long as this Warrant is outstanding, have authorized and reserved, free from preemptive rights, a sufficient number of Common Shares to provide for the exercise of the rights represented by this Warrant (without regard to any limitations on exercise).

5. WARRANT HOLDER NOT DEEMED A SHAREHOLDER. Except as otherwise specifically provided herein, this Warrant, in and of itself, shall not entitle the Holder to any voting rights or other rights as a shareholder of the Company. In addition, nothing contained in this Warrant shall be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a shareholder of the Company, whether such liabilities are asserted by the Company or by creditors of the Company.

6. REISSUANCE.

(a) *Lost, Stolen or Mutilated Warrant*. If this Warrant is lost, stolen, mutilated or destroyed, the Company will, on such terms as to indemnity or otherwise as it may reasonably impose (which shall, in the case of a mutilated Warrant, include the surrender thereof), issue a new Warrant of like denomination and tenor as this Warrant so lost, stolen, mutilated or destroyed.

(b) *Issuance of New Warrants*. Whenever the Company is required to issue a new Warrant pursuant to the terms of this Warrant, such new Warrant shall be of like tenor with this Warrant, and shall have an issuance date, as indicated on the face of such new Warrant which is the same as the Issuance Date.

7. TRANSFER.

(a) *Notice of Transfer*. The Holder agrees that it will give written notice to the Company of its intent to transfer this Warrant or any Warrant Shares, describing briefly the manner of any proposed transfer and such transfer requires the prior written consent of the Company, which will not be unreasonably withheld or delayed. Promptly upon receiving such written notice, the Company shall present copies thereof to the Company's counsel. Subject to the aforesaid, if the proposed transfer may be effected without registration or qualification (under any federal or state securities laws), the Company, as promptly as practicable, shall notify the Holder thereof, whereupon the Holder shall be entitled to transfer this Warrant or to dispose of Warrant Shares received upon the previous exercise of this Warrant, all in accordance with the terms of the notice delivered by the Holder to the Company; provided, however, that an appropriate legend may be endorsed on this Warrant or the certificates for such Warrant Shares respecting restrictions upon transfer thereof necessary or advisable in the opinion of counsel and satisfactory to the Company to prevent further transfers which would be in violation of Section 5 of the Securities Act and applicable state securities laws; and provided further that the prospective transferee or purchaser shall execute the Assignment of Warrant attached hereto as Exhibit B and such other documents and make such representations, warranties, and agreements as may be required solely to comply with the exemptions relied upon by the Company for the transfer or disposition of the Warrant or Warrant Shares.

(b) If the proposed transfer or disposition of this Warrant or such Warrant Shares described in the written notice given pursuant to this Section 7 may not be effected without registration or qualification of this Warrant or such Warrant Shares, the Holder will limit its activities in respect to such transfer or disposition as are permitted by law.

(c) Any transferee of all or a portion of this Warrant shall succeed to the rights and benefits of the initial Holder of this Warrant under Section 5.6 of the Purchase Agreement.

8. NOTICES. Whenever notice is required to be given under this Warrant, unless otherwise provided herein, such notice shall be given in accordance with the notice provisions contained in the Purchase Agreement. The Company shall provide the Holder with prompt written notice (i) immediately upon any adjustment of the Exercise Price, setting forth in reasonable detail, the calculation of such adjustment and (ii) at least 20 days prior to the date on which the Company closes its books or takes a record (A) with respect to any dividend or distribution upon the Common Shares, (B) with respect to any grants, issuances or sales of any shares or other securities directly or indirectly convertible into or exercisable or exchangeable for Common Shares or other property, pro rata to the holders of Common Shares or (C) for determining rights to vote with respect to any Fundamental Transaction, dissolution or liquidation, provided in each case that such information shall be made known to the public prior to or in conjunction with such notice being provided to the Holder.

9. AMENDMENT AND WAIVER. The terms of this Warrant may be amended or waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and the Holder.

10. GOVERNING LAW. This Warrant shall be governed by and construed in accordance with the laws of the State of Delaware without regard to principles of conflicts of laws. Any action brought by either party against the other concerning the transactions contemplated by this Warrant shall be brought only in the state courts or federal courts sitting in Delaware. The parties to this Warrant hereby irrevocably waive any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon *forum non conveniens*. **THE COMPANY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS WARRANT OR ANY TRANSACTION CONTEMPLATED HEREBY**. The prevailing party shall be entitled to recover from the other party its reasonable attorney's fees and costs. In the event that any provision of this Warrant or any other agreement delivered in connection herewith is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision of any agreement. Each party hereby irrevocably waives personal service of process and consents to process being served in any suit, action or proceeding in connection with this Agreement or any other Transaction Document by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law.

11. ACCEPTANCE. Receipt of this Warrant by the Holder shall constitute acceptance of and agreement to all of the terms and conditions contained herein.

12. CERTAIN DEFINITIONS. For purposes of this Warrant, the following terms shall have the following meanings:

(a) "Nasdaq" means The Nasdaq Stock Market (www.Nasdaq.com).

(b) "Closing Sale Price" means, for any security as of any date, (i) the last closing trade price for such security on the Principal Market, as reported by Nasdaq, or, if the Principal Market begins to operate on an extended hours basis and does not designate the closing trade price, then the last trade price of such security prior to 4:00 p.m., New York time, as reported by Nasdaq, or (ii) if the foregoing does not apply, the last trade price of such security in the over-the-counter market for such security as reported by Nasdaq, or (iii) if no last trade price is reported for such security by Nasdaq, the average of the bid and ask prices of any market makers for such security as reported by the OTC Markets or any other similar domestic or foreign exchange. If the Closing Sale Price cannot

be calculated for a security on a particular date on any of the foregoing bases, the Closing Sale Price of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. All such determinations to be appropriately adjusted for any share dividend, share split, share combination or other similar transaction during the applicable calculation period.

(c) "Common Share" means the Ordinary Shares of the Company and any other class of securities into which such securities may hereafter be reclassified or changed.

(d) "Common Share Equivalents" means any securities of the Company that would entitle the holder thereof to acquire at any time Common Shares, including without limitation any debt, preferred shares, rights, options, warrants or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Shares.

(e) "Principal Market" means the primary national securities exchange or over the counter market on which the Common Shares are then traded.

(f) "Market Price" means the highest traded price of the Common Shares during the thirty (30) Trading Days prior to the date of the respective Exercise Notice.

(g) "Trading Day" means (i) any day on which the Common Shares are listed or quoted and traded on its Principal Market, (ii) if the Common Shares are not then listed or quoted and traded on any national securities exchange, then a day on which trading occurs on any over-the-counter markets, or (iii) if trading does not occur on the over-the-counter markets, any Business Day.

[*signature page follows*]

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed as of the Issuance Date set forth above.

Neuraxis, Inc.

By: /s/ Brian Carrico
Name: Brian Carrico
Title: President and Chief Executive Officer

[*signature page to Warrant*]

EXHIBIT A

EXERCISE NOTICE

(To be executed by the registered holder to exercise this Common Share Purchase Warrant)

THE UNDERSIGNED holder hereby exercises the right to purchase _____ of the Common Shares ("Warrant Shares") of **Neuraxis, Inc.**, a corporation organized under the laws of the State of Indiana (the "Company"), evidenced by the attached copy of the Common Share Purchase Warrant (the "Warrant"). Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Warrant.

1. Form of Exercise Price. The Holder intends that payment of the Exercise Price shall be made as (check one):

   ☐ a cash exercise with respect to _____ Warrant Shares; or
   ☐ by cashless exercise pursuant to the Warrant.

2. Payment of Exercise Price. If cash exercise is selected above, the holder shall pay the applicable Aggregate Exercise Price in the sum of $_____ to the Company in accordance with the terms of the Warrant.

3. Delivery of Warrant Shares. The Company shall deliver to the holder _____ Warrant Shares in accordance with the terms of the Warrant.

Date: _____

_____
(Print Name of Registered Holder)

By: _____
Name: _____
Title: _____

EXHIBIT B

ASSIGNMENT OF WARRANT

(To be signed only upon authorized transfer of the Warrant)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto _____ the right to purchase _____ Common Shares of **Neuraxis, Inc.**, to which the within Common Share Purchase Warrant relates and appoints _____, as attorney-in-fact, to transfer said right on the books of Neuraxis, Inc. with full power of substitution and re-substitution in the premises. By accepting such transfer, the transferee has agreed to be bound in all respects by the terms and conditions of the within Warrant.

Dated: _____

_____
(Signature) *

_____
(Name)

_____
(Address)

_____
(Social Security or Tax Identification No.)

* The signature on this Assignment of Warrant must correspond to the name as written upon the face of the Common Share Purchase Warrant in every particular without alteration or enlargement or any change whatsoever. When signing on behalf of a corporation, partnership, trust or other entity, please indicate your position(s) and title(s) with such entity.

NEITHER THIS SECURITY NOR THE SECURITIES AS TO WHICH THIS SECURITY MAY BE EXERCISED HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THIS SECURITY AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

COMMON SHARE PURCHASE WARRANT

Neuraxis, Inc.

Warrant Shares: 47,081[1]
Date of Issuance: August 15, 2022 ("**Issuance Date**")

This COMMON SHARE PURCHASE WARRANT (the "**Warrant**") certifies that, for value received (in connection with the issuance by Neuraxis, Inc., a corporation organized under the laws of the State of Indiana (the "**Company**"), to District 2 Capital Fund LP, a limited partnership organized under the laws of the State of Delaware (including any permitted and registered assigns, each referred to hereinafter as "**Holder**"), of the senior secured convertible promissory note of even date herewith (the "**Note**"), Holder is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the date of issuance hereof, to purchase from the Company, the number of the Company's common shares noted above (the "**Warrant Shares**") (whereby such number may be adjusted from time to time pursuant to the terms and conditions of this Warrant), at the Exercise Price (defined below) per share then in effect. This Warrant is issued by the Company as of the date hereof in connection with that certain securities purchase agreement, of even date herewith, entered into by and between the Company and the Holder (the "**Purchase Agreement**").

Capitalized terms used in this Warrant shall have the meanings set forth in the Purchase Agreement unless otherwise defined in the body of this Warrant or in Section 12 below. For purposes of this Warrant, the term "**Exercise Price**" shall mean the lower of (i) $5.90 and (ii) a 12.5% discount to the price per share of any subsequent offering by the Company, subject to adjustment as provided herein (including but not limited to cashless exercise), and the term "**Exercise Period**" shall mean the period commencing on the Issuance Date and ending on 6:00 p.m. eastern standard time on the 5 year anniversary thereof.

1. EXERCISE OF WARRANT.

(a) *Mechanics of Exercise*. Subject to the terms and conditions hereof, the rights represented by this Warrant may be exercised in whole or in part at any time or times during the Exercise Period by delivery of

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[1] The number of Warrant Shares is determined based on the number of the Company's common shares that would be issued upon full conversion of the Note. Initially, this will be calculated based on the first prong of the Conversion Price definition in Section 2.2(a) of the Note ($4.72 per share). If the conversion price is adjusted downwards pursuant to the Note, so that the number of shares issuable upon the full conversion of the Note increases, the number of Warrant Shares will be adjusted accordingly.

a written notice, in the form attached hereto as Exhibit A (the "**Exercise Notice**"), of the Holder's election to exercise this Warrant. The Holder shall not be required to deliver the original Warrant in order to effect an exercise hereunder. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. On or before the third Trading Day (the "**Warrant Share Delivery Date**") following the date on which the Company shall have received the Exercise Notice, and upon receipt by the Company of payment to the Company of an amount equal to the applicable Exercise Price multiplied by the number of Warrant Shares as to which all or a portion of this Warrant is being exercised (the "**Aggregate Exercise Price**" and together with the Exercise Notice, the "**Exercise Delivery Documents**") in cash or by wire transfer of immediately available funds (or by cashless exercise, in which case there shall be no Aggregate Exercise Price provided), the Company shall (or direct its transfer agent to) issue the number of Common Shares to which the Holder is entitled pursuant to such exercise (such number referred to hereinafter as the "**Exercised Amount**" and such shares to be issued referred to hereinafter as the "**Exercised Warrant Shares**"), registered in the Company's share register in the name of the Holder or its designee. At the option of the Holder, such shares shall be issued either (i) in DRS book entry form, (ii) directly into a brokerage account by DWAC transfer (if eligible), or (iii) on one or more certificates dispatched by overnight courier to the address as specified in the Exercise Notice. Upon delivery of the Exercise Delivery Documents, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the certificates evidencing such Warrant Shares. If this Warrant is submitted in connection with any exercise and the number of Warrant Shares represented by this Warrant submitted for exercise is greater than the Exercised Amount, then the Company shall as soon as practicable and in no event later than three Business Days after any exercise and at its own expense, issue a new Warrant (in accordance with Section 6) representing the right to purchase the number of Warrant Shares purchasable immediately prior to such exercise under this Warrant, less the Exercised Amount.

If at any time after the 6 month anniversary of the Issuance Date, the Market Price of one Common Share is greater than the Exercise Price and the Warrant Shares are not registered under an effective non-stale registration statement of the Company, the Holder may elect to receive Warrant Shares pursuant to a cashless exercise, in lieu of a cash exercise, equal to the value of this Warrant determined in the manner described below (or of any portion thereof remaining unexercised) by surrender of this Warrant and a Notice of Exercise, in which event the Company shall issue to Holder a number of Common Shares computed using the following formula:

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

Where $X =$ the number of Shares to be issued to Holder.

$Y =$ the number of Warrant Shares that the Holder elects to purchase under this Warrant (at the date of such calculation).

$A =$ the Market Price (at the date of such calculation).

$B =$ Exercise Price (as adjusted to the date of such calculation).

If the Company fails to cause its transfer agent to transmit to the Holder the respective Common Shares by the respective Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise in Holder's sole discretion, and such failure shall be deemed an event of default under the Note to the extent the Note remains outstanding and any portion thereof unpaid, and this Warrant. In addition, and without in any way limiting the Holder's right to pursue other remedies, including but not limited to, actual damages and/or equitable relief, or the foregoing remedies, the parties agree that if the Company causes the Exercised Warrant Shares to not be delivered by the second (2nd) Trading Day following the Warrant Share Delivery Date, Company shall pay to the Holder

$1,000 per day in cash, for each day beyond the Warrant Share Delivery Date that Company fails to deliver such Exercised Warrant Shares. Such cash amount shall be paid to Holder by the fifth day of the month following the month in which it has accrued or, at the option of the Holder (by written notice to Company by the first day of the month following the month in which it has accrued), as follows: (i) in the event that the Note remains outstanding and any portion thereof unpaid, such amount shall be added to the principal amount of the Note, in which event interest shall accrue thereon in accordance with the terms of the Note and such additional principal amount shall be convertible into Common Shares in accordance with the terms of the Note; (ii) in the event that the Note is no longer outstanding and no portion thereof remains unpaid, such amount shall be payable in Common Shares based on the number of shares that would have been due under (i) above, had the Note been outstanding, and pursuant to a conversion of such amount added to the principal amount of the Note. Company agrees that the right to exercise is a valuable right to the Holder, and as such, Company will not take any actions to hamper, delay or prevent any Holder exercise of this Warrant. The damages resulting from a failure, attempt to frustrate, interference with such exercise right are difficult if not impossible to qualify. Accordingly, the parties acknowledge that the liquidated damages provision contained in this section are justified.

(b) *No Fractional Shares*. No fractional shares shall be issued upon the exercise of this Warrant as a consequence of any adjustment pursuant hereto. All Warrant Shares (including fractions) issuable upon exercise of this Warrant may be aggregated for purposes of determining whether the exercise would result in the issuance of any fractional share. If, after aggregation, the exercise would result in the issuance of a fractional share, the Company shall, in lieu of issuance of any fractional share, pay the Holder otherwise entitled to such fraction a sum in cash equal to the product resulting from multiplying the then-current fair market value of a Warrant Share by such fraction.

(c) *Holder's Exercise Limitations*. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, to the extent that after giving effect to issuance of Warrant Shares upon exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other persons acting as a group together with the Holder or any of the Holder's Affiliates), would beneficially own in excess of the Beneficial Ownership Limitation, as defined below. For purposes of the foregoing sentence, the number of Common Shares beneficially owned by the Holder and its Affiliates shall include the number of Common Shares issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of Common Shares which would be issuable upon (i) exercise of the remaining, non-exercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates and (ii) exercise or conversion of the unexercised or non-converted portion of any other securities of the Company (including without limitation any other Common Share Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates. Except as set forth in the preceding sentence, for purposes of this paragraph (d), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this paragraph applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any affiliates) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination.

For purposes of this paragraph, in determining the number of outstanding Common Shares, a Holder may rely on the number of outstanding Common Shares as reflected in (A) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or its transfer agent setting forth the number of Common Shares

outstanding. Upon the request of a Holder, the Company shall within two Trading Days confirm to the Holder the number of Common Shares then outstanding. In any case, the number of outstanding Common Shares shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its affiliates since the date as of which such number of outstanding Common Shares was reported. The "**Beneficial Ownership Limitation**" shall be 4.99% of the number of Common Shares outstanding immediately after giving effect to the issuance of Common Shares issuable upon exercise of this Warrant. Upon no fewer than 61 days' prior notice to the Company, a Holder may increase or decrease the Beneficial Ownership Limitation provisions of this paragraph and the provisions of this paragraph shall continue to apply. Any such increase or decrease will not be effective until the 61st day after such notice is delivered to the Company and shall only apply to such Holder and no other Holder. The limitations contained in this paragraph shall apply to a successor Holder of this Warrant.

2. ADJUSTMENTS. The Exercise Price and the number of Warrant Shares shall be adjusted from time to time as follows:

(a) *Distribution of Assets*. If the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of Common Shares, by way of return of capital or otherwise (including without limitation any distribution of cash, shares or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement or other similar transaction) (a "**Distribution**"), at any time after the issuance of this Warrant, then, in each such case:

(i) any Exercise Price in effect immediately prior to the close of business on the record date fixed for the determination of holders of Common Shares entitled to receive the Distribution shall be reduced, effective as of the close of business on such record date, to a price determined by multiplying such Exercise Price by a fraction (i) the numerator of which shall be the Closing Sale Price of the Common Shares on the Trading Day immediately preceding such record date minus the value of the Distribution (as determined in good faith by the Company's Board of Directors) applicable to one Common Share, and (ii) the denominator of which shall be the Closing Sale Price of the Common Shares on the Trading Day immediately preceding such record date; and

(ii) the number of Warrant Shares shall be increased to a number of shares equal to the number of Common Shares obtainable immediately prior to the close of business on the record date fixed for the determination of holders of Common Shares entitled to receive the Distribution multiplied by the reciprocal of the fraction set forth in the immediately preceding clause (i); provided, however, that in the event that the Distribution is of Common Shares of a company (other than the Company) whose common stock is traded on a national securities exchange or a national automated quotation system ("Other Shares of Common Stock"), then the Holder may elect to receive a warrant to purchase Other Shares of Common Stock in lieu of an increase in the number of Warrant Shares, the terms of which shall be identical to those of this Warrant, except that such warrant shall be exercisable into the number of Other Shares of Common Stock that would have been payable to the Holder pursuant to the Distribution had the Holder exercised this Warrant immediately prior to such record date and with an aggregate exercise price equal to the product of the amount by which the exercise price of this Warrant was decreased with respect to the Distribution pursuant to the terms of the immediately preceding clause (i) and the number of Warrant Shares calculated in accordance with the first part of this clause (ii).

(b) Proportional Adjustments of Outstanding Common Shares and Common Share Dividends. If the Company shall at any time or from time to time after the date hereof, issue additional Common Shares to all of its current shareholders on a pro rata basis or pay a share dividend in Common Shares, then the Exercise Price shall be proportionately adjusted. Any adjustments under this Section 2(b) shall be effective at the close of business on the date the share split becomes effective or the date of payment of the share dividend, as applicable. For the

avoidance of doubt, this adjustment shall not apply when shares of outstanding Common Share are merged proportionally across all shareholders to form a smaller number of outstanding shares.

(c) Anti-dilution Adjustment. If at any time while this Warrant is outstanding, the Company sells or grants (or has sold or granted, as the case may be) any option to purchase or sells or grants any right to reprice, or otherwise disposes of or issues (or has sold or issued, as the case may be, or announces any sale, grant or any option to purchase or other disposition), any Common Share or other securities convertible into, exercisable for or otherwise entitled any person or entity the right to acquire Common Shares at an effective price per share that is lower than the Exercise Price then in effect hereunder (such lower price, the "**Base Exercise Price**" and such issuances, collectively, a "**Dilutive Issuance**") (it being agreed that if the holder of the Common Share or other securities so issued shall at any time, whether by operation of purchase price adjustments, reset provisions, floating conversion, exercise or exchange prices or otherwise, or due to warrants, options or rights per share which are issued in connection with such issuance, be entitled to receive Common Shares at an effective price per share that is lower than the Exercise Price, such issuance shall be deemed to have occurred for less than the Exercise Price on such date of the Dilutive Issuance), then the Exercise Price shall be reduced to a price equal to the Base Exercise Price. For purposes of this Section 2(c), an "**Exempt Issuance**" shall have the meaning ascribed to such term in the Note. In the event of an issuance of securities involving multiple tranches or closings, any adjustment pursuant to this Section 2(c) shall be calculated as if all such securities were issued at the initial closing.

3. FUNDAMENTAL TRANSACTIONS. If, at any time while this Warrant is outstanding, (i) the Company effects any merger of the Company with or into another entity and the Company is not the surviving entity (such surviving entity, the "**Successor Entity**"), (ii) the Company effects any sale of all or substantially all of its assets in one or a series of related transactions, (iii) any tender offer or exchange offer (whether by the Company or by another individual or entity, and approved by the Company) is completed pursuant to which holders of Common Shares are permitted to tender or exchange their Common Shares for other securities, cash or property and the holders of at least 50% of the Common Shares accept such offer, or (iv) the Company effects any reclassification of the Common Shares or any compulsory share exchange pursuant to which the Common Shares are effectively converted into or exchanged for other securities, cash or property (other than as a result of a subdivision or combination of Common Shares) (in any such case, a "**Fundamental Transaction**"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive the number of Common Shares of the Successor Entity or of the Company and any additional consideration (the "**Alternate Consideration**") receivable upon or as a result of such reorganization, reclassification, merger, consolidation or disposition of assets by a holder of the number of Common Shares for which this Warrant is exercisable immediately prior to such event (disregarding any limitation on exercise contained herein solely for the purpose of such determination). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one Common Share in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Shares are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. To the extent necessary to effectuate the foregoing provisions, any Successor Entity in such Fundamental Transaction shall issue to the Holder a new warrant consistent with the foregoing provisions and evidencing the Holder's right to exercise such warrant into Alternate Consideration.

4. NON-CIRCUMVENTION. The Company covenants and agrees that it will not, by amendment of its certificate of formation, certificate of incorporation, operating agreement, or bylaws, or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, and will at all times in good faith carry out all the provisions of this Warrant and take all action as may be required to protect the rights of the Holder. Without limiting the generality of the foregoing, the Company

(i) shall not increase the par value of any Common Shares receivable upon the exercise of this Warrant above the Exercise Price then in effect, (ii) shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable Common Shares upon the exercise of this Warrant, and (iii) shall, for so long as this Warrant is outstanding, have authorized and reserved, free from preemptive rights, a sufficient number of Common Shares to provide for the exercise of the rights represented by this Warrant (without regard to any limitations on exercise).

5. WARRANT HOLDER NOT DEEMED A SHAREHOLDER. Except as otherwise specifically provided herein, this Warrant, in and of itself, shall not entitle the Holder to any voting rights or other rights as a shareholder of the Company. In addition, nothing contained in this Warrant shall be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a shareholder of the Company, whether such liabilities are asserted by the Company or by creditors of the Company.

6. REISSUANCE.

(a) *Lost, Stolen or Mutilated Warrant*. If this Warrant is lost, stolen, mutilated or destroyed, the Company will, on such terms as to indemnity or otherwise as it may reasonably impose (which shall, in the case of a mutilated Warrant, include the surrender thereof), issue a new Warrant of like denomination and tenor as this Warrant so lost, stolen, mutilated or destroyed.

(b) *Issuance of New Warrants*. Whenever the Company is required to issue a new Warrant pursuant to the terms of this Warrant, such new Warrant shall be of like tenor with this Warrant, and shall have an issuance date, as indicated on the face of such new Warrant which is the same as the Issuance Date.

7. TRANSFER.

(a) *Notice of Transfer*. The Holder agrees that it will give written notice to the Company of its intent to transfer this Warrant or any Warrant Shares, describing briefly the manner of any proposed transfer and such transfer requires the prior written consent of the Company, which will not be unreasonably withheld or delayed. Promptly upon receiving such written notice, the Company shall present copies thereof to the Company's counsel. Subject to the aforesaid, if the proposed transfer may be effected without registration or qualification (under any federal or state securities laws), the Company, as promptly as practicable, shall notify the Holder thereof, whereupon the Holder shall be entitled to transfer this Warrant or to dispose of Warrant Shares received upon the previous exercise of this Warrant, all in accordance with the terms of the notice delivered by the Holder to the Company; provided, however, that an appropriate legend may be endorsed on this Warrant or the certificates for such Warrant Shares respecting restrictions upon transfer thereof necessary or advisable in the opinion of counsel and satisfactory to the Company to prevent further transfers which would be in violation of Section 5 of the Securities Act and applicable state securities laws; and provided further that the prospective transferee or purchaser shall execute the Assignment of Warrant attached hereto as Exhibit B and such other documents and make such representations, warranties, and agreements as may be required solely to comply with the exemptions relied upon by the Company for the transfer or disposition of the Warrant or Warrant Shares.

(b) If the proposed transfer or disposition of this Warrant or such Warrant Shares described in the written notice given pursuant to this Section 7 may not be effected without registration or qualification of this Warrant or such Warrant Shares, the Holder will limit its activities in respect to such transfer or disposition as are permitted by law.

(c) Any transferee of all or a portion of this Warrant shall succeed to the rights and benefits of the initial Holder of this Warrant under Section 5.6 of the Purchase Agreement.

8. NOTICES. Whenever notice is required to be given under this Warrant, unless otherwise provided herein, such notice shall be given in accordance with the notice provisions contained in the Purchase Agreement. The Company shall provide the Holder with prompt written notice (i) immediately upon any adjustment of the Exercise Price, setting forth in reasonable detail, the calculation of such adjustment and (ii) at least 20 days prior to the date on which the Company closes its books or takes a record (A) with respect to any dividend or distribution upon the Common Shares, (B) with respect to any grants, issuances or sales of any shares or other securities directly or indirectly convertible into or exercisable or exchangeable for Common Shares or other property, pro rata to the holders of Common Shares or (C) for determining rights to vote with respect to any Fundamental Transaction, dissolution or liquidation, provided in each case that such information shall be made known to the public prior to or in conjunction with such notice being provided to the Holder.

9. AMENDMENT AND WAIVER. The terms of this Warrant may be amended or waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and the Holder.

10. GOVERNING LAW. This Warrant shall be governed by and construed in accordance with the laws of the State of Delaware without regard to principles of conflicts of laws. Any action brought by either party against the other concerning the transactions contemplated by this Warrant shall be brought only in the state courts or federal courts sitting in Delaware. The parties to this Warrant hereby irrevocably waive any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon *forum non conveniens*. **THE COMPANY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS WARRANT OR ANY TRANSACTION CONTEMPLATED HEREBY**. The prevailing party shall be entitled to recover from the other party its reasonable attorney's fees and costs. In the event that any provision of this Warrant or any other agreement delivered in connection herewith is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision of any agreement. Each party hereby irrevocably waives personal service of process and consents to process being served in any suit, action or proceeding in connection with this Agreement or any other Transaction Document by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law.

11. ACCEPTANCE. Receipt of this Warrant by the Holder shall constitute acceptance of and agreement to all of the terms and conditions contained herein.

12. CERTAIN DEFINITIONS. For purposes of this Warrant, the following terms shall have the following meanings:

(a) "Nasdaq" means The Nasdaq Stock Market (www.Nasdaq.com).

(b) "Closing Sale Price" means, for any security as of any date, (i) the last closing trade price for such security on the Principal Market, as reported by Nasdaq, or, if the Principal Market begins to operate on an extended hours basis and does not designate the closing trade price, then the last trade price of such security prior to 4:00 p.m., New York time, as reported by Nasdaq, or (ii) if the foregoing does not apply, the last trade price of such security in the over-the-counter market for such security as reported by Nasdaq, or (iii) if no last trade price is reported for such security by Nasdaq, the average of the bid and ask prices of any market makers for such security as reported by the OTC Markets or any other similar domestic or foreign exchange. If the Closing Sale Price cannot

be calculated for a security on a particular date on any of the foregoing bases, the Closing Sale Price of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. All such determinations to be appropriately adjusted for any share dividend, share split, share combination or other similar transaction during the applicable calculation period.

(c) "Common Share" means the Ordinary Shares of the Company and any other class of securities into which such securities may hereafter be reclassified or changed.

(d) "Common Share Equivalents" means any securities of the Company that would entitle the holder thereof to acquire at any time Common Shares, including without limitation any debt, preferred shares, rights, options, warrants or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Shares.

(e) "Principal Market" means the primary national securities exchange or over the counter market on which the Common Shares are then traded.

(f) "Market Price" means the highest traded price of the Common Shares during the thirty (30) Trading Days prior to the date of the respective Exercise Notice.

(g) "Trading Day" means (i) any day on which the Common Shares are listed or quoted and traded on its Principal Market, (ii) if the Common Shares are not then listed or quoted and traded on any national securities exchange, then a day on which trading occurs on any over-the-counter markets, or (iii) if trading does not occur on the over-the-counter markets, any Business Day.

[*signature page follows*]

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed as of the Issuance Date set forth above.

Neuraxis, Inc.

By: /s/ Brian Carrico
Name: Brian Carrico
Title: President and Chief Executive Officer

[*signature page to Warrant*]

EXHIBIT A

EXERCISE NOTICE

(To be executed by the registered holder to exercise this Common Share Purchase Warrant)

THE UNDERSIGNED holder hereby exercises the right to purchase _____ of the Common Shares ("Warrant Shares") of **Neuraxis, Inc.**, a corporation organized under the laws of the State of Indiana (the "Company"), evidenced by the attached copy of the Common Share Purchase Warrant (the "Warrant"). Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Warrant.

1. Form of Exercise Price. The Holder intends that payment of the Exercise Price shall be made as (check one):

   ☐ a cash exercise with respect to _____ Warrant Shares; or
   ☐ by cashless exercise pursuant to the Warrant.

2. Payment of Exercise Price. If cash exercise is selected above, the holder shall pay the applicable Aggregate Exercise Price in the sum of $_____ to the Company in accordance with the terms of the Warrant.

3. Delivery of Warrant Shares. The Company shall deliver to the holder _____ Warrant Shares in accordance with the terms of the Warrant.

Date: _____

_____
(Print Name of Registered Holder)

By: _____
Name: _____
Title: _____

EXHIBIT B

ASSIGNMENT OF WARRANT

(To be signed only upon authorized transfer of the Warrant)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto _____ the right to purchase _____ Common Shares of **Neuraxis, Inc.**, to which the within Common Share Purchase Warrant relates and appoints _____, as attorney-in-fact, to transfer said right on the books of Neuraxis, Inc. with full power of substitution and re-substitution in the premises. By accepting such transfer, the transferee has agreed to be bound in all respects by the terms and conditions of the within Warrant.

Dated: _____

_____
(Signature) *

_____
(Name)

_____
(Address)

_____
(Social Security or Tax Identification No.)

* The signature on this Assignment of Warrant must correspond to the name as written upon the face of the Common Share Purchase Warrant in every particular without alteration or enlargement or any change whatsoever. When signing on behalf of a corporation, partnership, trust or other entity, please indicate your position(s) and title(s) with such entity.

NEITHER THIS SECURITY NOR THE SECURITIES AS TO WHICH THIS SECURITY MAY BE EXERCISED HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THIS SECURITY AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

COMMON SHARE PURCHASE WARRANT

Neuraxis, Inc.

Warrant Shares: 11,771[1]
Date of Issuance: October 4, 2022 ("**Issuance Date**")

This COMMON SHARE PURCHASE WARRANT (the "**Warrant**") certifies that, for value received (in connection with the issuance by Neuraxis, Inc., a corporation organized under the laws of the State of Indiana (the "**Company**"), to District 2 Capital Fund LP, a limited partnership organized under the laws of the State of Delaware (including any permitted and registered assigns, each referred to hereinafter as "**Holder**"), of the senior secured convertible promissory note of even date herewith (the "**Note**"), Holder is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the date of issuance hereof, to purchase from the Company, the number of the Company's common shares noted above (the "**Warrant Shares**") (whereby such number may be adjusted from time to time pursuant to the terms and conditions of this Warrant), at the Exercise Price (defined below) per share then in effect. This Warrant is issued by the Company as of the date hereof in connection with that certain securities purchase agreement, dated August 15, 2022, entered into by and between the Company and the Holder (the "**Purchase Agreement**").

Capitalized terms used in this Warrant shall have the meanings set forth in the Purchase Agreement unless otherwise defined in the body of this Warrant or in Section 12 below. For purposes of this Warrant, the term "**Exercise Price**" shall mean the lower of (i) $5.90 and (ii) a 12.5% discount to the price per share of any subsequent offering by the Company, subject to adjustment as provided herein (including but not limited to cashless exercise), and the term "**Exercise Period**" shall mean the period commencing on the Issuance Date and ending on 6:00 p.m. eastern standard time on the 5 year anniversary thereof.

1. EXERCISE OF WARRANT.

(a) *Mechanics of Exercise*. Subject to the terms and conditions hereof, the rights represented by this Warrant may be exercised in whole or in part at any time or times during the Exercise Period by delivery of

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[1] The number of Warrant Shares is determined based on the number of the Company's common shares that would be issued upon full conversion of the Note. Initially, this will be calculated based on the first prong of the Conversion Price definition in Section 2.2(a) of the Note ($4.72 per share). If the conversion price is adjusted downwards pursuant to the Note, so that the number of shares issuable upon the full conversion of the Note increases, the number of Warrant Shares will be adjusted accordingly.

a written notice, in the form attached hereto as Exhibit A (the "**Exercise Notice**"), of the Holder's election to exercise this Warrant. The Holder shall not be required to deliver the original Warrant in order to effect an exercise hereunder. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. On or before the third Trading Day (the "**Warrant Share Delivery Date**") following the date on which the Company shall have received the Exercise Notice, and upon receipt by the Company of payment to the Company of an amount equal to the applicable Exercise Price multiplied by the number of Warrant Shares as to which all or a portion of this Warrant is being exercised (the "**Aggregate Exercise Price**" and together with the Exercise Notice, the "**Exercise Delivery Documents**") in cash or by wire transfer of immediately available funds (or by cashless exercise, in which case there shall be no Aggregate Exercise Price provided), the Company shall (or direct its transfer agent to) issue the number of Common Shares to which the Holder is entitled pursuant to such exercise (such number referred to hereinafter as the "**Exercised Amount**" and such shares to be issued referred to hereinafter as the "**Exercised Warrant Shares**"), registered in the Company's share register in the name of the Holder or its designee. At the option of the Holder, such shares shall be issued either (i) in DRS book entry form, (ii) directly into a brokerage account by DWAC transfer (if eligible), or (iii) on one or more certificates dispatched by overnight courier to the address as specified in the Exercise Notice. Upon delivery of the Exercise Delivery Documents, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the certificates evidencing such Warrant Shares. If this Warrant is submitted in connection with any exercise and the number of Warrant Shares represented by this Warrant submitted for exercise is greater than the Exercised Amount, then the Company shall as soon as practicable and in no event later than three Business Days after any exercise and at its own expense, issue a new Warrant (in accordance with Section 6) representing the right to purchase the number of Warrant Shares purchasable immediately prior to such exercise under this Warrant, less the Exercised Amount.

If at any time after the 6 month anniversary of the Issuance Date, the Market Price of one Common Share is greater than the Exercise Price and the Warrant Shares are not registered under an effective non-stale registration statement of the Company, the Holder may elect to receive Warrant Shares pursuant to a cashless exercise, in lieu of a cash exercise, equal to the value of this Warrant determined in the manner described below (or of any portion thereof remaining unexercised) by surrender of this Warrant and a Notice of Exercise, in which event the Company shall issue to Holder a number of Common Shares computed using the following formula:

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

Where $X =$ the number of Shares to be issued to Holder.

$Y =$ the number of Warrant Shares that the Holder elects to purchase under this Warrant (at the date of such calculation).

$A =$ the Market Price (at the date of such calculation).

$B =$ Exercise Price (as adjusted to the date of such calculation).

If the Company fails to cause its transfer agent to transmit to the Holder the respective Common Shares by the respective Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise in Holder's sole discretion, and such failure shall be deemed an event of default under the Note to the extent the Note remains outstanding and any portion thereof unpaid, and this Warrant. In addition, and without in any way limiting the Holder's right to pursue other remedies, including but not limited to, actual damages and/or equitable relief, or the foregoing remedies, the parties agree that if the Company causes the Exercised Warrant Shares to not be delivered by the second (2nd) Trading Day following the Warrant Share Delivery Date, Company shall pay to the Holder

$1,000 per day in cash, for each day beyond the Warrant Share Delivery Date that Company fails to deliver such Exercised Warrant Shares. Such cash amount shall be paid to Holder by the fifth day of the month following the month in which it has accrued or, at the option of the Holder (by written notice to Company by the first day of the month following the month in which it has accrued), as follows: (i) in the event that the Note remains outstanding and any portion thereof unpaid, such amount shall be added to the principal amount of the Note, in which event interest shall accrue thereon in accordance with the terms of the Note and such additional principal amount shall be convertible into Common Shares in accordance with the terms of the Note; (ii) in the event that the Note is no longer outstanding and no portion thereof remains unpaid, such amount shall be payable in Common Shares based on the number of shares that would have been due under (i) above, had the Note been outstanding, and pursuant to a conversion of such amount added to the principal amount of the Note. Company agrees that the right to exercise is a valuable right to the Holder, and as such, Company will not take any actions to hamper, delay or prevent any Holder exercise of this Warrant. The damages resulting from a failure, attempt to frustrate, interference with such exercise right are difficult if not impossible to qualify. Accordingly, the parties acknowledge that the liquidated damages provision contained in this section are justified.

(b) *No Fractional Shares*. No fractional shares shall be issued upon the exercise of this Warrant as a consequence of any adjustment pursuant hereto. All Warrant Shares (including fractions) issuable upon exercise of this Warrant may be aggregated for purposes of determining whether the exercise would result in the issuance of any fractional share. If, after aggregation, the exercise would result in the issuance of a fractional share, the Company shall, in lieu of issuance of any fractional share, pay the Holder otherwise entitled to such fraction a sum in cash equal to the product resulting from multiplying the then-current fair market value of a Warrant Share by such fraction.

(c) *Holder's Exercise Limitations*. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, to the extent that after giving effect to issuance of Warrant Shares upon exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other persons acting as a group together with the Holder or any of the Holder's Affiliates), would beneficially own in excess of the Beneficial Ownership Limitation, as defined below. For purposes of the foregoing sentence, the number of Common Shares beneficially owned by the Holder and its Affiliates shall include the number of Common Shares issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of Common Shares which would be issuable upon (i) exercise of the remaining, non-exercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates and (ii) exercise or conversion of the unexercised or non-converted portion of any other securities of the Company (including without limitation any other Common Share Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates. Except as set forth in the preceding sentence, for purposes of this paragraph (d), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this paragraph applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any affiliates) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination.

For purposes of this paragraph, in determining the number of outstanding Common Shares, a Holder may rely on the number of outstanding Common Shares as reflected in (A) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or its transfer agent setting forth the number of Common Shares

outstanding. Upon the request of a Holder, the Company shall within two Trading Days confirm to the Holder the number of Common Shares then outstanding. In any case, the number of outstanding Common Shares shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its affiliates since the date as of which such number of outstanding Common Shares was reported. The "**Beneficial Ownership Limitation**" shall be 4.99% of the number of Common Shares outstanding immediately after giving effect to the issuance of Common Shares issuable upon exercise of this Warrant. Upon no fewer than 61 days' prior notice to the Company, a Holder may increase or decrease the Beneficial Ownership Limitation provisions of this paragraph and the provisions of this paragraph shall continue to apply. Any such increase or decrease will not be effective until the 61st day after such notice is delivered to the Company and shall only apply to such Holder and no other Holder. The limitations contained in this paragraph shall apply to a successor Holder of this Warrant.

2. ADJUSTMENTS. The Exercise Price and the number of Warrant Shares shall be adjusted from time to time as follows:

(a) *Distribution of Assets*. If the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of Common Shares, by way of return of capital or otherwise (including without limitation any distribution of cash, shares or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement or other similar transaction) (a "**Distribution**"), at any time after the issuance of this Warrant, then, in each such case:

(i) any Exercise Price in effect immediately prior to the close of business on the record date fixed for the determination of holders of Common Shares entitled to receive the Distribution shall be reduced, effective as of the close of business on such record date, to a price determined by multiplying such Exercise Price by a fraction (i) the numerator of which shall be the Closing Sale Price of the Common Shares on the Trading Day immediately preceding such record date minus the value of the Distribution (as determined in good faith by the Company's Board of Directors) applicable to one Common Share, and (ii) the denominator of which shall be the Closing Sale Price of the Common Shares on the Trading Day immediately preceding such record date; and

(ii) the number of Warrant Shares shall be increased to a number of shares equal to the number of Common Shares obtainable immediately prior to the close of business on the record date fixed for the determination of holders of Common Shares entitled to receive the Distribution multiplied by the reciprocal of the fraction set forth in the immediately preceding clause (i); provided, however, that in the event that the Distribution is of Common Shares of a company (other than the Company) whose common stock is traded on a national securities exchange or a national automated quotation system ("Other Shares of Common Stock"), then the Holder may elect to receive a warrant to purchase Other Shares of Common Stock in lieu of an increase in the number of Warrant Shares, the terms of which shall be identical to those of this Warrant, except that such warrant shall be exercisable into the number of Other Shares of Common Stock that would have been payable to the Holder pursuant to the Distribution had the Holder exercised this Warrant immediately prior to such record date and with an aggregate exercise price equal to the product of the amount by which the exercise price of this Warrant was decreased with respect to the Distribution pursuant to the terms of the immediately preceding clause (i) and the number of Warrant Shares calculated in accordance with the first part of this clause (ii).

(b) Proportional Adjustments of Outstanding Common Shares and Common Share Dividends. If the Company shall at any time or from time to time after the date hereof, issue additional Common Shares to all of its current shareholders on a pro rata basis or pay a share dividend in Common Shares, then the Exercise Price shall be proportionately adjusted. Any adjustments under this Section 2(b) shall be effective at the close of business on the date the share split becomes effective or the date of payment of the share dividend, as applicable. For the

avoidance of doubt, this adjustment shall not apply when shares of outstanding Common Share are merged proportionally across all shareholders to form a smaller number of outstanding shares.

(c) Anti-dilution Adjustment. If at any time while this Warrant is outstanding, the Company sells or grants (or has sold or granted, as the case may be) any option to purchase or sells or grants any right to reprice, or otherwise disposes of or issues (or has sold or issued, as the case may be, or announces any sale, grant or any option to purchase or other disposition), any Common Share or other securities convertible into, exercisable for or otherwise entitled any person or entity the right to acquire Common Shares at an effective price per share that is lower than the Exercise Price then in effect hereunder (such lower price, the "**Base Exercise Price**" and such issuances, collectively, a "**Dilutive Issuance**") (it being agreed that if the holder of the Common Share or other securities so issued shall at any time, whether by operation of purchase price adjustments, reset provisions, floating conversion, exercise or exchange prices or otherwise, or due to warrants, options or rights per share which are issued in connection with such issuance, be entitled to receive Common Shares at an effective price per share that is lower than the Exercise Price, such issuance shall be deemed to have occurred for less than the Exercise Price on such date of the Dilutive Issuance), then the Exercise Price shall be reduced to a price equal to the Base Exercise Price. For purposes of this Section 2(c), an "**Exempt Issuance**" shall have the meaning ascribed to such term in the Note. In the event of an issuance of securities involving multiple tranches or closings, any adjustment pursuant to this Section 2(c) shall be calculated as if all such securities were issued at the initial closing.

3. FUNDAMENTAL TRANSACTIONS. If, at any time while this Warrant is outstanding, (i) the Company effects any merger of the Company with or into another entity and the Company is not the surviving entity (such surviving entity, the "**Successor Entity**"), (ii) the Company effects any sale of all or substantially all of its assets in one or a series of related transactions, (iii) any tender offer or exchange offer (whether by the Company or by another individual or entity, and approved by the Company) is completed pursuant to which holders of Common Shares are permitted to tender or exchange their Common Shares for other securities, cash or property and the holders of at least 50% of the Common Shares accept such offer, or (iv) the Company effects any reclassification of the Common Shares or any compulsory share exchange pursuant to which the Common Shares are effectively converted into or exchanged for other securities, cash or property (other than as a result of a subdivision or combination of Common Shares) (in any such case, a "**Fundamental Transaction**"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive the number of Common Shares of the Successor Entity or of the Company and any additional consideration (the "**Alternate Consideration**") receivable upon or as a result of such reorganization, reclassification, merger, consolidation or disposition of assets by a holder of the number of Common Shares for which this Warrant is exercisable immediately prior to such event (disregarding any limitation on exercise contained herein solely for the purpose of such determination). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one Common Share in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Shares are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. To the extent necessary to effectuate the foregoing provisions, any Successor Entity in such Fundamental Transaction shall issue to the Holder a new warrant consistent with the foregoing provisions and evidencing the Holder's right to exercise such warrant into Alternate Consideration.

4. NON-CIRCUMVENTION. The Company covenants and agrees that it will not, by amendment of its certificate of formation, certificate of incorporation, operating agreement, or bylaws, or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, and will at all times in good faith carry out all the provisions of this Warrant and take all action as may be required to protect the rights of the Holder. Without limiting the generality of the foregoing, the Company

(i) shall not increase the par value of any Common Shares receivable upon the exercise of this Warrant above the Exercise Price then in effect, (ii) shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable Common Shares upon the exercise of this Warrant, and (iii) shall, for so long as this Warrant is outstanding, have authorized and reserved, free from preemptive rights, a sufficient number of Common Shares to provide for the exercise of the rights represented by this Warrant (without regard to any limitations on exercise).

5. WARRANT HOLDER NOT DEEMED A SHAREHOLDER. Except as otherwise specifically provided herein, this Warrant, in and of itself, shall not entitle the Holder to any voting rights or other rights as a shareholder of the Company. In addition, nothing contained in this Warrant shall be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a shareholder of the Company, whether such liabilities are asserted by the Company or by creditors of the Company.

6. REISSUANCE.

(a) *Lost, Stolen or Mutilated Warrant*. If this Warrant is lost, stolen, mutilated or destroyed, the Company will, on such terms as to indemnity or otherwise as it may reasonably impose (which shall, in the case of a mutilated Warrant, include the surrender thereof), issue a new Warrant of like denomination and tenor as this Warrant so lost, stolen, mutilated or destroyed.

(b) *Issuance of New Warrants*. Whenever the Company is required to issue a new Warrant pursuant to the terms of this Warrant, such new Warrant shall be of like tenor with this Warrant, and shall have an issuance date, as indicated on the face of such new Warrant which is the same as the Issuance Date.

7. TRANSFER.

(a) *Notice of Transfer*. The Holder agrees that it will give written notice to the Company of its intent to transfer this Warrant or any Warrant Shares, describing briefly the manner of any proposed transfer and such transfer requires the prior written consent of the Company, which will not be unreasonably withheld or delayed. Promptly upon receiving such written notice, the Company shall present copies thereof to the Company's counsel. Subject to the aforesaid, if the proposed transfer may be effected without registration or qualification (under any federal or state securities laws), the Company, as promptly as practicable, shall notify the Holder thereof, whereupon the Holder shall be entitled to transfer this Warrant or to dispose of Warrant Shares received upon the previous exercise of this Warrant, all in accordance with the terms of the notice delivered by the Holder to the Company; provided, however, that an appropriate legend may be endorsed on this Warrant or the certificates for such Warrant Shares respecting restrictions upon transfer thereof necessary or advisable in the opinion of counsel and satisfactory to the Company to prevent further transfers which would be in violation of Section 5 of the Securities Act and applicable state securities laws; and provided further that the prospective transferee or purchaser shall execute the Assignment of Warrant attached hereto as Exhibit B and such other documents and make such representations, warranties, and agreements as may be required solely to comply with the exemptions relied upon by the Company for the transfer or disposition of the Warrant or Warrant Shares.

(b) If the proposed transfer or disposition of this Warrant or such Warrant Shares described in the written notice given pursuant to this Section 7 may not be effected without registration or qualification of this Warrant or such Warrant Shares, the Holder will limit its activities in respect to such transfer or disposition as are permitted by law.

(c) Any transferee of all or a portion of this Warrant shall succeed to the rights and benefits of the initial Holder of this Warrant under Section 5.6 of the Purchase Agreement.

8. NOTICES. Whenever notice is required to be given under this Warrant, unless otherwise provided herein, such notice shall be given in accordance with the notice provisions contained in the Purchase Agreement. The Company shall provide the Holder with prompt written notice (i) immediately upon any adjustment of the Exercise Price, setting forth in reasonable detail, the calculation of such adjustment and (ii) at least 20 days prior to the date on which the Company closes its books or takes a record (A) with respect to any dividend or distribution upon the Common Shares, (B) with respect to any grants, issuances or sales of any shares or other securities directly or indirectly convertible into or exercisable or exchangeable for Common Shares or other property, pro rata to the holders of Common Shares or (C) for determining rights to vote with respect to any Fundamental Transaction, dissolution or liquidation, provided in each case that such information shall be made known to the public prior to or in conjunction with such notice being provided to the Holder.

9. AMENDMENT AND WAIVER. The terms of this Warrant may be amended or waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and the Holder.

10. GOVERNING LAW. This Warrant shall be governed by and construed in accordance with the laws of the State of Delaware without regard to principles of conflicts of laws. Any action brought by either party against the other concerning the transactions contemplated by this Warrant shall be brought only in the state courts or federal courts sitting in Delaware. The parties to this Warrant hereby irrevocably waive any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon *forum non conveniens*. **THE COMPANY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS WARRANT OR ANY TRANSACTION CONTEMPLATED HEREBY**. The prevailing party shall be entitled to recover from the other party its reasonable attorney's fees and costs. In the event that any provision of this Warrant or any other agreement delivered in connection herewith is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision of any agreement. Each party hereby irrevocably waives personal service of process and consents to process being served in any suit, action or proceeding in connection with this Agreement or any other Transaction Document by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law.

11. ACCEPTANCE. Receipt of this Warrant by the Holder shall constitute acceptance of and agreement to all of the terms and conditions contained herein.

12. CERTAIN DEFINITIONS. For purposes of this Warrant, the following terms shall have the following meanings:

(a) "Nasdaq" means The Nasdaq Stock Market (www.Nasdaq.com).

(b) "Closing Sale Price" means, for any security as of any date, (i) the last closing trade price for such security on the Principal Market, as reported by Nasdaq, or, if the Principal Market begins to operate on an extended hours basis and does not designate the closing trade price, then the last trade price of such security prior to 4:00 p.m., New York time, as reported by Nasdaq, or (ii) if the foregoing does not apply, the last trade price of such security in the over-the-counter market for such security as reported by Nasdaq, or (iii) if no last trade price is reported for such security by Nasdaq, the average of the bid and ask prices of any market makers for such security as reported by the OTC Markets or any other similar domestic or foreign exchange. If the Closing Sale Price cannot

be calculated for a security on a particular date on any of the foregoing bases, the Closing Sale Price of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. All such determinations to be appropriately adjusted for any share dividend, share split, share combination or other similar transaction during the applicable calculation period.

(c) "Common Share" means the Ordinary Shares of the Company and any other class of securities into which such securities may hereafter be reclassified or changed.

(d) "Common Share Equivalents" means any securities of the Company that would entitle the holder thereof to acquire at any time Common Shares, including without limitation any debt, preferred shares, rights, options, warrants or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Shares.

(e) "Principal Market" means the primary national securities exchange or over the counter market on which the Common Shares are then traded.

(f) "Market Price" means the highest traded price of the Common Shares during the thirty (30) Trading Days prior to the date of the respective Exercise Notice.

(g) "Trading Day" means (i) any day on which the Common Shares are listed or quoted and traded on its Principal Market, (ii) if the Common Shares are not then listed or quoted and traded on any national securities exchange, then a day on which trading occurs on any over-the-counter markets, or (iii) if trading does not occur on the over-the-counter markets, any Business Day.

[*signature page follows*]

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed as of the Issuance Date set forth above.

Neuraxis, Inc.

By: /s/ Brian Carrico
Name: Brian Carrico
Title: President and Chief Executive Officer

[*signature page to Warrant*]

EXHIBIT A

EXERCISE NOTICE

(To be executed by the registered holder to exercise this Common Share Purchase Warrant)

THE UNDERSIGNED holder hereby exercises the right to purchase _____ of the Common Shares ("Warrant Shares") of **Neuraxis, Inc.**, a corporation organized under the laws of the State of Indiana (the "Company"), evidenced by the attached copy of the Common Share Purchase Warrant (the "Warrant"). Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Warrant.

1. Form of Exercise Price. The Holder intends that payment of the Exercise Price shall be made as (check one):

   ☐ a cash exercise with respect to _____ Warrant Shares; or
   ☐ by cashless exercise pursuant to the Warrant.

2. Payment of Exercise Price. If cash exercise is selected above, the holder shall pay the applicable Aggregate Exercise Price in the sum of $_____ to the Company in accordance with the terms of the Warrant.

3. Delivery of Warrant Shares. The Company shall deliver to the holder _____ Warrant Shares in accordance with the terms of the Warrant.

Date: _____

_____
(Print Name of Registered Holder)

By: _____
Name: _____
Title: _____

EXHIBIT B

ASSIGNMENT OF WARRANT

(To be signed only upon authorized transfer of the Warrant)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto _____ the right to purchase _____ Common Shares of **Neuraxis, Inc.**, to which the within Common Share Purchase Warrant relates and appoints _____, as attorney-in-fact, to transfer said right on the books of Neuraxis, Inc. with full power of substitution and re-substitution in the premises. By accepting such transfer, the transferee has agreed to be bound in all respects by the terms and conditions of the within Warrant.

Dated: _____

_____
(Signature) *

_____
(Name)

_____
(Address)

_____
(Social Security or Tax Identification No.)

* The signature on this Assignment of Warrant must correspond to the name as written upon the face of the Common Share Purchase Warrant in every particular without alteration or enlargement or any change whatsoever. When signing on behalf of a corporation, partnership, trust or other entity, please indicate your position(s) and title(s) with such entity.

NEITHER THIS SECURITY NOR THE SECURITIES AS TO WHICH THIS SECURITY MAY BE EXERCISED HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THIS SECURITY AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

COMMON SHARE PURCHASE WARRANT

Neuraxis, Inc.

Warrant Shares: 58,852[1]
Date of Issuance: November 30, 2022 ("**Issuance Date**")

This COMMON SHARE PURCHASE WARRANT (the "**Warrant**") certifies that, for value received (in connection with the issuance by Neuraxis, Inc., a corporation organized under the laws of the State of Indiana (the "**Company**"), to District 2 Capital Fund LP, a limited partnership organized under the laws of the State of Delaware (including any permitted and registered assigns, each referred to hereinafter as "**Holder**"), of the senior secured convertible promissory note of even date herewith (the "**Note**"), Holder is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the date of issuance hereof, to purchase from the Company, the number of the Company's common shares noted above (the "**Warrant Shares**") (whereby such number may be adjusted from time to time pursuant to the terms and conditions of this Warrant), at the Exercise Price (defined below) per share then in effect. This Warrant is issued by the Company as of the date hereof in connection with that certain securities purchase agreement, dated August 15, 2022, and amended from time to time thereafter, entered into by and between the Company and the Holder (the "**Purchase Agreement**").

Capitalized terms used in this Warrant shall have the meanings set forth in the Purchase Agreement unless otherwise defined in the body of this Warrant or in Section 12 below. For purposes of this Warrant, the term "**Exercise Price**" shall mean the lower of (i) $5.90 and (ii) a 12.5% discount to the price per share of any subsequent offering by the Company, subject to adjustment as provided herein (including but not limited to cashless exercise), and the term "**Exercise Period**" shall mean the period commencing on the Issuance Date and ending on 6:00 p.m. eastern standard time on the 5 year anniversary thereof.

1. EXERCISE OF WARRANT.

(a) *Mechanics of Exercise*. Subject to the terms and conditions hereof, the rights represented by this Warrant may be exercised in whole or in part at any time or times during the Exercise Period by delivery of a written notice, in the form attached hereto as Exhibit A (the "**Exercise Notice**"), of the Holder's election to exercise this Warrant. The Holder shall not be required to deliver the original Warrant in order to effect an exercise hereunder. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. On or before the third Trading Day (the "**Warrant Share Delivery Date**") following the date on which the Company shall have received the Exercise Notice, and upon receipt by the Company of payment to the Company of an amount equal to the applicable Exercise Price multiplied by the number of Warrant Shares as to which all or a portion of this Warrant is being exercised (the "**Aggregate Exercise Price**" and together with the Exercise Notice, the "**Exercise Delivery Documents**") in cash or by wire transfer of immediately available funds (or by cashless exercise, in which case there shall be no Aggregate Exercise Price provided), the Company shall (or direct its transfer agent to) issue the number of Common Shares to which the Holder is entitled pursuant to such exercise (such number referred to hereinafter as the "**Exercised Amount**" and such shares to be issued referred to hereinafter as the "**Exercised Warrant Shares**"), registered in the Company's share register in the name of the Holder or its designee. At the option of the Holder, such shares shall be issued either (i) in DRS book entry form, (ii) directly into a brokerage account by DWAC transfer (if eligible), or (iii) on one or more certificates dispatched by overnight courier to the address as specified in the Exercise Notice. Upon delivery of the Exercise Delivery Documents, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the certificates evidencing such Warrant Shares. If this Warrant is submitted in connection with any exercise and the number of Warrant Shares represented by this Warrant submitted for exercise is greater than the Exercised Amount, then the Company shall as soon as practicable and in no event later than three Business Days after any exercise and at its own expense, issue a new Warrant (in accordance with Section 6) representing the right to purchase the number of Warrant Shares purchasable immediately prior to such exercise under this Warrant, less the Exercised Amount.

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[1] The number of Warrant Shares is determined based on the number of the Company's common shares that would be issued upon full conversion of the Note. Initially, this will be calculated based on the first prong of the Conversion Price definition in Section 2.2(a) of the Note ($4.72 per share). If the conversion price is adjusted downwards pursuant to the Note, so that the number of shares issuable upon the full conversion of the Note increases, the number of Warrant Shares will be adjusted accordingly.

If at any time after the 6 month anniversary of the Issuance Date, the Market Price of one Common Share is greater than the Exercise Price and the Warrant Shares are not registered under an effective non-stale registration statement of the Company, the Holder may elect to receive Warrant Shares pursuant to a cashless exercise, in lieu of a cash exercise, equal to the value of this Warrant determined in the manner described below (or of any portion thereof remaining unexercised) by surrender of this Warrant and a Notice of Exercise, in which event the Company shall issue to Holder a number of Common Shares computed using the following formula:

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

Where X = the number of Shares to be issued to Holder.

Y = the number of Warrant Shares that the Holder elects to purchase under this Warrant (at the date of such calculation).

A = the Market Price (at the date of such calculation).

B = Exercise Price (as adjusted to the date of such calculation).

If the Company fails to cause its transfer agent to transmit to the Holder the respective Common Shares by the respective Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise in Holder's sole discretion, and such failure shall be deemed an event of default under the Note to the extent the Note remains outstanding and any portion thereof unpaid, and this Warrant. In addition, and without in any way limiting the Holder's right to pursue other remedies, including but not limited to, actual damages and/or equitable relief, or the foregoing remedies, the parties agree that if the Company causes the Exercised Warrant Shares to not be delivered by the second (2nd) Trading Day following the Warrant Share Delivery Date, Company shall pay to the Holder $1,000 per day in cash, for each day beyond the Warrant Share Delivery Date that Company fails to deliver such Exercised Warrant Shares. Such cash amount shall be paid to Holder by the fifth day of the month following the month in which it has accrued or, at the option of the Holder (by written notice to Company by the first day of the month following the month in which it has accrued), as follows: (i) in the event that the Note remains outstanding and any portion thereof unpaid, such amount shall be added to the principal amount of the Note, in which event interest shall accrue thereon in accordance with the terms of the Note and such additional principal amount shall be convertible into Common Shares in accordance with the terms of the Note; (ii) in the event that the Note is no longer outstanding and no portion thereof remains unpaid, such amount shall be payable in Common Shares based on the number of shares that would have been due under (i) above, had the Note been outstanding, and pursuant to a conversion of such amount added to the principal amount of the Note. Company agrees that the right to exercise is a valuable right to the Holder, and as such, Company will not take any actions to hamper, delay or prevent any Holder exercise of this Warrant. The damages resulting from a failure, attempt to frustrate, interference with such exercise right are difficult if not impossible to qualify. Accordingly, the parties acknowledge that the liquidated damages provision contained in this section are justified.

(b) *No Fractional Shares*. No fractional shares shall be issued upon the exercise of this Warrant as a consequence of any adjustment pursuant hereto. All Warrant Shares (including fractions) issuable upon exercise of this Warrant may be aggregated for purposes of determining whether the exercise would result in the issuance of any fractional share. If, after aggregation, the exercise would result in the issuance of a fractional share, the Company shall, in lieu of issuance of any fractional share, pay the Holder otherwise entitled to such fraction a sum in cash equal to the product resulting from multiplying the then-current fair market value of a Warrant Share by such fraction.

(c) *Holder's Exercise Limitations*. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, to the extent that after giving effect to issuance of Warrant Shares upon exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other persons acting as a group together with the Holder or any of the Holder's Affiliates), would beneficially own in excess of the Beneficial Ownership Limitation, as defined below. For purposes of the foregoing sentence, the number of Common Shares beneficially owned by the Holder and its Affiliates shall include the number of Common Shares issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of Common Shares which would be issuable upon (i) exercise of the remaining, non-exercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates and (ii) exercise or conversion of the unexercised or non-converted portion of any other securities of the Company (including without limitation any other Common Share Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates. Except as set forth in the preceding sentence, for purposes of this paragraph (d), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this paragraph applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any affiliates) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination.

For purposes of this paragraph, in determining the number of outstanding Common Shares, a Holder may rely on the number of outstanding Common Shares as reflected in (A) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or its transfer agent setting forth the number of Common Shares outstanding. Upon the request of a Holder, the Company shall within two Trading Days confirm to the Holder the number of Common Shares then outstanding. In any case, the number of outstanding Common Shares shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its affiliates since the date as of which such number of outstanding Common Shares was reported. The "**Beneficial Ownership Limitation**" shall be 4.99% of the number of Common Shares outstanding immediately after giving effect to the issuance of Common Shares issuable upon exercise of this Warrant. Upon no fewer than 61 days' prior notice to the Company, a Holder may increase or decrease the Beneficial Ownership Limitation provisions of this paragraph and the provisions of this paragraph shall continue to apply. Any such increase or decrease will not be effective until the 61st day after such notice is delivered to the Company and shall only apply to such Holder and no other Holder. The limitations contained in this paragraph shall apply to a successor Holder of this Warrant.

2. ADJUSTMENTS. The Exercise Price and the number of Warrant Shares shall be adjusted from time to time as follows:

(a) *Distribution of Assets*. If the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of Common Shares, by way of return of capital or otherwise (including without limitation any distribution of cash, shares or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement or other similar transaction) (a "**Distribution**"), at any time after the issuance of this Warrant, then, in each such case:

(i) any Exercise Price in effect immediately prior to the close of business on the record date fixed for the determination of holders of Common Shares entitled to receive the Distribution shall be reduced, effective as of the close of business on such record date, to a price determined by multiplying such Exercise Price by a fraction (i) the numerator of which shall be the Closing Sale Price of the Common Shares on the Trading Day immediately preceding such record date minus the value of the Distribution (as determined in good faith by the Company's Board of Directors) applicable to one Common Share, and (ii) the denominator of which shall be the Closing Sale Price of the Common Shares on the Trading Day immediately preceding such record date; and

(ii) the number of Warrant Shares shall be increased to a number of shares equal to the number of Common Shares obtainable immediately prior to the close of business on the record date fixed for the determination of holders of Common Shares entitled to receive the Distribution multiplied by the reciprocal of the fraction set forth in the immediately preceding clause (i); provided, however, that in the event that the Distribution is of Common Shares of a company (other than the Company) whose common stock is traded on a national securities exchange or a national automated quotation system ("Other Shares of Common Stock"), then the Holder may elect to receive a warrant to purchase Other Shares of Common Stock in lieu of an increase in the number of Warrant Shares, the terms of which shall be identical to those of this Warrant, except that such warrant shall be exercisable into the number of Other Shares of Common Stock that would have been payable to the Holder pursuant to the Distribution had the Holder exercised this Warrant immediately prior to such record date and with an aggregate exercise price equal to the product of the amount by which the exercise price of this Warrant was decreased with respect to the Distribution pursuant to the terms of the immediately preceding clause (i) and the number of Warrant Shares calculated in accordance with the first part of this clause (ii).

(b) Proportional Adjustments of Outstanding Common Shares and Common Share Dividends. If the Company shall at any time or from time to time after the date hereof, issue additional Common Shares to all of its current shareholders on a pro rata basis or pay a share dividend in Common Shares, then the Exercise Price shall be proportionately adjusted. Any adjustments under this Section 2(b) shall be effective at the close of business on the date the share split becomes effective or the date of payment of the share dividend, as applicable. For the avoidance of doubt, this adjustment shall not apply when shares of outstanding Common Share are merged proportionally across all shareholders to form a smaller number of outstanding shares.

(c) Anti-dilution Adjustment. If at any time while this Warrant is outstanding, the Company sells or grants (or has sold or granted, as the case may be) any option to purchase or sells or grants any right to reprice, or otherwise disposes of or issues (or has sold or issued, as the case may be, or announces any sale, grant or any option to purchase or other disposition), any Common Share or other securities convertible into, exercisable for or otherwise entitled any person or entity the right to acquire Common Shares at an effective price per share that is lower than the Exercise Price then in effect hereunder (such lower price, the "**Base Exercise Price**" and such issuances, collectively, a "**Dilutive Issuance**") (it being agreed that if the holder of the Common Share or other securities so issued shall at any time, whether by operation of purchase price adjustments, reset provisions, floating conversion, exercise or exchange prices or otherwise, or due to warrants, options or rights per share which are issued in connection with such issuance, be entitled to receive Common Shares at an effective price per share that is lower than the Exercise Price, such issuance shall be deemed to have occurred for less than the Exercise Price on such date of the Dilutive Issuance), then the Exercise Price shall be reduced to a price equal to the Base Exercise Price. For purposes of this Section 2(c), an "**Exempt Issuance**" shall have the meaning ascribed to such term in the Note. In the event of an issuance of securities involving multiple tranches or closings, any adjustment pursuant to this Section 2(c) shall be calculated as if all such securities were issued at the initial closing.

3. FUNDAMENTAL TRANSACTIONS. If, at any time while this Warrant is outstanding, (i) the Company effects any merger of the Company with or into another entity and the Company is not the surviving entity (such surviving entity, the "**Successor Entity**"), (ii) the Company effects any sale of all or substantially all of its assets in one or a series of related transactions, (iii) any tender offer or exchange offer (whether by the Company or by another individual or entity, and approved by the Company) is completed pursuant to which holders of Common Shares are permitted to tender or exchange their Common Shares for other securities, cash or property and the holders of at least 50% of the Common Shares accept such offer, or (iv) the Company effects any reclassification of the Common Shares or any compulsory share exchange pursuant to which the Common Shares are effectively converted into or exchanged for other securities, cash or property (other than as a result of a subdivision or combination of Common Shares) (in any such case, a "**Fundamental Transaction**"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive the number of Common Shares of the Successor Entity or of the Company and any additional consideration (the "**Alternate Consideration**") receivable upon or as a result of such reorganization, reclassification, merger, consolidation or disposition of assets by a holder of the number of Common Shares for which this Warrant is exercisable immediately prior to such event (disregarding any limitation on exercise contained herein solely for the purpose of such determination). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one Common Share in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Shares are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. To the extent necessary to effectuate the foregoing provisions, any Successor Entity in such Fundamental Transaction shall issue to the Holder a new warrant consistent with the foregoing provisions and evidencing the Holder's right to exercise such warrant into Alternate Consideration.

4. NON-CIRCUMVENTION. The Company covenants and agrees that it will not, by amendment of its certificate of formation, certificate of incorporation, operating agreement, or bylaws, or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, and will at all times in good faith carry out all the provisions of this Warrant and take all action as may be required to protect the rights of the Holder. Without limiting the generality of the foregoing, the Company (i) shall not increase the par value of any Common Shares receivable upon the exercise of this Warrant above the Exercise Price then in effect, (ii) shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable Common Shares upon the exercise of this Warrant, and (iii) shall, for so long as this Warrant is outstanding, have authorized and reserved, free from preemptive rights, a sufficient number of Common Shares to provide for the exercise of the rights represented by this Warrant (without regard to any limitations on exercise).

5. WARRANT HOLDER NOT DEEMED A SHAREHOLDER. Except as otherwise specifically provided herein, this Warrant, in and of itself, shall not entitle the Holder to any voting rights or other rights as a shareholder of the Company. In addition, nothing contained in this Warrant shall be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a shareholder of the Company, whether such liabilities are asserted by the Company or by creditors of the Company.

6. REISSUANCE.

(a) *Lost, Stolen or Mutilated Warrant*. If this Warrant is lost, stolen, mutilated or destroyed, the Company will, on such terms as to indemnity or otherwise as it may reasonably impose (which shall, in the case of a mutilated Warrant, include the surrender thereof), issue a new Warrant of like denomination and tenor as this Warrant so lost, stolen, mutilated or destroyed.

(b) *Issuance of New Warrants*. Whenever the Company is required to issue a new Warrant pursuant to the terms of this Warrant, such new Warrant shall be of like tenor with this Warrant, and shall have an issuance date, as indicated on the face of such new Warrant which is the same as the Issuance Date.

7. TRANSFER.

(a) *Notice of Transfer*. The Holder agrees that it will give written notice to the Company of its intent to transfer this Warrant or any Warrant Shares, describing briefly the manner of any proposed transfer and such transfer requires the prior written consent of the Company, which will not be unreasonably withheld or delayed. Promptly upon receiving such written notice, the Company shall present copies thereof to the Company's counsel. Subject to the aforesaid, if the proposed transfer may be effected without registration or qualification (under any federal or state securities laws), the Company, as promptly as practicable, shall notify the Holder thereof, whereupon the Holder shall be entitled to transfer this Warrant or to dispose of Warrant Shares received upon the previous exercise of this Warrant, all in accordance with the terms of the notice delivered by the Holder to the Company; provided, however, that an appropriate legend may be endorsed on this Warrant or the certificates for such Warrant Shares respecting restrictions upon transfer thereof necessary or advisable in the opinion of counsel and satisfactory to the Company to prevent further transfers which would be in violation of Section 5 of the Securities Act and applicable state securities laws; and provided further that the prospective transferee or purchaser shall execute the Assignment of Warrant attached hereto as Exhibit B and such other documents and make such representations, warranties, and agreements as may be required solely to comply with the exemptions relied upon by the Company for the transfer or disposition of the Warrant or Warrant Shares.

(b) If the proposed transfer or disposition of this Warrant or such Warrant Shares described in the written notice given pursuant to this Section 7 may not be effected without registration or qualification of this Warrant or such Warrant Shares, the Holder will limit its activities in respect to such transfer or disposition as are permitted by law.

(c) Any transferee of all or a portion of this Warrant shall succeed to the rights and benefits of the initial Holder of this Warrant under Section 5.6 of the Purchase Agreement.

8. NOTICES. Whenever notice is required to be given under this Warrant, unless otherwise provided herein, such notice shall be given in accordance with the notice provisions contained in the Purchase Agreement. The Company shall provide the Holder with prompt written notice (i) immediately upon any adjustment of the Exercise Price, setting forth in reasonable detail, the calculation of such adjustment and (ii) at least 20 days prior to the date on which the Company closes its books or takes a record (A) with respect to any dividend or distribution upon the Common Shares, (B) with respect to any grants, issuances or sales of any shares or other securities directly or indirectly convertible into or exercisable or exchangeable for Common Shares or other property, pro rata to the holders of Common Shares or (C) for determining rights to vote with respect to any Fundamental Transaction, dissolution or liquidation, provided in each case that such information shall be made known to the public prior to or in conjunction with such notice being provided to the Holder.

9. AMENDMENT AND WAIVER. The terms of this Warrant may be amended or waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and the Holder.

10. GOVERNING LAW. This Warrant shall be governed by and construed in accordance with the laws of the State of Delaware without regard to principles of conflicts of laws. Any action brought by either party against the other concerning the transactions contemplated by this Warrant shall be brought only in the state courts or federal courts sitting in Delaware. The parties to this Warrant hereby irrevocably waive any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon *forum non conveniens*. **THE COMPANY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS WARRANT OR ANY TRANSACTION CONTEMPLATED HEREBY**. The prevailing party shall be entitled to recover from the other party its reasonable attorney's fees and costs. In the event that any provision of this Warrant or any other agreement delivered in connection herewith is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision of any agreement. Each party hereby irrevocably waives personal service of process and consents to process being served in any suit, action or proceeding in connection with this Agreement or any other Transaction Document by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law.

11. ACCEPTANCE. Receipt of this Warrant by the Holder shall constitute acceptance of and agreement to all of the terms and conditions contained herein.

12. CERTAIN DEFINITIONS. For purposes of this Warrant, the following terms shall have the following meanings:

(a) "Nasdaq" means The Nasdaq Stock Market (www.Nasdaq.com).

(b) "Closing Sale Price" means, for any security as of any date, (i) the last closing trade price for such security on the Principal Market, as reported by Nasdaq, or, if the Principal Market begins to operate on an extended hours basis and does not designate the closing trade price, then the last trade price of such security prior to 4:00 p.m., New York time, as reported by Nasdaq, or (ii) if the foregoing does not apply, the last trade price of such security in the over-the-counter market for such security as reported by Nasdaq, or (iii) if no last trade price is reported for such security by Nasdaq, the average of the bid and ask prices of any market makers for such security as reported by the OTC Markets or any other similar domestic or foreign exchange. If the Closing Sale Price cannot be calculated for a security on a particular date on any of the foregoing bases, the Closing Sale Price of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. All such determinations to be appropriately adjusted for any share dividend, share split, share combination or other similar transaction during the applicable calculation period.

(c) "Common Share" means the Ordinary Shares of the Company and any other class of securities into which such securities may hereafter be reclassified or changed.

(d) "Common Share Equivalents" means any securities of the Company that would entitle the holder thereof to acquire at any time Common Shares, including without limitation any debt, preferred shares, rights, options, warrants or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Shares.

(e) "Principal Market" means the primary national securities exchange or over the counter market on which the Common Shares are then traded.

(f) "Market Price" means the highest traded price of the Common Shares during the thirty (30) Trading Days prior to the date of the respective Exercise Notice.

(g) "Trading Day" means (i) any day on which the Common Shares are listed or quoted and traded on its Principal Market, (ii) if the Common Shares are not then listed or quoted and traded on any national securities exchange, then a day on which trading occurs on any over-the-counter markets, or (iii) if trading does not occur on the over-the-counter markets, any Business Day.

[*signature page follows*]

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed as of the Issuance Date set forth above.

Neuraxis, Inc.

By: */s/ Brian Carrico*
Name: Brian Carrico
Title: President and Chief Executive Officer

[*signature page to Warrant*]

EXHIBIT A

EXERCISE NOTICE

(To be executed by the registered holder to exercise this Common Share Purchase Warrant)

THE UNDERSIGNED holder hereby exercises the right to purchase _____ of the Common Shares ("Warrant Shares") of **Neuraxis, Inc.**, a corporation organized under the laws of the State of Indiana (the "Company"), evidenced by the attached copy of the Common Share Purchase Warrant (the "Warrant"). Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Warrant.

1. Form of Exercise Price. The Holder intends that payment of the Exercise Price shall be made as (check one):

   ☐ a cash exercise with respect to _____ Warrant Shares; or
   ☐ by cashless exercise pursuant to the Warrant.

2. Payment of Exercise Price. If cash exercise is selected above, the holder shall pay the applicable Aggregate Exercise Price in the sum of $_____ to the Company in accordance with the terms of the Warrant.

3. Delivery of Warrant Shares. The Company shall deliver to the holder _____ Warrant Shares in accordance with the terms of the Warrant.

Date: _____

_____
(Print Name of Registered Holder)

By: _____
Name: _____
Title: _____

EXHIBIT B

ASSIGNMENT OF WARRANT

(To be signed only upon authorized transfer of the Warrant)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto _____ the right to purchase _____ Common Shares of **Neuraxis, Inc.**, to which the within Common Share Purchase Warrant relates and appoints _____ , as attorney-in-fact, to transfer said right on the books of Neuraxis, Inc. with full power of substitution and re-substitution in the premises. By accepting such transfer, the transferee has agreed to be bound in all respects by the terms and conditions of the within Warrant.

Dated: _____

_____
(Signature) *

_____
(Name)

_____
(Address)

_____
(Social Security or Tax Identification No.)

* The signature on this Assignment of Warrant must correspond to the name as written upon the face of the Common Share Purchase Warrant in every particular without alteration or enlargement or any change whatsoever. When signing on behalf of a corporation, partnership, trust or other entity, please indicate your position(s) and title(s) with such entity.

NEITHER THIS SECURITY NOR THE SECURITIES AS TO WHICH THIS SECURITY MAY BE EXERCISED HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THIS SECURITY AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

COMMON SHARE PURCHASE WARRANT

Neuraxis, Inc.

Warrant Shares: 47,081[1]
Date of Issuance: August 15, 2022 ("**Issuance Date**")

This COMMON SHARE PURCHASE WARRANT (the "**Warrant**") certifies that, for value received (in connection with the issuance by Neuraxis, Inc., a corporation organized under the laws of the State of Indiana (the "**Company**"), to Bigger Capital Fund, LP, a limited partnership organized under the laws of the State of Delaware (including any permitted and registered assigns, each referred to hereinafter as "**Holder**"), of the senior secured convertible promissory note of even date herewith (the "**Note**"), Holder is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the date of issuance hereof, to purchase from the Company, the number of the Company's common shares noted above (the "**Warrant Shares**") (whereby such number may be adjusted from time to time pursuant to the terms and conditions of this Warrant), at the Exercise Price (defined below) per share then in effect. This Warrant is issued by the Company as of the date hereof in connection with that certain securities purchase agreement, of even date herewith, entered into by and between the Company and the Holder (the "**Purchase Agreement**").

Capitalized terms used in this Warrant shall have the meanings set forth in the Purchase Agreement unless otherwise defined in the body of this Warrant or in Section 12 below. For purposes of this Warrant, the term "**Exercise Price**" shall mean the lower of (i) $5.90 and (ii) a 12.5% discount to the price per share of any subsequent offering by the Company, subject to adjustment as provided herein (including but not limited to cashless exercise), and the term "**Exercise Period**" shall mean the period commencing on the Issuance Date and ending on 6:00 p.m. eastern standard time on the 5 year anniversary thereof.

1. EXERCISE OF WARRANT.

(a) *Mechanics of Exercise*. Subject to the terms and conditions hereof, the rights represented by this Warrant may be exercised in whole or in part at any time or times during the Exercise Period by delivery of

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[1] The number of Warrant Shares is determined based on the number of the Company's common shares that would be issued upon full conversion of the Note. Initially, this will be calculated based on the first prong of the Conversion Price definition in Section 2.2(a) of the Note ($4.72 per share). If the conversion price is adjusted downwards pursuant to the Note, so that the number of shares issuable upon the full conversion of the Note increases, the number of Warrant Shares will be adjusted accordingly.

a written notice, in the form attached hereto as Exhibit A (the "**Exercise Notice**"), of the Holder's election to exercise this Warrant. The Holder shall not be required to deliver the original Warrant in order to effect an exercise hereunder. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. On or before the third Trading Day (the "**Warrant Share Delivery Date**") following the date on which the Company shall have received the Exercise Notice, and upon receipt by the Company of payment to the Company of an amount equal to the applicable Exercise Price multiplied by the number of Warrant Shares as to which all or a portion of this Warrant is being exercised (the "**Aggregate Exercise Price**" and together with the Exercise Notice, the "**Exercise Delivery Documents**") in cash or by wire transfer of immediately available funds (or by cashless exercise, in which case there shall be no Aggregate Exercise Price provided), the Company shall (or direct its transfer agent to) issue the number of Common Shares to which the Holder is entitled pursuant to such exercise (such number referred to hereinafter as the "**Exercised Amount**" and such shares to be issued referred to hereinafter as the "**Exercised Warrant Shares**"), registered in the Company's share register in the name of the Holder or its designee. At the option of the Holder, such shares shall be issued either (i) in DRS book entry form, (ii) directly into a brokerage account by DWAC transfer (if eligible), or (iii) on one or more certificates dispatched by overnight courier to the address as specified in the Exercise Notice. Upon delivery of the Exercise Delivery Documents, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the certificates evidencing such Warrant Shares. If this Warrant is submitted in connection with any exercise and the number of Warrant Shares represented by this Warrant submitted for exercise is greater than the Exercised Amount, then the Company shall as soon as practicable and in no event later than three Business Days after any exercise and at its own expense, issue a new Warrant (in accordance with Section 6) representing the right to purchase the number of Warrant Shares purchasable immediately prior to such exercise under this Warrant, less the Exercised Amount.

If at any time after the 6 month anniversary of the Issuance Date, the Market Price of one Common Share is greater than the Exercise Price and the Warrant Shares are not registered under an effective non-stale registration statement of the Company, the Holder may elect to receive Warrant Shares pursuant to a cashless exercise, in lieu of a cash exercise, equal to the value of this Warrant determined in the manner described below (or of any portion thereof remaining unexercised) by surrender of this Warrant and a Notice of Exercise, in which event the Company shall issue to Holder a number of Common Shares computed using the following formula:

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

Where $X =$ the number of Shares to be issued to Holder.

$Y =$ the number of Warrant Shares that the Holder elects to purchase under this Warrant (at the date of such calculation).

$A =$ the Market Price (at the date of such calculation).

$B =$ Exercise Price (as adjusted to the date of such calculation).

If the Company fails to cause its transfer agent to transmit to the Holder the respective Common Shares by the respective Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise in Holder's sole discretion, and such failure shall be deemed an event of default under the Note to the extent the Note remains outstanding and any portion thereof unpaid, and this Warrant. In addition, and without in any way limiting the Holder's right to pursue other remedies, including but not limited to, actual damages and/or equitable relief, or the foregoing remedies, the parties agree that if the Company causes the Exercised Warrant Shares to not be delivered by the second (2nd) Trading Day following the Warrant Share Delivery Date, Company shall pay to the Holder

$1,000 per day in cash, for each day beyond the Warrant Share Delivery Date that Company fails to deliver such Exercised Warrant Shares. Such cash amount shall be paid to Holder by the fifth day of the month following the month in which it has accrued or, at the option of the Holder (by written notice to Company by the first day of the month following the month in which it has accrued), as follows: (i) in the event that the Note remains outstanding and any portion thereof unpaid, such amount shall be added to the principal amount of the Note, in which event interest shall accrue thereon in accordance with the terms of the Note and such additional principal amount shall be convertible into Common Shares in accordance with the terms of the Note; (ii) in the event that the Note is no longer outstanding and no portion thereof remains unpaid, such amount shall be payable in Common Shares based on the number of shares that would have been due under (i) above, had the Note been outstanding, and pursuant to a conversion of such amount added to the principal amount of the Note. Company agrees that the right to exercise is a valuable right to the Holder, and as such, Company will not take any actions to hamper, delay or prevent any Holder exercise of this Warrant. The damages resulting from a failure, attempt to frustrate, interference with such exercise right are difficult if not impossible to qualify. Accordingly, the parties acknowledge that the liquidated damages provision contained in this section are justified.

(b) *No Fractional Shares*. No fractional shares shall be issued upon the exercise of this Warrant as a consequence of any adjustment pursuant hereto. All Warrant Shares (including fractions) issuable upon exercise of this Warrant may be aggregated for purposes of determining whether the exercise would result in the issuance of any fractional share. If, after aggregation, the exercise would result in the issuance of a fractional share, the Company shall, in lieu of issuance of any fractional share, pay the Holder otherwise entitled to such fraction a sum in cash equal to the product resulting from multiplying the then-current fair market value of a Warrant Share by such fraction.

(c) *Holder's Exercise Limitations*. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, to the extent that after giving effect to issuance of Warrant Shares upon exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other persons acting as a group together with the Holder or any of the Holder's Affiliates), would beneficially own in excess of the Beneficial Ownership Limitation, as defined below. For purposes of the foregoing sentence, the number of Common Shares beneficially owned by the Holder and its Affiliates shall include the number of Common Shares issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of Common Shares which would be issuable upon (i) exercise of the remaining, non-exercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates and (ii) exercise or conversion of the unexercised or non-converted portion of any other securities of the Company (including without limitation any other Common Share Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates. Except as set forth in the preceding sentence, for purposes of this paragraph (d), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this paragraph applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any affiliates) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination.

For purposes of this paragraph, in determining the number of outstanding Common Shares, a Holder may rely on the number of outstanding Common Shares as reflected in (A) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or its transfer agent setting forth the number of Common Shares

outstanding. Upon the request of a Holder, the Company shall within two Trading Days confirm to the Holder the number of Common Shares then outstanding. In any case, the number of outstanding Common Shares shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its affiliates since the date as of which such number of outstanding Common Shares was reported. The "**Beneficial Ownership Limitation**" shall be 4.99% of the number of Common Shares outstanding immediately after giving effect to the issuance of Common Shares issuable upon exercise of this Warrant. Upon no fewer than 61 days' prior notice to the Company, a Holder may increase or decrease the Beneficial Ownership Limitation provisions of this paragraph and the provisions of this paragraph shall continue to apply. Any such increase or decrease will not be effective until the 61st day after such notice is delivered to the Company and shall only apply to such Holder and no other Holder. The limitations contained in this paragraph shall apply to a successor Holder of this Warrant.

2. ADJUSTMENTS. The Exercise Price and the number of Warrant Shares shall be adjusted from time to time as follows:

(a) *Distribution of Assets*. If the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of Common Shares, by way of return of capital or otherwise (including without limitation any distribution of cash, shares or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement or other similar transaction) (a "**Distribution**"), at any time after the issuance of this Warrant, then, in each such case:

(i) any Exercise Price in effect immediately prior to the close of business on the record date fixed for the determination of holders of Common Shares entitled to receive the Distribution shall be reduced, effective as of the close of business on such record date, to a price determined by multiplying such Exercise Price by a fraction (i) the numerator of which shall be the Closing Sale Price of the Common Shares on the Trading Day immediately preceding such record date minus the value of the Distribution (as determined in good faith by the Company's Board of Directors) applicable to one Common Share, and (ii) the denominator of which shall be the Closing Sale Price of the Common Shares on the Trading Day immediately preceding such record date; and

(ii) the number of Warrant Shares shall be increased to a number of shares equal to the number of Common Shares obtainable immediately prior to the close of business on the record date fixed for the determination of holders of Common Shares entitled to receive the Distribution multiplied by the reciprocal of the fraction set forth in the immediately preceding clause (i); provided, however, that in the event that the Distribution is of Common Shares of a company (other than the Company) whose common stock is traded on a national securities exchange or a national automated quotation system ("Other Shares of Common Stock"), then the Holder may elect to receive a warrant to purchase Other Shares of Common Stock in lieu of an increase in the number of Warrant Shares, the terms of which shall be identical to those of this Warrant, except that such warrant shall be exercisable into the number of Other Shares of Common Stock that would have been payable to the Holder pursuant to the Distribution had the Holder exercised this Warrant immediately prior to such record date and with an aggregate exercise price equal to the product of the amount by which the exercise price of this Warrant was decreased with respect to the Distribution pursuant to the terms of the immediately preceding clause (i) and the number of Warrant Shares calculated in accordance with the first part of this clause (ii).

(b) Proportional Adjustments of Outstanding Common Shares and Common Share Dividends. If the Company shall at any time or from time to time after the date hereof, issue additional Common Shares to all of its current shareholders on a pro rata basis or pay a share dividend in Common Shares, then the Exercise Price shall be proportionately adjusted. Any adjustments under this Section 2(b) shall be effective at the close of business on the date the share split becomes effective or the date of payment of the share dividend, as applicable. For the

avoidance of doubt, this adjustment shall not apply when shares of outstanding Common Share are merged proportionally across all shareholders to form a smaller number of outstanding shares.

(c) Anti-dilution Adjustment. If at any time while this Warrant is outstanding, the Company sells or grants (or has sold or granted, as the case may be) any option to purchase or sells or grants any right to reprice, or otherwise disposes of or issues (or has sold or issued, as the case may be, or announces any sale, grant or any option to purchase or other disposition), any Common Share or other securities convertible into, exercisable for or otherwise entitled any person or entity the right to acquire Common Shares at an effective price per share that is lower than the Exercise Price then in effect hereunder (such lower price, the "**Base Exercise Price**" and such issuances, collectively, a "**Dilutive Issuance**") (it being agreed that if the holder of the Common Share or other securities so issued shall at any time, whether by operation of purchase price adjustments, reset provisions, floating conversion, exercise or exchange prices or otherwise, or due to warrants, options or rights per share which are issued in connection with such issuance, be entitled to receive Common Shares at an effective price per share that is lower than the Exercise Price, such issuance shall be deemed to have occurred for less than the Exercise Price on such date of the Dilutive Issuance), then the Exercise Price shall be reduced to a price equal to the Base Exercise Price. For purposes of this Section 2(c), an "**Exempt Issuance**" shall have the meaning ascribed to such term in the Note. In the event of an issuance of securities involving multiple tranches or closings, any adjustment pursuant to this Section 2(c) shall be calculated as if all such securities were issued at the initial closing.

3. FUNDAMENTAL TRANSACTIONS. If, at any time while this Warrant is outstanding, (i) the Company effects any merger of the Company with or into another entity and the Company is not the surviving entity (such surviving entity, the "**Successor Entity**"), (ii) the Company effects any sale of all or substantially all of its assets in one or a series of related transactions, (iii) any tender offer or exchange offer (whether by the Company or by another individual or entity, and approved by the Company) is completed pursuant to which holders of Common Shares are permitted to tender or exchange their Common Shares for other securities, cash or property and the holders of at least 50% of the Common Shares accept such offer, or (iv) the Company effects any reclassification of the Common Shares or any compulsory share exchange pursuant to which the Common Shares are effectively converted into or exchanged for other securities, cash or property (other than as a result of a subdivision or combination of Common Shares) (in any such case, a "**Fundamental Transaction**"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive the number of Common Shares of the Successor Entity or of the Company and any additional consideration (the "**Alternate Consideration**") receivable upon or as a result of such reorganization, reclassification, merger, consolidation or disposition of assets by a holder of the number of Common Shares for which this Warrant is exercisable immediately prior to such event (disregarding any limitation on exercise contained herein solely for the purpose of such determination). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one Common Share in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Shares are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. To the extent necessary to effectuate the foregoing provisions, any Successor Entity in such Fundamental Transaction shall issue to the Holder a new warrant consistent with the foregoing provisions and evidencing the Holder's right to exercise such warrant into Alternate Consideration.

4. NON-CIRCUMVENTION. The Company covenants and agrees that it will not, by amendment of its certificate of formation, certificate of incorporation, operating agreement, or bylaws, or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, and will at all times in good faith carry out all the provisions of this Warrant and take all action as may be required to protect the rights of the Holder. Without limiting the generality of the foregoing, the Company

(i) shall not increase the par value of any Common Shares receivable upon the exercise of this Warrant above the Exercise Price then in effect, (ii) shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable Common Shares upon the exercise of this Warrant, and (iii) shall, for so long as this Warrant is outstanding, have authorized and reserved, free from preemptive rights, a sufficient number of Common Shares to provide for the exercise of the rights represented by this Warrant (without regard to any limitations on exercise).

5. WARRANT HOLDER NOT DEEMED A SHAREHOLDER. Except as otherwise specifically provided herein, this Warrant, in and of itself, shall not entitle the Holder to any voting rights or other rights as a shareholder of the Company. In addition, nothing contained in this Warrant shall be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a shareholder of the Company, whether such liabilities are asserted by the Company or by creditors of the Company.

6. REISSUANCE.

(a) *Lost, Stolen or Mutilated Warrant*. If this Warrant is lost, stolen, mutilated or destroyed, the Company will, on such terms as to indemnity or otherwise as it may reasonably impose (which shall, in the case of a mutilated Warrant, include the surrender thereof), issue a new Warrant of like denomination and tenor as this Warrant so lost, stolen, mutilated or destroyed.

(b) *Issuance of New Warrants*. Whenever the Company is required to issue a new Warrant pursuant to the terms of this Warrant, such new Warrant shall be of like tenor with this Warrant, and shall have an issuance date, as indicated on the face of such new Warrant which is the same as the Issuance Date.

7. TRANSFER.

(a) *Notice of Transfer*. The Holder agrees that it will give written notice to the Company of its intent to transfer this Warrant or any Warrant Shares, describing briefly the manner of any proposed transfer and such transfer requires the prior written consent of the Company, which will not be unreasonably withheld or delayed. Promptly upon receiving such written notice, the Company shall present copies thereof to the Company's counsel. Subject to the aforesaid, if the proposed transfer may be effected without registration or qualification (under any federal or state securities laws), the Company, as promptly as practicable, shall notify the Holder thereof, whereupon the Holder shall be entitled to transfer this Warrant or to dispose of Warrant Shares received upon the previous exercise of this Warrant, all in accordance with the terms of the notice delivered by the Holder to the Company; provided, however, that an appropriate legend may be endorsed on this Warrant or the certificates for such Warrant Shares respecting restrictions upon transfer thereof necessary or advisable in the opinion of counsel and satisfactory to the Company to prevent further transfers which would be in violation of Section 5 of the Securities Act and applicable state securities laws; and provided further that the prospective transferee or purchaser shall execute the Assignment of Warrant attached hereto as Exhibit B and such other documents and make such representations, warranties, and agreements as may be required solely to comply with the exemptions relied upon by the Company for the transfer or disposition of the Warrant or Warrant Shares.

(b) If the proposed transfer or disposition of this Warrant or such Warrant Shares described in the written notice given pursuant to this Section 7 may not be effected without registration or qualification of this Warrant or such Warrant Shares, the Holder will limit its activities in respect to such transfer or disposition as are permitted by law.

(c) Any transferee of all or a portion of this Warrant shall succeed to the rights and benefits of the initial Holder of this Warrant under Section 5.6 of the Purchase Agreement.

8. NOTICES. Whenever notice is required to be given under this Warrant, unless otherwise provided herein, such notice shall be given in accordance with the notice provisions contained in the Purchase Agreement. The Company shall provide the Holder with prompt written notice (i) immediately upon any adjustment of the Exercise Price, setting forth in reasonable detail, the calculation of such adjustment and (ii) at least 20 days prior to the date on which the Company closes its books or takes a record (A) with respect to any dividend or distribution upon the Common Shares, (B) with respect to any grants, issuances or sales of any shares or other securities directly or indirectly convertible into or exercisable or exchangeable for Common Shares or other property, pro rata to the holders of Common Shares or (C) for determining rights to vote with respect to any Fundamental Transaction, dissolution or liquidation, provided in each case that such information shall be made known to the public prior to or in conjunction with such notice being provided to the Holder.

9. AMENDMENT AND WAIVER. The terms of this Warrant may be amended or waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and the Holder.

10. GOVERNING LAW. This Warrant shall be governed by and construed in accordance with the laws of the State of Delaware without regard to principles of conflicts of laws. Any action brought by either party against the other concerning the transactions contemplated by this Warrant shall be brought only in the state courts or federal courts sitting in Delaware. The parties to this Warrant hereby irrevocably waive any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon *forum non conveniens*. **THE COMPANY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS WARRANT OR ANY TRANSACTION CONTEMPLATED HEREBY**. The prevailing party shall be entitled to recover from the other party its reasonable attorney's fees and costs. In the event that any provision of this Warrant or any other agreement delivered in connection herewith is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision of any agreement. Each party hereby irrevocably waives personal service of process and consents to process being served in any suit, action or proceeding in connection with this Agreement or any other Transaction Document by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law.

11. ACCEPTANCE. Receipt of this Warrant by the Holder shall constitute acceptance of and agreement to all of the terms and conditions contained herein.

12. CERTAIN DEFINITIONS. For purposes of this Warrant, the following terms shall have the following meanings:

(a) "Nasdaq" means The Nasdaq Stock Market (www.Nasdaq.com).

(b) "Closing Sale Price" means, for any security as of any date, (i) the last closing trade price for such security on the Principal Market, as reported by Nasdaq, or, if the Principal Market begins to operate on an extended hours basis and does not designate the closing trade price, then the last trade price of such security prior to 4:00 p.m., New York time, as reported by Nasdaq, or (ii) if the foregoing does not apply, the last trade price of such security in the over-the-counter market for such security as reported by Nasdaq, or (iii) if no last trade price is reported for such security by Nasdaq, the average of the bid and ask prices of any market makers for such security as reported by the OTC Markets or any other similar domestic or foreign exchange. If the Closing Sale Price cannot

be calculated for a security on a particular date on any of the foregoing bases, the Closing Sale Price of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. All such determinations to be appropriately adjusted for any share dividend, share split, share combination or other similar transaction during the applicable calculation period.

(c) "Common Share" means the Ordinary Shares of the Company and any other class of securities into which such securities may hereafter be reclassified or changed.

(d) "Common Share Equivalents" means any securities of the Company that would entitle the holder thereof to acquire at any time Common Shares, including without limitation any debt, preferred shares, rights, options, warrants or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Shares.

(e) "Principal Market" means the primary national securities exchange or over the counter market on which the Common Shares are then traded.

(f) "Market Price" means the highest traded price of the Common Shares during the thirty (30) Trading Days prior to the date of the respective Exercise Notice.

(g) "Trading Day" means (i) any day on which the Common Shares are listed or quoted and traded on its Principal Market, (ii) if the Common Shares are not then listed or quoted and traded on any national securities exchange, then a day on which trading occurs on any over-the-counter markets, or (iii) if trading does not occur on the over-the-counter markets, any Business Day.

[*signature page follows*]

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed as of the Issuance Date set forth above.

Neuraxis, Inc.

By: /s/ Brian Carrico
Name: Brian Carrico
Title: President and Chief Executive Officer

[*signature page to Warrant*]

EXHIBIT A

EXERCISE NOTICE

(To be executed by the registered holder to exercise this Common Share Purchase Warrant)

THE UNDERSIGNED holder hereby exercises the right to purchase _____ of the Common Shares ("Warrant Shares") of **Neuraxis, Inc.**, a corporation organized under the laws of the State of Indiana (the "Company"), evidenced by the attached copy of the Common Share Purchase Warrant (the "Warrant"). Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Warrant.

1. Form of Exercise Price. The Holder intends that payment of the Exercise Price shall be made as (check one):

   ☐ a cash exercise with respect to _____ Warrant Shares; or
   ☐ by cashless exercise pursuant to the Warrant.

2. Payment of Exercise Price. If cash exercise is selected above, the holder shall pay the applicable Aggregate Exercise Price in the sum of $_____ to the Company in accordance with the terms of the Warrant.

3. Delivery of Warrant Shares. The Company shall deliver to the holder _____ Warrant Shares in accordance with the terms of the Warrant.

Date: _____

_____
(Print Name of Registered Holder)

By: _____
Name: _____
Title: _____

EXHIBIT B

ASSIGNMENT OF WARRANT

(To be signed only upon authorized transfer of the Warrant)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto _____ the right to purchase _____ Common Shares of **Neuraxis, Inc.**, to which the within Common Share Purchase Warrant relates and appoints _____, as attorney-in-fact, to transfer said right on the books of Neuraxis, Inc. with full power of substitution and re-substitution in the premises. By accepting such transfer, the transferee has agreed to be bound in all respects by the terms and conditions of the within Warrant.

Dated: _____

_____
(Signature) *

_____
(Name)

_____
(Address)

_____
(Social Security or Tax Identification No.)

* The signature on this Assignment of Warrant must correspond to the name as written upon the face of the Common Share Purchase Warrant in every particular without alteration or enlargement or any change whatsoever. When signing on behalf of a corporation, partnership, trust or other entity, please indicate your position(s) and title(s) with such entity.

NEITHER THIS SECURITY NOR THE SECURITIES AS TO WHICH THIS SECURITY MAY BE EXERCISED HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THIS SECURITY AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

COMMON SHARE PURCHASE WARRANT

Neuraxis, Inc.

Warrant Shares: 11,771[1]
Date of Issuance: October 4, 2022 ("**Issuance Date**")

This COMMON SHARE PURCHASE WARRANT (the "**Warrant**") certifies that, for value received (in connection with the issuance by Neuraxis, Inc., a corporation organized under the laws of the State of Indiana (the "**Company**"), to Bigger Capital Fund, LP, a limited partnership organized under the laws of the State of Delaware (including any permitted and registered assigns, each referred to hereinafter as "**Holder**"), of the senior secured convertible promissory note of even date herewith (the "**Note**"), Holder is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the date of issuance hereof, to purchase from the Company, the number of the Company's common shares noted above (the "**Warrant Shares**") (whereby such number may be adjusted from time to time pursuant to the terms and conditions of this Warrant), at the Exercise Price (defined below) per share then in effect. This Warrant is issued by the Company as of the date hereof in connection with that certain securities purchase agreement, dated August 15, 2022, entered into by and between the Company and the Holder (the "**Purchase Agreement**").

Capitalized terms used in this Warrant shall have the meanings set forth in the Purchase Agreement unless otherwise defined in the body of this Warrant or in Section 12 below. For purposes of this Warrant, the term "**Exercise Price**" shall mean the lower of (i) $5.90 and (ii) a 12.5% discount to the price per share of any subsequent offering by the Company, subject to adjustment as provided herein (including but not limited to cashless exercise), and the term "**Exercise Period**" shall mean the period commencing on the Issuance Date and ending on 6:00 p.m. eastern standard time on the 5 year anniversary thereof.

1. EXERCISE OF WARRANT.

(a) *Mechanics of Exercise*. Subject to the terms and conditions hereof, the rights represented by this Warrant may be exercised in whole or in part at any time or times during the Exercise Period by delivery of

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[1] The number of Warrant Shares is determined based on the number of the Company's common shares that would be issued upon full conversion of the Note. Initially, this will be calculated based on the first prong of the Conversion Price definition in Section 2.2(a) of the Note ($4.72 per share). If the conversion price is adjusted downwards pursuant to the Note, so that the number of shares issuable upon the full conversion of the Note increases, the number of Warrant Shares will be adjusted accordingly.

a written notice, in the form attached hereto as Exhibit A (the "**Exercise Notice**"), of the Holder's election to exercise this Warrant. The Holder shall not be required to deliver the original Warrant in order to effect an exercise hereunder. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. On or before the third Trading Day (the "**Warrant Share Delivery Date**") following the date on which the Company shall have received the Exercise Notice, and upon receipt by the Company of payment to the Company of an amount equal to the applicable Exercise Price multiplied by the number of Warrant Shares as to which all or a portion of this Warrant is being exercised (the "**Aggregate Exercise Price**" and together with the Exercise Notice, the "**Exercise Delivery Documents**") in cash or by wire transfer of immediately available funds (or by cashless exercise, in which case there shall be no Aggregate Exercise Price provided), the Company shall (or direct its transfer agent to) issue the number of Common Shares to which the Holder is entitled pursuant to such exercise (such number referred to hereinafter as the "**Exercised Amount**" and such shares to be issued referred to hereinafter as the "**Exercised Warrant Shares**"), registered in the Company's share register in the name of the Holder or its designee. At the option of the Holder, such shares shall be issued either (i) in DRS book entry form, (ii) directly into a brokerage account by DWAC transfer (if eligible), or (iii) on one or more certificates dispatched by overnight courier to the address as specified in the Exercise Notice. Upon delivery of the Exercise Delivery Documents, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the certificates evidencing such Warrant Shares. If this Warrant is submitted in connection with any exercise and the number of Warrant Shares represented by this Warrant submitted for exercise is greater than the Exercised Amount, then the Company shall as soon as practicable and in no event later than three Business Days after any exercise and at its own expense, issue a new Warrant (in accordance with Section 6) representing the right to purchase the number of Warrant Shares purchasable immediately prior to such exercise under this Warrant, less the Exercised Amount.

If at any time after the 6 month anniversary of the Issuance Date, the Market Price of one Common Share is greater than the Exercise Price and the Warrant Shares are not registered under an effective non-stale registration statement of the Company, the Holder may elect to receive Warrant Shares pursuant to a cashless exercise, in lieu of a cash exercise, equal to the value of this Warrant determined in the manner described below (or of any portion thereof remaining unexercised) by surrender of this Warrant and a Notice of Exercise, in which event the Company shall issue to Holder a number of Common Shares computed using the following formula:

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

Where $X =$ the number of Shares to be issued to Holder.

$Y =$ the number of Warrant Shares that the Holder elects to purchase under this Warrant (at the date of such calculation).

$A =$ the Market Price (at the date of such calculation).

$B =$ Exercise Price (as adjusted to the date of such calculation).

If the Company fails to cause its transfer agent to transmit to the Holder the respective Common Shares by the respective Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise in Holder's sole discretion, and such failure shall be deemed an event of default under the Note to the extent the Note remains outstanding and any portion thereof unpaid, and this Warrant. In addition, and without in any way limiting the Holder's right to pursue other remedies, including but not limited to, actual damages and/or equitable relief, or the foregoing remedies, the parties agree that if the Company causes the Exercised Warrant Shares to not be delivered by the second (2nd) Trading Day following the Warrant Share Delivery Date, Company shall pay to the Holder

$1,000 per day in cash, for each day beyond the Warrant Share Delivery Date that Company fails to deliver such Exercised Warrant Shares. Such cash amount shall be paid to Holder by the fifth day of the month following the month in which it has accrued or, at the option of the Holder (by written notice to Company by the first day of the month following the month in which it has accrued), as follows: (i) in the event that the Note remains outstanding and any portion thereof unpaid, such amount shall be added to the principal amount of the Note, in which event interest shall accrue thereon in accordance with the terms of the Note and such additional principal amount shall be convertible into Common Shares in accordance with the terms of the Note; (ii) in the event that the Note is no longer outstanding and no portion thereof remains unpaid, such amount shall be payable in Common Shares based on the number of shares that would have been due under (i) above, had the Note been outstanding, and pursuant to a conversion of such amount added to the principal amount of the Note. Company agrees that the right to exercise is a valuable right to the Holder, and as such, Company will not take any actions to hamper, delay or prevent any Holder exercise of this Warrant. The damages resulting from a failure, attempt to frustrate, interference with such exercise right are difficult if not impossible to qualify. Accordingly, the parties acknowledge that the liquidated damages provision contained in this section are justified.

(b) *No Fractional Shares*. No fractional shares shall be issued upon the exercise of this Warrant as a consequence of any adjustment pursuant hereto. All Warrant Shares (including fractions) issuable upon exercise of this Warrant may be aggregated for purposes of determining whether the exercise would result in the issuance of any fractional share. If, after aggregation, the exercise would result in the issuance of a fractional share, the Company shall, in lieu of issuance of any fractional share, pay the Holder otherwise entitled to such fraction a sum in cash equal to the product resulting from multiplying the then-current fair market value of a Warrant Share by such fraction.

(c) *Holder's Exercise Limitations*. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, to the extent that after giving effect to issuance of Warrant Shares upon exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other persons acting as a group together with the Holder or any of the Holder's Affiliates), would beneficially own in excess of the Beneficial Ownership Limitation, as defined below. For purposes of the foregoing sentence, the number of Common Shares beneficially owned by the Holder and its Affiliates shall include the number of Common Shares issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of Common Shares which would be issuable upon (i) exercise of the remaining, non-exercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates and (ii) exercise or conversion of the unexercised or non-converted portion of any other securities of the Company (including without limitation any other Common Share Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates. Except as set forth in the preceding sentence, for purposes of this paragraph (d), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this paragraph applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any affiliates) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination.

For purposes of this paragraph, in determining the number of outstanding Common Shares, a Holder may rely on the number of outstanding Common Shares as reflected in (A) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or its transfer agent setting forth the number of Common Shares

outstanding. Upon the request of a Holder, the Company shall within two Trading Days confirm to the Holder the number of Common Shares then outstanding. In any case, the number of outstanding Common Shares shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its affiliates since the date as of which such number of outstanding Common Shares was reported. The "**Beneficial Ownership Limitation**" shall be 4.99% of the number of Common Shares outstanding immediately after giving effect to the issuance of Common Shares issuable upon exercise of this Warrant. Upon no fewer than 61 days' prior notice to the Company, a Holder may increase or decrease the Beneficial Ownership Limitation provisions of this paragraph and the provisions of this paragraph shall continue to apply. Any such increase or decrease will not be effective until the 61st day after such notice is delivered to the Company and shall only apply to such Holder and no other Holder. The limitations contained in this paragraph shall apply to a successor Holder of this Warrant.

2. ADJUSTMENTS. The Exercise Price and the number of Warrant Shares shall be adjusted from time to time as follows:

(a) *Distribution of Assets*. If the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of Common Shares, by way of return of capital or otherwise (including without limitation any distribution of cash, shares or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement or other similar transaction) (a "**Distribution**"), at any time after the issuance of this Warrant, then, in each such case:

(i) any Exercise Price in effect immediately prior to the close of business on the record date fixed for the determination of holders of Common Shares entitled to receive the Distribution shall be reduced, effective as of the close of business on such record date, to a price determined by multiplying such Exercise Price by a fraction (i) the numerator of which shall be the Closing Sale Price of the Common Shares on the Trading Day immediately preceding such record date minus the value of the Distribution (as determined in good faith by the Company's Board of Directors) applicable to one Common Share, and (ii) the denominator of which shall be the Closing Sale Price of the Common Shares on the Trading Day immediately preceding such record date; and

(ii) the number of Warrant Shares shall be increased to a number of shares equal to the number of Common Shares obtainable immediately prior to the close of business on the record date fixed for the determination of holders of Common Shares entitled to receive the Distribution multiplied by the reciprocal of the fraction set forth in the immediately preceding clause (i); provided, however, that in the event that the Distribution is of Common Shares of a company (other than the Company) whose common stock is traded on a national securities exchange or a national automated quotation system ("Other Shares of Common Stock"), then the Holder may elect to receive a warrant to purchase Other Shares of Common Stock in lieu of an increase in the number of Warrant Shares, the terms of which shall be identical to those of this Warrant, except that such warrant shall be exercisable into the number of Other Shares of Common Stock that would have been payable to the Holder pursuant to the Distribution had the Holder exercised this Warrant immediately prior to such record date and with an aggregate exercise price equal to the product of the amount by which the exercise price of this Warrant was decreased with respect to the Distribution pursuant to the terms of the immediately preceding clause (i) and the number of Warrant Shares calculated in accordance with the first part of this clause (ii).

(b) Proportional Adjustments of Outstanding Common Shares and Common Share Dividends. If the Company shall at any time or from time to time after the date hereof, issue additional Common Shares to all of its current shareholders on a pro rata basis or pay a share dividend in Common Shares, then the Exercise Price shall be proportionately adjusted. Any adjustments under this Section 2(b) shall be effective at the close of business on the date the share split becomes effective or the date of payment of the share dividend, as applicable. For the

avoidance of doubt, this adjustment shall not apply when shares of outstanding Common Share are merged proportionally across all shareholders to form a smaller number of outstanding shares.

(c) Anti-dilution Adjustment. If at any time while this Warrant is outstanding, the Company sells or grants (or has sold or granted, as the case may be) any option to purchase or sells or grants any right to reprice, or otherwise disposes of or issues (or has sold or issued, as the case may be, or announces any sale, grant or any option to purchase or other disposition), any Common Share or other securities convertible into, exercisable for or otherwise entitled any person or entity the right to acquire Common Shares at an effective price per share that is lower than the Exercise Price then in effect hereunder (such lower price, the "**Base Exercise Price**" and such issuances, collectively, a "**Dilutive Issuance**") (it being agreed that if the holder of the Common Share or other securities so issued shall at any time, whether by operation of purchase price adjustments, reset provisions, floating conversion, exercise or exchange prices or otherwise, or due to warrants, options or rights per share which are issued in connection with such issuance, be entitled to receive Common Shares at an effective price per share that is lower than the Exercise Price, such issuance shall be deemed to have occurred for less than the Exercise Price on such date of the Dilutive Issuance), then the Exercise Price shall be reduced to a price equal to the Base Exercise Price. For purposes of this Section 2(c), an "**Exempt Issuance**" shall have the meaning ascribed to such term in the Note. In the event of an issuance of securities involving multiple tranches or closings, any adjustment pursuant to this Section 2(c) shall be calculated as if all such securities were issued at the initial closing.

3. FUNDAMENTAL TRANSACTIONS. If, at any time while this Warrant is outstanding, (i) the Company effects any merger of the Company with or into another entity and the Company is not the surviving entity (such surviving entity, the "**Successor Entity**"), (ii) the Company effects any sale of all or substantially all of its assets in one or a series of related transactions, (iii) any tender offer or exchange offer (whether by the Company or by another individual or entity, and approved by the Company) is completed pursuant to which holders of Common Shares are permitted to tender or exchange their Common Shares for other securities, cash or property and the holders of at least 50% of the Common Shares accept such offer, or (iv) the Company effects any reclassification of the Common Shares or any compulsory share exchange pursuant to which the Common Shares are effectively converted into or exchanged for other securities, cash or property (other than as a result of a subdivision or combination of Common Shares) (in any such case, a "**Fundamental Transaction**"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive the number of Common Shares of the Successor Entity or of the Company and any additional consideration (the "**Alternate Consideration**") receivable upon or as a result of such reorganization, reclassification, merger, consolidation or disposition of assets by a holder of the number of Common Shares for which this Warrant is exercisable immediately prior to such event (disregarding any limitation on exercise contained herein solely for the purpose of such determination). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one Common Share in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Shares are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. To the extent necessary to effectuate the foregoing provisions, any Successor Entity in such Fundamental Transaction shall issue to the Holder a new warrant consistent with the foregoing provisions and evidencing the Holder's right to exercise such warrant into Alternate Consideration.

4. NON-CIRCUMVENTION. The Company covenants and agrees that it will not, by amendment of its certificate of formation, certificate of incorporation, operating agreement, or bylaws, or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, and will at all times in good faith carry out all the provisions of this Warrant and take all action as may be required to protect the rights of the Holder. Without limiting the generality of the foregoing, the Company

(i) shall not increase the par value of any Common Shares receivable upon the exercise of this Warrant above the Exercise Price then in effect, (ii) shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable Common Shares upon the exercise of this Warrant, and (iii) shall, for so long as this Warrant is outstanding, have authorized and reserved, free from preemptive rights, a sufficient number of Common Shares to provide for the exercise of the rights represented by this Warrant (without regard to any limitations on exercise).

5. WARRANT HOLDER NOT DEEMED A SHAREHOLDER. Except as otherwise specifically provided herein, this Warrant, in and of itself, shall not entitle the Holder to any voting rights or other rights as a shareholder of the Company. In addition, nothing contained in this Warrant shall be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a shareholder of the Company, whether such liabilities are asserted by the Company or by creditors of the Company.

6. REISSUANCE.

(a) *Lost, Stolen or Mutilated Warrant*. If this Warrant is lost, stolen, mutilated or destroyed, the Company will, on such terms as to indemnity or otherwise as it may reasonably impose (which shall, in the case of a mutilated Warrant, include the surrender thereof), issue a new Warrant of like denomination and tenor as this Warrant so lost, stolen, mutilated or destroyed.

(b) *Issuance of New Warrants*. Whenever the Company is required to issue a new Warrant pursuant to the terms of this Warrant, such new Warrant shall be of like tenor with this Warrant, and shall have an issuance date, as indicated on the face of such new Warrant which is the same as the Issuance Date.

7. TRANSFER.

(a) *Notice of Transfer*. The Holder agrees that it will give written notice to the Company of its intent to transfer this Warrant or any Warrant Shares, describing briefly the manner of any proposed transfer and such transfer requires the prior written consent of the Company, which will not be unreasonably withheld or delayed. Promptly upon receiving such written notice, the Company shall present copies thereof to the Company's counsel. Subject to the aforesaid, if the proposed transfer may be effected without registration or qualification (under any federal or state securities laws), the Company, as promptly as practicable, shall notify the Holder thereof, whereupon the Holder shall be entitled to transfer this Warrant or to dispose of Warrant Shares received upon the previous exercise of this Warrant, all in accordance with the terms of the notice delivered by the Holder to the Company; provided, however, that an appropriate legend may be endorsed on this Warrant or the certificates for such Warrant Shares respecting restrictions upon transfer thereof necessary or advisable in the opinion of counsel and satisfactory to the Company to prevent further transfers which would be in violation of Section 5 of the Securities Act and applicable state securities laws; and provided further that the prospective transferee or purchaser shall execute the Assignment of Warrant attached hereto as Exhibit B and such other documents and make such representations, warranties, and agreements as may be required solely to comply with the exemptions relied upon by the Company for the transfer or disposition of the Warrant or Warrant Shares.

(b) If the proposed transfer or disposition of this Warrant or such Warrant Shares described in the written notice given pursuant to this Section 7 may not be effected without registration or qualification of this Warrant or such Warrant Shares, the Holder will limit its activities in respect to such transfer or disposition as are permitted by law.

(c) Any transferee of all or a portion of this Warrant shall succeed to the rights and benefits of the initial Holder of this Warrant under Section 5.6 of the Purchase Agreement.

8. NOTICES. Whenever notice is required to be given under this Warrant, unless otherwise provided herein, such notice shall be given in accordance with the notice provisions contained in the Purchase Agreement. The Company shall provide the Holder with prompt written notice (i) immediately upon any adjustment of the Exercise Price, setting forth in reasonable detail, the calculation of such adjustment and (ii) at least 20 days prior to the date on which the Company closes its books or takes a record (A) with respect to any dividend or distribution upon the Common Shares, (B) with respect to any grants, issuances or sales of any shares or other securities directly or indirectly convertible into or exercisable or exchangeable for Common Shares or other property, pro rata to the holders of Common Shares or (C) for determining rights to vote with respect to any Fundamental Transaction, dissolution or liquidation, provided in each case that such information shall be made known to the public prior to or in conjunction with such notice being provided to the Holder.

9. AMENDMENT AND WAIVER. The terms of this Warrant may be amended or waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and the Holder.

10. GOVERNING LAW. This Warrant shall be governed by and construed in accordance with the laws of the State of Delaware without regard to principles of conflicts of laws. Any action brought by either party against the other concerning the transactions contemplated by this Warrant shall be brought only in the state courts or federal courts sitting in Delaware. The parties to this Warrant hereby irrevocably waive any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon *forum non conveniens*. **THE COMPANY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS WARRANT OR ANY TRANSACTION CONTEMPLATED HEREBY**. The prevailing party shall be entitled to recover from the other party its reasonable attorney's fees and costs. In the event that any provision of this Warrant or any other agreement delivered in connection herewith is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision of any agreement. Each party hereby irrevocably waives personal service of process and consents to process being served in any suit, action or proceeding in connection with this Agreement or any other Transaction Document by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law.

11. ACCEPTANCE. Receipt of this Warrant by the Holder shall constitute acceptance of and agreement to all of the terms and conditions contained herein.

12. CERTAIN DEFINITIONS. For purposes of this Warrant, the following terms shall have the following meanings:

(a) "Nasdaq" means The Nasdaq Stock Market (www.Nasdaq.com).

(b) "Closing Sale Price" means, for any security as of any date, (i) the last closing trade price for such security on the Principal Market, as reported by Nasdaq, or, if the Principal Market begins to operate on an extended hours basis and does not designate the closing trade price, then the last trade price of such security prior to 4:00 p.m., New York time, as reported by Nasdaq, or (ii) if the foregoing does not apply, the last trade price of such security in the over-the-counter market for such security as reported by Nasdaq, or (iii) if no last trade price is reported for such security by Nasdaq, the average of the bid and ask prices of any market makers for such security as reported by the OTC Markets or any other similar domestic or foreign exchange. If the Closing Sale Price cannot

be calculated for a security on a particular date on any of the foregoing bases, the Closing Sale Price of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. All such determinations to be appropriately adjusted for any share dividend, share split, share combination or other similar transaction during the applicable calculation period.

(c) "Common Share" means the Ordinary Shares of the Company and any other class of securities into which such securities may hereafter be reclassified or changed.

(d) "Common Share Equivalents" means any securities of the Company that would entitle the holder thereof to acquire at any time Common Shares, including without limitation any debt, preferred shares, rights, options, warrants or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Shares.

(e) "Principal Market" means the primary national securities exchange or over the counter market on which the Common Shares are then traded.

(f) "Market Price" means the highest traded price of the Common Shares during the thirty (30) Trading Days prior to the date of the respective Exercise Notice.

(g) "Trading Day" means (i) any day on which the Common Shares are listed or quoted and traded on its Principal Market, (ii) if the Common Shares are not then listed or quoted and traded on any national securities exchange, then a day on which trading occurs on any over-the-counter markets, or (iii) if trading does not occur on the over-the-counter markets, any Business Day.

[*signature page follows*]

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed as of the Issuance Date set forth above.

Neuraxis, Inc.

By: /s/ Brian Carrico
Name: Brian Carrico
Title: President and Chief Executive Officer

[*signature page to Warrant*]

EXHIBIT A

EXERCISE NOTICE

(To be executed by the registered holder to exercise this Common Share Purchase Warrant)

THE UNDERSIGNED holder hereby exercises the right to purchase _____ of the Common Shares ("Warrant Shares") of **Neuraxis, Inc.**, a corporation organized under the laws of the State of Indiana (the "Company"), evidenced by the attached copy of the Common Share Purchase Warrant (the "Warrant"). Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Warrant.

1. Form of Exercise Price. The Holder intends that payment of the Exercise Price shall be made as (check one):

   ☐ a cash exercise with respect to _____ Warrant Shares; or
   ☐ by cashless exercise pursuant to the Warrant.

2. Payment of Exercise Price. If cash exercise is selected above, the holder shall pay the applicable Aggregate Exercise Price in the sum of $_____ to the Company in accordance with the terms of the Warrant.

3. Delivery of Warrant Shares. The Company shall deliver to the holder _____ Warrant Shares in accordance with the terms of the Warrant.

Date: _____

_____
(Print Name of Registered Holder)

By: _____
Name: _____
Title: _____

EXHIBIT B

ASSIGNMENT OF WARRANT

(To be signed only upon authorized transfer of the Warrant)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto _____ the right to purchase _____ Common Shares of **Neuraxis, Inc.**, to which the within Common Share Purchase Warrant relates and appoints _____, as attorney-in-fact, to transfer said right on the books of Neuraxis, Inc. with full power of substitution and re-substitution in the premises. By accepting such transfer, the transferee has agreed to be bound in all respects by the terms and conditions of the within Warrant.

Dated: _____

_____
(Signature) *

_____
(Name)

_____
(Address)

_____
(Social Security or Tax Identification No.)

* The signature on this Assignment of Warrant must correspond to the name as written upon the face of the Common Share Purchase Warrant in every particular without alteration or enlargement or any change whatsoever. When signing on behalf of a corporation, partnership, trust or other entity, please indicate your position(s) and title(s) with such entity.

Exhibit 4.16

Execution Version

April 9, 2020

Masimo Corporation
52 Discovery
Irvine, CA 92618
Attention: Micah Young
Its: Executive Vice President, Chief Financial Officer

Re: Investment in Innovative Health Solutions, Inc.

Ladies and Gentlemen,

This letter agreement (this "**Agreement**") is entered into by and between Innovative Health Solutions, Inc., an Indiana corporation (the "**Company**") and Masimo Corporation ("**Masimo**") in connection with Masimo's purchase of shares of Series A Preferred Stock of the Company for an aggregate purchase price of approximately $7,750,000 (the "**Shares**"), pursuant to that certain Series A Preferred Stock Purchase Agreement (as may be amended or restated from time to time, the "**Purchase Agreement**") and that certain Pre-funded Warrant to Purchase Series A Preferred Stock (as may be amended or restated from time to time, the "**Warrant**").

As a material inducement to Masimo to invest in the Company, the Company hereby agrees that, in addition to any and all other rights provided to Masimo pursuant to the Purchase Agreement, the Warrant and that certain Amended and Restated Shareholders' Agreement of the Company, dated as of October 12, 2017, by and among the Company and the shareholders of the Company named therein, as amended by that certain First Amendment to Shareholders' Agreement, effective as of January 30, 2019 (as may be amended or restated from time to time, the "**Shareholders' Agreement**"), Masimo will be entitled to the following contractual rights:

1. Observation Rights.

1.1 Masimo shall be entitled to specify one individual to serve as a non-voting observer ("**Observer**") at all meetings of the Company's Board of Directors (the "**Board**") and the Board of Directors (or similar body) of any subsidiary of the Company (each, a "**Subsidiary Board**" and, together with the Board, the "**Boards**"), and all committees of the Board or any Subsidiary Board, including, without limitation, any ad hoc committee of the Board or any Subsidiary Board (collectively, "**Committees**"). The Observer may fully participate in all discussions of matters brought to the Boards or any Committee. Masimo shall have the sole authority to replace its Observer at any time. The Company shall provide Masimo with copies of all notices, minutes, consents and other materials that the Company provides to its directors in the same manner that the directors receive such materials, except that, the Company reserves the right to exclude the Observer from access to any material or meeting or portion thereof if the Company determines, upon the advice of counsel, that such exclusion is reasonably necessary to preserve the attorney-client privilege or to protect highly confidential and proprietary information. Notwithstanding the foregoing, the Board and the officers of the Company shall not be required to allow Masimo to participate with respect to communications involving day-to-day business activities and immaterial operational decisions, in each case that are not presented to the Board for approval.

1.2 Except as disclosure shall be required by law or disclosures to the Observer's Affiliates, officers, directors, agents, employees, attorneys and financial advisers, each of whom are bound by confidentiality obligations, the Observer agrees to hold in confidence and trust and not use or disclose any Confidential Information (as defined below) provided to or learned by the Observer in connection with the Observer's rights under this Agreement during the time the Observer has observation rights. For purposes of this Agreement: (a) "**Confidential Information**" shall include all confidential and proprietary information of the Company. Confidential Information shall not include information that (i) prior to or after the time of disclosure becomes part of the public knowledge, (ii) is received from a third party that is not bound by confidentiality restrictions, (iii) is independently developed by Masimo or any of Masimo's Affiliates without the use of Confidential Information, (iv) is pre-approved for release by the Company, or (v) is required to be disclosed pursuant to any applicable law, regulation, order or other similar requirement of any governmental, regulatory or supervisory authority; (b) an "**Affiliate**" of any particular Person means any other Person controlling, controlled by or under common control with such particular Person, where "control" means the possession, directly or indirectly, of the power to direct the management and policies of a Person whether through the ownership of voting securities, contract or otherwise; and (c) a "**Person**" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or any other entity.

2. Information and Inspection Rights.

2.1 Delivery of Financial Statements and Capitalization Table. The Company shall deliver to Masimo:

(a) as soon as practicable, but in any event within sixty (60) days after the end of each fiscal year of the Company, beginning with the fiscal year ended December 31, 2020, (i) an unaudited balance sheet as of the end of such year, (ii) unaudited statements of income and of cash flows for such year, and (iii) an unaudited statement of shareholders' equity as of the end of such year, all such financial statements prepared in accordance with U.S. Generally Accepted Accounting Principles ("**GAAP**"); *provided that* in the event the Company's annual financial statements are reviewed or audited by an outside accountant, the Company shall also deliver Masimo copies of such financial statements promptly following completion of the review or audit;

(b) as soon as practicable, but in any event within thirty (30) days after the end of each fiscal year of the Company, beginning with the fiscal year ended December 31, 2020, a preliminary unaudited balance sheet and preliminary unaudited statements of income and cash flows for such fiscal year, and a preliminary statement of shareholders' equity as of the end of such year, all such financial statements prepared in accordance with GAAP (except that such financial statements may (i) be subject to normal year-end audit adjustments; and (ii) not contain all notes thereto that may be required in accordance with GAAP);

(c) as soon as practicable, but in any event within thirty (30) days after the end of each of the first three (3) quarters of each fiscal year of the Company, beginning with the fiscal quarter ending March 31, 2020, an unaudited balance sheet and unaudited statements of income and cash flows for such fiscal quarter, and a statement of shareholders' equity as of the end of such fiscal quarter, all prepared in accordance with GAAP (except that such financial statements may (i) be subject to normal year-end audit adjustments; and (ii) not contain all notes thereto that may be required in accordance with GAAP);

(d) as soon as practicable, but in any event thirty (30) days before the end of each fiscal year, a budget and business plan for the next fiscal year, prepared on a monthly basis, including balance sheets, income statements, and statements of cash flow for such months and, promptly after prepared, any other budgets or revised budgets prepared by the Company;

(e) within seven (7) days after the end of each month, an updated capitalization table of the Company or written confirmation by the Company that the capitalization table of the Company most recently delivered to Masimo has not changed; and

(f) such other information relating to the financial condition, business, prospects or corporate affairs of the Company as Masimo may from time to time reasonably request, including but not limited to information relating to current or threatened litigation, regulatory actions, investigations or proceedings, defaults under credit facilities and other material events and occurrences; *provided, however, that* the Company shall not be obligated to provide information pursuant to this Section 2.1(e), (i) that the Company reasonably determines in good faith to be a trade secret (unless covered by an enforceable confidentiality agreement, in a form reasonably acceptable to the Company), or (ii) the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

If, for any period, the Company has any subsidiary whose accounts are consolidated with those of the Company, then in respect of such period the financial statements delivered pursuant to the foregoing sections shall be the consolidated financial statements of the Company and all such consolidated subsidiaries.

2.2 Inspection. The Company shall permit Masimo to visit and inspect the Company's properties; examine its books of account and records; and discuss the Company's affairs, finances, and accounts with its officers, during normal business hours of the Company as may be reasonably requested by Masimo; *provided, however, that* the Company shall not be obligated pursuant to this Section 2.2 to provide access to any information (a) that it reasonably and in good faith considers to be a trade secret (unless covered by an enforceable confidentiality agreement, in form acceptable to the Company) or (b) that the Company determines, upon the advice of counsel, cannot be provided in order to preserve the attorney-client privilege or to protect highly confidential and proprietary information. Such inspection pursuant to this Section 2.2 shall be at Masimo's sole expense unless such inspection reveals any material breach of this Agreement, the Purchase Agreement, the Warrant or the Shareholders' Agreement, or any fraud or intentional misrepresentation on the part of the Company, in which case the Company shall be solely responsible for such expenses.

3. Most Favored Nation. As of and after the date of this Agreement, the Company shall not enter into any agreement or arrangement with any investor providing for rights, benefits, powers, preferences, priorities or privileges more favorable to such investor than the rights, benefits, powers, preferences, priorities or privileges provided to Masimo under this Agreement, the Purchase Agreement, the Warrant, the Shareholders' Agreement or the Company's governing instruments, unless Masimo is offered the opportunity in writing to receive such more favorable rights, benefits, powers, preferences, priorities or privileges; provided, however, that Masimo must elect to receive any such more favorable rights, benefits, powers, preferences, priorities or privileges by providing written notice thereof to the Company within twenty (20) days after being offered such opportunity from the Company in writing.

4. Pro Rata Rights. If the Company proposes to offer or sell any equity securities, as well as rights, options, or warrants to purchase such equity securities, or securities of any type that are, or may become, convertible or exchangeable into or exercisable for such equity securities, or tokens (collectively, "**New Securities**"), the Company shall first offer such New Securities to Masimo.

4.1 Offer Notice. The Company shall provide Masimo written notice of each offering of New Securities, which notice shall contain the terms, conditions and pricing of such New Securities (which shall be the same terms, conditions and pricing offered to the other investors in the offering) (the "**Offer Notice**"). Within twenty (20) days after the Offer Notice is received by Masimo, Masimo may elect to purchase, at the price and on the terms specified in the Offer Notice, up to that portion of such New Securities that equals the proportion that the shares of common stock of the Company (the "**Common Stock**") then held by Masimo (including all shares of Common Stock then issuable upon conversion of preferred stock then held by Masimo) bears to the total number of shares of Common Stock then outstanding (assuming full conversion of all of the outstanding shares of preferred stock of the Company then outstanding). Notwithstanding the foregoing, the pro rata rights shall be inapplicable with respect to each of the following:

(a) Common Stock or options issued to employees, officers or directors of the Company pursuant to share purchase or equity incentive plans, agreements or other incentive arrangements, in each case approved by the Board;

(b) securities issued by reason of a dividend, stock split or other similar transaction;

(c) shares of Common Stock issued to the public in connection with a firm commitment underwritten initial public offering of Common Stock pursuant to a registration statement declared effective by the U.S. Securities and Exchange Commission sale (the "**IPO**");

(d) securities issued pursuant to warrants, notes or other rights to acquire securities of the Company that are outstanding as of the date of this Agreement;

(e) shares of Common Stock actually issued upon the conversion or exchange of shares of preferred stock of the Company, provided such issuance is pursuant to the terms of such shares of preferred stock; and

(f) up to 317,933 shares of Series A Preferred Stock (subject to recapitalizations, stock splits, stock dividends or similar transactions) at a price per share of $18.87 or greater (subject to recapitalizations, stock splits, stock dividends or similar transactions) ("**Preapproved Securities**") prior to September 1, 2020 and so long as the Company complies with Section 3 of this Agreement with respect to such Preapproved Securities.

4.2 The Company shall not sell any New Securities on terms or conditions that are better to the prospective purchaser of such New Securities than set forth in the Offer Notice.

5. Amendments. None of the Articles of Incorporation of the Company, the Company's Bylaws or the Shareholders' Agreement shall be amended, modified or restated in any manner that materially and disproportionately adversely affects Masimo (in terms of its rights or obligations), in relation to the Company's other stockholders, without the prior written consent of Masimo.

6. Notification. In the event the Board or a Committee determines to pursue a Change of Control (as defined below), or the Company determines to engage an investment or financial advisor in connection with a potential Change of Control, the Company shall (in each case) give Masimo prompt written notice of such determination; provided that notice must be given no later than two (2) business days following such determination. A "**Change of Control**" means: (i) any Person becoming the beneficial owner, directly or indirectly, of securities of the Company representing 50% or more of the total voting power represented by the Company's then-outstanding voting securities, (ii) merger or consolidation of the Company that is effected for purposes other than (a) the reorganization of the Company in a different jurisdiction, or (b) the formation of a holding company that will be owned exclusively by the Company's shareholders and will hold all of the outstanding shares of capital stock of the Company's successor; or (iii) a sale, lease or license of all or substantially all of the Company's assets.

7. Reimbursement of Expenses. Upon the closing of the purchase of the Shares, the Company shall pay the reasonable fees and expenses of Paul Hastings LLP, the counsel for Masimo, for matters related to Masimo's purchase of the Shares, in an amount not to exceed
$100,000.

8. Right to Conduct Activities. The Company hereby acknowledges and agrees that Masimo and its Affiliates engage in a wide variety of businesses and activities (including investments in other companies), some of which may be competitive with the business of the Company and its Affiliates as conducted from time to time, and the Company acknowledges and agrees that, to the extent permitted under applicable law, neither Masimo nor any of its Affiliates shall be liable to the Company or any of its Affiliates or their investors for any claim arising out of or based upon (i) Masimo or any of its Affiliates engaging in any business or activity (including any investment in another company) which may be competitive with the Company or any of its Affiliates, or (ii) any actions taken by any officer, director, employee or other representative of Masimo or any of its Affiliates to assist any such competitive business, activity or company; *provided, however*, that the foregoing shall not relieve Masimo or any of its Affiliates from liability associated with their unauthorized disclosure of the Company's Confidential Information obtained pursuant to this Agreement. In addition, the Company hereby acknowledges and agrees that Masimo shall not have any duty to disclose any information to the Company or any of its Affiliates or permit the Company or any of its Affiliates to participate in any businesses, activities, investments or other opportunities of Masimo or its Affiliates, and hereby waive, to the fullest extent permitted by law, any claim that could limit the ability of Masimo or its Affiliates to pursue such opportunities or that would require Masimo to disclose any such information to the Company or any of its Affiliates or offer any opportunity relating thereto to the Company or any of its Affiliates.

9. PIIA Agreements. By May 9, 2020 (the "**Deadline**"), the Company will obtain executed Proprietary Information and Inventions Assignment Agreements (in a customary form approved by Masimo and which contain a present assignment of intellectual property provision) from the Company's employees and contractors involved in the development of the Company's products or intellectual property, including, without limitation, Dr. Adrian Miranda. The Company will confirm its compliance with this covenant in writing to Masimo by no later than the Deadline.

10. Governing Law. This Agreement shall be governed by the laws of the State of Delaware, without regard to conflict of law principles. In relation to any legal action or proceedings (i) arising out of or in connection with this Agreement or its implementation or effect or (ii) relating to any non-contractual obligations arising out of or in connection with this Agreement, each of the parties irrevocably submits to the exclusive jurisdiction of the County of Wilmington, State of Delaware, and waives any objection to proceedings in such courts on the grounds of venue or on the grounds that proceedings have been brought in an inappropriate forum.

11. Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

12. Amendments and Waiver. Any term of this Agreement may be amended, modified or terminated and the observance of any term of this Agreement may be waived (either generally or in a particular instance, and either retroactively or prospectively) only with the written consent of the Company and Masimo. No waivers of or exceptions to any term, condition, or provision of this Agreement, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such term, condition or provision.

13. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (i) the validity, legality and enforceability of the remaining provisions of this Agreement (including without limitation, each portion of any Section of hereof containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (ii) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (iii) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

14. Specific Enforcement. Each of the parties hereto hereby agrees and acknowledges that (i) it would be irreparably harmed in the event of a breach by any other party of such other party's obligations hereunder, (ii) monetary damages may not be an adequate remedy for such breach and (iii) it shall be entitled to specific performance or injunctive relief, without the need to post a bond or other security, in addition to any other remedy that it may have at law or in equity, in the event of such breach.

15. Entire Agreement. This Agreement, together with the Purchase Agreement, the Warrant and the Shareholders' Agreement, constitutes the full and entire understanding and agreement among the parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the parties is expressly canceled. In the event of any inconsistency between this Agreement, on the one hand, and the Purchase Agreement, the Warrant or the Shareholders' Agreement, on the other hand, the provisions of this Agreement shall control in all respects.

16. Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any party under this Agreement, upon any breach or default of any other party under this Agreement, shall impair any such right, power, or remedy of such non-breaching or non- defaulting party, nor shall it be construed to be a waiver of or acquiescence to any such breach or default, or to any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. All remedies, whether under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

17. The rights described in this Agreement shall terminate and be of no further force or effect upon (i) such time as no shares of the Company are held by Masimo or its Affiliates, (ii) the consummation of the IPO, or (iii) the consummation of a merger or consolidation of the Company (a) that is effected for independent business reasons unrelated to extinguishing such rights, (b) that is effected for purposes other than (A) the reorganization of the Company in a different jurisdiction, or (B) the formation of a holding company that will be owned exclusively by the Company's shareholders and will hold all of the outstanding shares of capital stock of the Company's successor, and (c) in which all shares of capital stock of the Company held by Masimo are exchanged for cash paid to Masimo upon closing of such transaction (subject to a customary escrow agreed to by the Company with respect to all shares of capital stock of the Company on a pro rata basis). The confidentiality obligations referenced in this Agreement will survive any such termination.

[*Signature Pages Follow*]

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

INNOVATIVE HEALTH SOLUTIONS, INC.

By: */s/ Brian Carrico*
Name: Brian Carrico
Title: Chief Executive Officer

[Signature Page to Side Letter]

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

MASIMO CORPORATION

By: */s/ Micah Young*
Name: Micah Young
Title: Executive Vice President, Chief Financial Officer

WAIVER UNDER SIDE LETTER

October 6th, 2020

The undersigned **("Masimo")** is party to (i) a certain letter agreement dated as of April 9, 2020 by and between Masimo and Innovative Health Solutions, Inc., an Indiana corporation (the **"Company")** (the **"Side Letter"),** and (ii) a certain Series A Preferred Stock Purchase Agreement dated April 9, 2020 by and between Masimo and the Company (the **"Series A Purchase Agreement").** All capitalized terms not defined herein shall have the meanings set forth in the Side Letter.

Under Section 4.1 of the Side Letter, if the Company proposes to offer or sell any New Securities (with certain exceptions), it must first deliver an Offer Notice to Masimo, whereby Masimo has the right, for a period of time, to purchase a portion of the New Securities in the manner set forth therein.

The Company seeks to increase the offering amount under the Series A Purchase Agreement by an additional 317,933 shares of Series A Preferred Stock (subject to recapitalizations, stock splits, stock dividends or similar transactions) at a price per share of $18.87 or greater (subject to recapitalizations, stock splits, stock dividends or similar transactions) (the **"Additional Shares").**

Masimo agrees to waive the requirements of, and all rights Masimo may otherwise be entitled to pursuant to, Section 4.1 of the Side Letter in connection with the sale and issuance of the Additional Shares, including without limitation that the Company serve Masimo with an Offer Notice and grant Masimo rights to acquire Masimo's pro rata share of the Additional Shares; provided that this waiver shall only apply (i) with respect to the sale of up to the 317,933 Additional Shares, (ii) to the extent all of the Additional Shares are sold at a per share price paid to the Company of at least $18.87 (subject to recapitalizations, stock splits, stock dividends or similar transactions), and (iii) with respect to sales of Additional Shares completed on or before December 6, 2020.

This Waiver under Side Letter (this **"Waiver")** may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Waiver may also be executed and delivered by electronic signature and in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

[signature page follows]

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

MASIMO:
MASIMO CORPORATION

By: */s/ Micah Young*
Name: Micah Young
Title: EVP and CFO

ACKNOWLEDGED:

INNOVATIVE HEALTH SOLUTIONS, INC.,
an Indiana corporation

By: */s/ Brian Carrico*
Name: Brian Carrico
Title: Chief Executive Officer

[Signature Page to Waiver under Side Letter]

WAIVER UNDER SIDE LETTER

March 18, 2021

The undersigned ("**Masimo**") is party to (i) a certain letter agreement dated as of April 9, 2020 by and between Masimo and Innovative Health Solutions, Inc., an Indiana corporation (the "**Company**") (the "**Side Letter**"), and (ii) a certain Series A Preferred Stock Purchase Agreement dated April 9, 2020 by and between Masimo and the Company (the "**Series A Purchase Agreement**"). All capitalized terms not defined herein shall have the meanings set forth in the Side Letter.

Under Section 4.1 of the Side Letter, if the Company proposes to offer or sell any New Securities (with certain exceptions), it must first deliver an Offer Notice to Masimo, whereby Masimo has the right, for a period of time, to purchase a portion of the New Securities in the manner set forth therein.

The Company seeks to increase the offering amount under the Series A Purchase Agreement by an additional 317,933 shares of Series A Preferred Stock (subject to recapitalizations, stock splits, stock dividends or similar transactions) at a price per share of $18.87 or greater (subject to recapitalizations, stock splits, stock dividends or similar transactions) (the "**Additional Shares**").

Masimo agrees to waive the requirements of, and all rights Masimo may otherwise be entitled to pursuant to, Section 4.1 of the Side Letter in connection with the sale and issuance of the Additional Shares, including without limitation that the Company serve Masimo with an Offer Notice and grant Masimo rights to acquire Masimo's pro rata share of the Additional Shares; provided that this waiver shall only apply (i) with respect to the sale of up to the 317,933 Additional Shares, (ii) to the extent all of the Additional Shares are sold at a per share price paid to the Company of at least $18.87 (subject to recapitalizations, stock splits, stock dividends or similar transactions), and (iii) with respect to sales of Additional Shares completed on or before July 1, 2021.

This Waiver under Side Letter (this "**Waiver**") may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Waiver may also be executed and delivered by electronic signature and in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

[signature page follows]

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

MASIMO:
MASIMO CORPORATION

By: */s/ Micah Young*
Name: Micah Young
Title: EVP, Chief Financial Officer

ACKNOWLEDGED:

INNOVATIVE HEALTH SOLUTIONS, INC.,
an Indiana corporation

By: */s/ Brian Carrico*
Name: Brian Carrico
Title: Chief Executive Officer

[Signature Page to Waiver under Side Letter]

Exhibit 4.17

SIDE LETTER

December 22, 2022

This letter agreement ("**Side Letter**") is entered into by and between NeurAxis, Inc., formerly Innovative Health Solutions, Inc. (the "**Company**"), and Masimo Corporation ("**Masimo**") as of the date written above. Reference is made to that certain letter agreement by and between the Company and Masimo dated April 9, 2020 (the "**Investment Letter Agreement**"). Capitalized terms not defined herein shall have, unless otherwise indicated, the meanings ascribed to such terms in the Investment Letter Agreement.

The Company plans to file a registration statement on Form S-1 (the "**Registration Statement**") with the U.S. Securities and Exchange Commission (the "**SEC**") relating to the offering of the Company's shares of common stock in connection with a firm commitment underwritten initial public offering (the "**IPO**").

Pursuant to the Investment Letter Agreement, Masimo is entitled to certain observation rights, information and inspection rights, most favored nation status, pro rata rights related to New Securities, and board participation rights (collectively, "**Rights**"). To induce investors to invest in the IPO and to facilitate the listing of the Company's common stock on the Nasdaq Capital Market in connection with the proposed IPO, Masimo hereby agrees to relinquish its Rights immediately upon the SEC declaring the Registration Statement effective, and at such time the Registration Statement is declared effective, the Investment Letter Agreement will terminate and have no further force or effect.

Masimo further consents to and acknowledges that, in accordance with SEC rules and regulations, (i) Masimo will be named as a beneficial owner of 5% or more of the Company's common stock in the Registration Statement, (ii) the material terms of (A) that certain License and Collaboration Agreement, dated April 9, 2000 (the "**License Agreement**"), between the Company and Masimo, (B) the Investment Letter Agreement, and (C) this Side Letter will be described in the Registration Statement (the License Agreement, the Investment Letter Agreement and this Side Letter are collectively referred to as the "**Masimo Documents**"), and (iii) the Masimo Documents will be filed as exhibits to the Registration Statement.

This Side Letter may be executed in one or more counterparts and, if executed in more than one counterpart, the executed counterparts shall each be deemed to be an original and all such counterparts shall together constitute one and the same instrument.

[Signature Page Follows]

The parties hereto have executed this Side Letter as of the date first set forth above.

Sincerely,

NeurAxis, Inc.

By: */s/ Brian Carrico*
Name: Brian Carrico
Title: Chief Executive Officer

Masimo Corporation

By: */s/ Micah Young*
Name: Micah Young
Title: CFO

Exhibit 4.18

SIDE LETTER

July 7, 2022

This letter agreement ("**Side Letter**") is entered into by and between NeurAxis, Inc., formerly Innovative Health Solutions, Inc. (the "**Company**"), and Brian P. Hannasch ("**Hannasch**") as of the date written above. Reference is made to that certain Investor Rights Agreement by and between the Company and Hannasch, dated September 6, 2019 (the "**Investor Rights Agreement**"). Capitalized terms not defined herein shall have, unless otherwise indicated, the meanings ascribed to such terms in the Investor Rights Agreement.

The Company plans to file a registration statement on Form S-1 (the "**Registration Statement**") with the U.S. Securities and Exchange Commission (the "**SEC**") relating to the offering of the Company's shares of its common stock in connection with a firm commitment underwritten initial public offering (the "**IPO**").

Pursuant to the Investor Rights Agreement, Hannasch is entitled to certain information and observer rights, inspection rights, right of first offer, and blocking rights (collectively, "**Rights**"). To induce investors to invest in the IPO and to facilitate the listing of the Company's common stock on the Nasdaq Capital Market in connection with the proposed IPO, Hannasch hereby agrees to relinquish his Rights immediately upon the SEC declaring the Registration Statement effective, and at such time the Registration Statement is declared effective, the Investor Rights Agreement will terminate and have no further force or effect.

Hannasch further consents and acknowledges that, in accordance with SEC rules and regulations, (i) Hannasch will be named as a beneficial owner of 5% or more of the Company's common stock in the Registration Statement, (ii) the material terms of the Investors Rights Agreement and this Side Letter will be described in the Registration Statement, and (iii) the Investors Rights Agreement and this Side Letter will be filed as exhibits to the Registration Statement.

This Side Letter may be executed in one or more counterparts and, if executed in more than one counterpart, the executed counterparts shall each be deemed to be an original and all such counterparts shall together constitute one and the same instrument.

[Signature Page Follows]

Notwithstanding the foregoing, this Side Letter will terminate if the Registration Statement has not been declared effective on or before March 31, 2023.

The parties hereto have executed this Side Letter as of the date first set forth above.

Sincerely,

NeurAxis, Inc.

By: */s/ Brian Carrico*
Name: Brian Carrico
Title: Chief Executive Officer

Brian P. Hannasch

/s/ Brian P. Hannasch

Exhibit 4.19

INVESTOR RIGHTS AGREEMENT

INVESTOR RIGHTS AGREEMENT

THIS INVESTOR RIGHTS AGREEMENT (this "**Agreement**"), is made as of the 6th day of September, 2019, by and between INNOVATIVE HEALTH SOLUTIONS, INC., an Indiana corporation (the "**Company**"), and the investor listed on Schedule A ("**Investor**").

RECITALS

WHEREAS, the Company and the Investors are parties to that certain Series A Preferred Stock Purchase Agreement of even date herewith (the "**Purchase Agreement**"); and

WHEREAS, in order to induce the Company to enter into the Purchase Agreement and to induce the Investors to invest funds in the Company pursuant to the Purchase Agreement, the Investors and the Company hereby agree that this Agreement shall govern the rights of the Investors to cause the Company to register shares of Common Stock issuable to the Investors, to receive certain information from the Company, and to participate in future equity offerings by the Company, and shall govern certain other matters as set forth in this Agreement;

NOW, THEREFORE, the parties hereby agree as follows:

1. Definitions. For purposes of this Agreement:

1.1 "**Articles of Incorporation**" means the Company's Amended and Restated Articles of Incorporation, as amended and/or retstated from time to time.

1.2 "**Affiliate**" means, with respect to any specified Person, any other Person who, directly or indirectly, controls, is controlled by, or is under common control with such Person, including without limitation any general partner, managing member, officer, director or trustee of such Person, or any venture capital fund or registered investment company now or hereafter existing that is controlled by one or more general partners, managing members or investment adviser of, or shares the same management company or investment adviser with, such Person.

1.3 "**Board of Directors**" means the board of directors of the Company.

1.4 "**Common Stock**" means shares of the Company's common stock without par value.

1.5 "**Competitor**" means a Person engaged, directly or indirectly (including through any partnership, limited liability company, corporation, joint venture or similar arrangement (whether now existing or formed hereafter)), in medical device development, manufacturing, distribution or sales, but shall not include any financial investment firm or collective investment vehicle that, together with its Affiliates, holds less than twenty percent (20)% of the outstanding equity of any Competitor and does not, nor do any of its Affiliates, have a right to designate any members of the board of directors of any Competitor.

1.6 "**Derivative Securities**" means any securities or rights convertible into, or exercisable or exchangeable for (in each case, directly or indirectly)**,** Common Stock, including options and warrants.

1.7 "**Exchange Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

1.8 "**GAAP**" means generally accepted accounting principles in the United States as in effect from time to time.

1.9 "**Holder**" means any holder of Registrable Securities who is a party to this Agreement.

1.10 "**Immediate Family Member**" means a child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including, adoptive relationships, of a natural person referred to herein.

1.11 "**IPO**" means the Company's first underwritten public offering of its Common Stock under the Securities Act.

1.12 "**Major Investor**" means any Investor that, individually or together with such Investor's Affiliates, holds at least 125,000 shares of Series A Preferred Stock (or Registrable Securities issued upon conversion on in exchange for or in replacement thereof).

1.13 "**New Securities**" means, collectively, equity securities of the Company, whether or not currently authorized, as well as rights, options, or warrants to purchase such equity securities, or securities of any type whatsoever that are, or may become, convertible or exchangeable into or exercisable for such equity securities.

1.14 "**Person**" means any individual, corporation, partnership, trust, limited liability company, association or other entity.

1.15 "**Preferred Stock**" means, collectively, shares of the Company's Series A Preferred Stock and Series Seed Preferred Stock.

1.16 "**Registrable Securities**" means (i) the Common Stock issuable or issued upon conversion of th**e** Preferred Stock; (ii) any Common Stock, or any Common Stock issued or issuable (directly or indirectly) upon conversion and/or exercise of any other securities of the Company**,** acquired by the Investors after the date hereof; and (iii) any Common Stock issued as (or issuable upon the conversion or exercise of any warrant, right, or other security that is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, the shares referenced in clauses (i) and (ii) above; excluding in all cases, however, any Registrable Securities sold by a Person in a transaction in which the applicable rights under this Agreement are not assigned pursuant to Subsection 6.1.

1.17 "**Registrable Securities then outstanding**" means the number of shares determined by adding the number of shares of outstanding Common Stock that are Registrable Securities and the number of shares of Common Stock issuable (directly or indirectly) pursuant to then exercisable and/or convertible securities that are Registrable Securities.

1.18 "**SEC**" means the Securities and Exchange Commission.

1.19 "**Securities Act**" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

1.20 "**Series A Preferred Stock**" means shares of the Company's Series A Preferred Stock without par value.

1.21 "**Series Seed Preferred Stock**" means shares of the Company's Series Seed Preferred Stock without par value.

1.22 "**Shareholders' Agreement**" means that certain Amended and Restated Shareholders' Agreement dated as of October 12, 2017, as amended, among the Company and the Company's shareholders.

2. Information and Observer Rights.

2.1 Delivery of Financial Statements. The Company shall deliver to each Major Investor, provided that the Board of Directors has not reasonably determined that such Major Investor is a competitor of the Company:

(a) as soon as practicable, but in any event within ninety (90) days after the end of each fiscal year of the Company (i) a balance sheet as of the end of such year, (ii) statements of income and of cash flows for such year, and (iii) a statement of stockholders' equity as of the end of such year;

(b) as soon as practicable, but in any event within thirty (30) days after the end of each of the first three (3) quarters of each fiscal year of the Company, unaudited statements of income and cash flows for such fiscal quarter, and an unaudited balance sheet and a statement of stockholders' equity as of the end of such fiscal quarter, all prepared in accordance with GAAP (except that such financial statements may (i) be subject to normal year-end audit adjustments; and (ii) not contain all notes thereto that may be required in accordance with GAAP);

(c) as soon as practicable and upon request by the Major Investor, but in any event within thirty (30) days after the end of each of the first three (3) quarters of each fiscal year of the Company, a statement showing the number of shares of each class and series of capital stock and securities convertible into or exercisable for shares of capital stock outstanding at the end of the period, the Common Stock issuable upon conversion or exercise of any outstanding securities convertible or exercisable for Common Stock and the exchange ratio or exercise price applicable thereto, and the number of shares of issued stock options and stock options not yet issued but reserved for issuance, if any, all in sufficient detail as to permit the Major Investors to calculate their respective percentage equity ownership in the Company, and certified by the chief financial officer or chief executive officer of the Company as being true, complete, and correct;

(d) at least 30 days prior to the beginning of each fiscal year, an annual budget (the "**Budget**") of the Company for such year presented on a monthly basis in reasonable detail, and promptly upon preparation thereof, any revisions of such Budget;

(e) such other information relating to the financial condition, business, prospects, or corporate affairs of the Company as any Major Investor may from time to time reasonably request; provided, however, that the Company shall not be obligated under this Subsection 2.1 to provide information (i) that the Company reasonably determines in good faith to be a trade secret or confidential information (unless covered by an enforceable confidentiality agreement, in a form acceptable to the Company); or (ii) the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

If, for any period, the Company has any subsidiary whose accounts are consolidated with those of the Company, then in respect of such period the financial statements delivered pursuant to the foregoing sections shall be the consolidated and consolidating financial statements of the Company and all such consolidated subsidiaries.

Notwithstanding anything else in this Subsection 2.1 to the contrary, the Company may cease providing the information set forth in this Subsection 2.1 during the period starting with the date sixty (60) days before the Company's good-faith estimate of the date of filing of a registration statement if it reasonably concludes it must do so to comply with the SEC rules applicable to such registration statement and related offering; provided that the Company's covenants under this Subsection 2.1 shall be reinstated at such time as the Company is no longer actively employing its commercially reasonable efforts to cause such registration statement to become effective.

2.2 Inspection. The Company shall permit each Major Investor (provided that the Board of Directors has not reasonably determined that such Major Investor is a competitor of the Company), at such Major Investor's expense, to visit and inspect the Company's properties; examine its books of account and records; and discuss the Company's affairs, finances, and accounts with its officers, during normal business hours of the Company as may be reasonably requested by the Major Investor; provided, however, that the Company shall not be obligated pursuant to this Subsection 2.2 to provide access to any information that it reasonably and in good faith considers to be a trade secret or confidential information (unless covered by an enforceable confidentiality agreement, in form acceptable to the Company) or the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

2.3 Termination of Information Rights. The covenants set forth in Subsection 2.1 and Subsection 2.2 shall terminate and be of no further force or effect (i) immediately before the consummation of an IPO, (ii) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act, or (iii) upon the closing of a Deemed Liquidation Event, as such term is defined in the Articles of Incorporation, whichever event occurs first.

2.4 Confidentiality. Investor agrees that Investor will keep confidential and will not disclose, divulge, or use for any purpose (other than to monitor its investment in the Company) any confidential information obtained from the Company pursuant to the terms of this Agreement (including notice of the Company's intention to file a registration statement), unless such confidential information (a) is known or becomes known to the public in general (other than as a result of a breach of this Subsection 2.4 by Investor), (b) is or has been independently developed or conceived by Investor without use of the Company's confidential information, or (c) is or has been made known or disclosed to Investor by a third party without a breach of any obligation of confidentiality such third party may have to the Company; provided, however, that Investor may disclose confidential information (i) to its attorneys, accountants, consultants, and other professionals to the extent necessary to obtain their services in connection with monitoring its investment in the Company; (ii) to any prospective purchaser of any Registrable Securities from Investor, if such prospective purchaser has not been deemed to be a Competitor and agrees to be bound by the provisions of this Subsection 2.4; (iii) to any Affiliate, partner, member, stockholder, or wholly owned subsidiary of Investor in the ordinary course of business, provided that Investor informs such Person that such information is confidential and directs such Person to maintain the confidentiality of such information; or (iv) as may otherwise be required by law, regulation, rule, court order or subpoena, provided that Investor promptly notifies the Company of such disclosure and takes reasonable steps to minimize the extent of any such required disclosure.

3. Rights to Future Stock Issuances.

3.1 Right of First Offer. Subject to the terms and conditions of this Subsection 3.1 and applicable securities laws, if the Company proposes to offer or sell any New Securities, the Company shall first offer such New Securities to each Major Investor. A Major Investor shall be entitled to apportion the right of first offer hereby granted to it in such proportions as it deems appropriate, among (i) itself, (ii) its Affiliates and (iii) its beneficial interest holders, such as limited partners, members or any other Person having "beneficial ownership," as such term is defined in Rule 13d-3 promulgated under the Exchange Act, of such Major Investor ("**Investor Beneficial Owners**"); provided that each such Affiliate or Investor Beneficial Owner (x) is not a Competitor, unless such party's purchase of New Securities is otherwise consented to by the Board of Directors, (y) agrees to enter into this Agreement and the Shareholders' Agreement (provided that any Competitor shall not be entitled to any rights as a Major Investor under Subsections 2.1, 2.2 and 3.1 hereof), and (z) agrees to purchase at least such number of New Securities as are allocable hereunder to the Major Investor holding the fewest number of Series A Preferred Stock and any other Derivative Securities.

(a) The Company shall give notice (the "**Offer Notice**") to each Major Investor, stating (i) its bona fide intention to offer such New Securities, (ii) the number of such New Securities to be offered, and (iii) the price and terms, if any, upon which it proposes to offer such New Securities.

(b) By notification to the Company within twenty (20) days after the Offer Notice is given, each Major Investor may elect to purchase or otherwise acquire, at the price and on the terms specified in the Offer Notice, up to that portion of such New Securities which equals the proportion that the Common Stock then held by such Major Investor (including all shares of Common Stock then issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Series A Preferred Stock and any other Derivative Securities then held by such Major Investor) bears to the total Common Stock of the Company then held by all the Major Investors (including all shares of Common Stock issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Series A Preferred Stock and any other Derivative Securities then held by all the Major Investors). At the expiration of such twenty (20) day period, the Company shall promptly notify each Major Investor that elects to purchase or acquire all the shares available to it (each, a "**Fully Exercising Investor**") of any other Major Investor's failure to do likewise. During the ten (10) day period commencing after the Company has given such notice, each Fully Exercising Investor may, by giving notice to the Company, elect to purchase or acquire, in addition to the number of shares specified above, up to that portion of the New Securities for which Major Investors were entitled to subscribe but that were not subscribed for by the Major Investors which is equal to the proportion that the Common Stock issued and held, or issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of Series A Preferred Stock and any other Derivative Securities then held, by such Fully Exercising Investor bears to the Common Stock issued and held, or issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Series A Preferred Stock and any other Derivative Securities then held, by all Fully Exercising Investors who wish to purchase such unsubscribed shares. The closing of any sale pursuant to this Subsection 3.1(b) shall occur within the later of one hundred twenty (120) days of the date that the Offer Notice is given and the date of initial sale of New Securities pursuant to Subsection 3.1(c).

(c) If all New Securities referred to in the Offer Notice are not elected to be purchased or acquired as provided in Subsection 3.1(b), the Company may, during the one hundred twenty (120) day period following the expiration of the periods provided in Subsection 3.1(b), offer and sell the remaining unsubscribed portion of such New Securities to any Person or Persons at a price not less than, and upon terms no more favorable to the offeree than, those specified in the Offer Notice. If the Company does not enter into an agreement for the sale of the New Securities within such period, or if such agreement is not consummated within thirty (30) days of the execution thereof, the right provided hereunder shall be deemed to be revived and such New Securities shall not be offered unless first reoffered to the Major Investors in accordance with this Subsection 3.1.

(d) The right of first offer in this Subsection 3.1 shall not be applicable to (i) Exempted Securities (as defined in the Articles of Incorporation); and (ii) shares of Common Stock issued in an IPO.

(e) The right of first offer set forth in this Subsection 3.1 shall terminate with respect to any Major Investor who fails to purchase, in any transaction subject to this Subsection 3.1, all of such Major Investor's pro rata amount of the New Securities allocated (or, if less than such Major Investor's pro rata amount is offered by the Company, such lesser amount so offered) to such Major Investor pursuant to this Subsection 3.1. Following any such termination, Investor shall no longer be deemed a "Major Investor" for any purpose of this Subsection 3.1

3.2 Termination. The covenants set forth in Subsection 3.1 shall terminate and be of no further force or effect (i) immediately before the consummation of the IPO, (ii) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act, or (iii) upon the closing of a Deemed Liquidation Event, as such term is defined in the Articles of Incorporation, whichever event occurs first and, as to each Major Investor, in accordance with Subsection 3.1(e).

4. Success Payment in respect of a Sale of the Corporation in the First Year of Investment.

Upon the effective date of any Sale of the Corporation, as such term is defined in the Articles of Incorporation, that occurs on or prior to the first anniversary of the Initial Closing, the Company (or its successor) shall pay to the Investor the applicable amount set forth below, by wire transfer of immediately available funds to an account to be desigated by the Investor:

(a) Sale of Corporation for Less than $75 Million. If the aggregate consideration payable in connection with the Sale of the Corporation is less than $75 million, the amount payable shall equal two percent (2%) per annum (prorated based on a 365-day year and the number of days elapsed from the Initial Closing to the date of payment) of the aggregate Series A Original Issue Price of the shares of Series A Preferred Stock owned by the Investor and his Affiliates as of the record date for determining the shareholders entitled to receive proceeds of the Sale of the Corporation.

(b) Sale of Corporation for $75 Million or More. If the aggregate consideration payable in connection with the Sale of the Corporation is $75 million or more, the amount payable shall equal forty-two percent (42%) per annum (prorated based on a 365-day year and the number of days elapsed from the Initial Closing to the date of payment) of the aggregate Series A Original Issue Price of the shares of Series A Preferred Stock owned by the Investor and his Affiliates as of the record date for determining the shareholders entitled to receive proceeds of the Sale of the Corporation.

5. Additional Covenants.

5.1 Matters Requiring Investor Approval. So long as the Investor is a Major Investor, the Company hereby covenants and agrees that it shall not, without approval of the Investor:

(a) make, or permit any subsidiary to make, any loan or advance to, or own any stock or other securities of, any subsidiary or other corporation, partnership, or other entity unless it is wholly owned by the Company;

(b) make, or permit any subsidiary to make, any loan or advance to any Person, including, without limitation, any employee or director of the Company or any subsidiary, except advances and similar expenditures in the ordinary course of business or under the terms of an employee stock or option plan approved by the Board of Directors;

(c) guarantee, directly or indirectly, or permit any subsidiary to guarantee, directly or indirectly, any indebtedness except for trade accounts of the Company or any subsidiary arising in the ordinary course of business;

(d) make any investment inconsistent with any investment policy approved by the Board of Directors;

(e) not enter into any material transaction with any director, officer or shareholder of the Company (collectively "**IHS Insider**") outside of the ordinary and usual course of business consistent with past practice; without limiting the generality of the foregoing, the Company shall not lend money to an IHS Insider, guarantee the debt or other financial obligation of an IHS Insider or make any monetary payment to an IHS Insider, except for payments of compensation or reimbursement of business expenses (in each case only at levels consistent with past practice and subject to normal annual increases in compensation consistent with past practice);

(f) not authorize or adopt any plan or program for the issuance of any employee incentive equity rights, stock options, management incentive plans payable on the basis of equity proceeds or amend the 2019 Stock Compensation Plan; and

(g) except for those listed in Schedule B hereof, not allow previous Common Stockholders who own more than $100,000 of Common Stock ("**Existing Investors**") to participate in the purchase of Series A Preferred Stock, unless such Existing Investor purchases at least $100,000 (**Minimum Investment Requirement**") of Series A Preferred Stock (valued at the Series A Original Issue Price (as defined in the Articles of Incorporation)).

5.2 Board Matters. Unless otherwise determined by the vote of a majority of the directors then in office, the Board of Directors shall meet at least quarterly in accordance with an agreed-upon schedule. The Company may reimburse the nonemployee directors for all reasonable out-of-pocket travel expenses incurred (consistent with the Company's travel policy) in connection with attending meetings of the Board of Directors.

5.3 Board Observer Rights. So long as Investor is a Major Investor, Investor shall be entitled to appoint one (1) observer to attend and be present at each meeting of the Board of Directors; provided, that Investor shall not have such right at any time when Investor is then serving as a director on such Board of Directors. The Company shall provide such observer the same notice as is given to a member of the Board of Directors on any matter, and such observer shall be entitled to attend and observe each meeting of the Board of Directors, provided that in no event shall the observer be entitled to vote; and provided, further, that such observer shall agree to hold in confidence all information so provided; and provided, further, that the Company reserves the right to withhold any information and to exclude such observer from any meeting or portion thereof if access to such information or attendance at such meeting would, in the opinion of the Company's legal counsel, adversely affect the attorney-client privilege between the Company and its counsel. Investor may remove and replace its designated observer at any time and from time to time, with or without cause, in its sole discretion; provided, that Investor shall provide the Company with prompt written notice of such removal and replacement.

6. Miscellaneous.

6.1 Successors and Assigns. The rights under this Agreement may be assigned (but only with all related obligations) by a Holder to a transferee of Registrable Securities that (i) is an Affiliate of a Holder; (ii) is a Holder's Immediate Family Member or trust for the benefit of an individual Holder or one or more of such Holder's Immediate Family Members; or (iii) after such transfer, holds at least 2% of the Registrable Securities (subject to appropriate adjustment for stock splits, stock dividends, combinations, and other recapitalizations); provided, however, that (x) the Company is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee and the Registrable Securities with respect to which such rights are being transferred; and (y) such transferee agrees in a written instrument delivered to the Company to be bound by and subject to the terms and conditions of this Agreement. For the purposes of determining the number of shares of Registrable Securities held by a transferee, the holdings of a transferee (1) that is an Affiliate or stockholder of a Holder; (2) who is a Holder's Immediate Family Member; or (3) that is a trust for the benefit of an individual Holder or such Holder's Immediate Family Member shall be aggregated together and with those of the transferring Holder; provided further that all transferees who would not qualify individually for assignment of rights shall, as a condition to the applicable transfer, establish a single attorney-in-fact for the purpose of exercising any rights, receiving notices, or taking any action under this Agreement. The terms and conditions of this Agreement inure to the benefit of and are binding upon the respective successors and permitted assignees of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and permitted assignees any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided herein.

6.2 Governing Law. This Agreement shall be governed by the internal law of the State of Indiana, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Indiana.

6.3 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

6.4 Titles and Subtitles. The titles and subtitles used in this Agreement are for convenience only and are not to be considered in construing or interpreting this Agreement.

6.5 Notices.

(a) All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given upon the earlier of actual receipt or (i) personal delivery to the party to be notified; (ii) when sent, if sent by electronic mail or facsimile during the recipient's normal business hours, and if not sent during normal business hours, then on the recipient's next business day; (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (iv) one (1) business day after the business day of deposit with a nationally recognized overnight courier, freight prepaid, specifying next-day delivery, with written verification of receipt. All communications shall be sent to the respective parties at their addresses as set forth on Schedule A hereto, or to the principal office of the Company and to the attention of the Chief Executive Officer, in the case of the Company, or to such email address, facsimile number, or address as subsequently modified by written notice given in accordance with this Subsection 6.5. If notice is given to the Company, a copy shall also be sent to Joshua Hollingsworth, Esq., Barnes & Thornburg LLP, 11 South Meridian Street, Indianapolis, Indiana 46204 and if notice is given to Investor, a copy shall also be given to J. Jeffrey Brown, Esq., Faegre Baker Daniels LLP, 600 E. 96th Street, Indianapolis, Indiana 46240.

(b) Consent to Electronic Notice. Investor consents to the delivery of any stockholder notice pursuant to the Indiana Business Corporation Law (the "**IBCL**"), as amended or superseded from time to time, by electronic transmission pursuant to Section 23-1-20-8.5 of the IBCL (or any successor thereto) at the electronic mail address or the facsimile number set forth below Investor's name on the Schedule hereto, as updated from time to time by notice to the Company, or as on the books of the Company. Investor agrees to promptly notify the Company of any change in such stockholder's electronic mail address, and that failure to do so shall not affect the foregoing.

6.6 Amendments and Waivers. Any term of this Agreement may be amended, modified or terminated and the observance of any term of this Agreement may be waived (either generally or in a particular instance, and either retroactively or prospectively) only with the written consent of the Company and the holders of at least a majority of the Registrable Securities then outstanding; provided that any provision hereof may be waived by any waiving party on such party's own behalf, without the consent of any other party. Notwithstanding the foregoing, Subsections 2.1 and 2.2, Section 3 and any other section of this Agreement applicable to Major Investors (including this Subsection 6.6) may not be amended, modified, terminated or waived without the written consent of the holders of at least a majority of the Registrable Securities then outstanding and held by the Major Investors. Notwithstanding the foregoing, Schedule A hereto may be amended by the Company from time to time to add transferees of any Registrable Securities in compliance with the terms of this Agreement without the consent of the other parties. The Company shall give prompt notice of any amendment, modification or termination hereof or waiver hereunder to any party hereto that did not consent in writing to such amendment, modification, termination, or waiver. Any amendment, modification, termination, or waiver effected in accordance with this Subsection 6.6 shall be binding on all parties hereto, regardless of whether any such party has consented thereto. No waivers of or exceptions to any term, condition, or provision of this Agreement, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such term, condition, or provision.

6.7 Severability. In case any one or more of the provisions contained in this Agreement is for any reason held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, and such invalid, illegal, or unenforceable provision shall be reformed and construed so that it will be valid, legal, and enforceable to the maximum extent permitted by law.

6.8 Aggregation of Stock. All shares of Registrable Securities held or acquired by Affiliates shall be aggregated together for the purpose of determining the availability of any rights under this Agreement and such affiliated persons may apportion such rights as among themselves in any manner they deem appropriate.

6.9 Entire Agreement. This Agreement (including any Schedules and Exhibits hereto) constitutes the full and entire understanding and agreement among the parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the parties is expressly canceled.

6.10 Dispute Resolution. The parties (a) hereby irrevocably and unconditionally submit to the jurisdiction of the state courts of Indiana and to the jurisdiction of the United States District Court for the Southern District of Indiana for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement, (b) agree not to commence any suit, action or other proceeding arising out of or based upon this Agreement except in the state courts of Indiana or the United States District Court for the Southern District of Indiana, and (c) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court.

WAIVER OF JURY TRIAL: EACH PARTY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS, THE SECURITIES OR THE SUBJECT MATTER HEREOF OR THEREOF. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS (INCLUDING NEGLIGENCE), BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES HERETO AND THESE PROVISIONS WILL NOT BE SUBJECT TO ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER WARRANTS AND REPRESENTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

6.11 Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any party under this Agreement, upon any breach or default of any other party under this Agreement, shall impair any such right, power, or remedy of such nonbreaching or nondefaulting party, nor shall it be construed to be a waiver of or acquiescence to any such breach or default, or to any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. All remedies, whether under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

[Remainder of Page Intentionally Left Blank]

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

INNOVATIVE HEALTH SOLUTIONS, INC.,
an Indiana corporation

By: */s/ Brian Carrico*

Name: Brian Carrico

Title: CEO

INVESTOR:

By: _____

Name: _____

Title: _____

SIGNATURE PAGE TO INVESTOR RIGHTS AGREEMENT

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

INNOVATIVE HEALTH SOLUTIONS, INC.,
an Indiana corporation

By: _____

Name: _____

Title: _____

INVESTOR:

By: */s/ Brian Hannasch*

Name: Brian Hannasch

Title: _____

SIGNATURE PAGE TO INVESTOR RIGHTS AGREEMENT

SCHEDULE A

Investors

Brian Hannsach
8815 West State Road 46
Columbus, IN 47201

SCHEDULE B

Existing Investors

Investor waives the Minimum Investment Requirement for the following current Company Common Stockholders:

1. Michael & Michele Robuck
2. Joseph & Barbara Churchill
3. Daniel Clarence (as owner of Sierra Enterprises LLC and Magic Enterprises LLC)

INNOVATIVE HEALTH SOLUTIONS, INC.

AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT

THIS SHAREHOLDERS' AGREEMENT (this "Agreement") is made and entered into effective as of October 12, 2017, by and among Innovative Health Solutions, Inc., an Indiana corporation (the "Corporation"), and the shareholders of the Corporation listed on the signature pages hereto (collectively, the "Shareholders"). This Agreement amends, restates, and replaces, in its entirety, the Shareholder's Agreement of the Corporation dated as of June 13, 2016.

RECITALS

A. The Shareholders are the owners of all of the issued and outstanding shares of the Corporation (the "Shares"). A schedule of the ownership of the Shares, has been attached and made a part hereof, as **Exhibit A**.

B. The Corporation has filed an election to be taxed as an "S corporation," as that term is defined in Section 1361(a)(1) of the Internal Revenue Code of 1986, as amended (the "Code"), and the parties desire to continue the "S corporation" status of the Corporation now in effect.

C. The Corporation and the Shareholders desire to restrict the transfer of Shares of the Corporation and provide for the purchase of such Shares on the occurrence of certain events on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the promises hereinafter made, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

Article 1. CORPORATE GOVERNANCE MATTERS & RELATED AGREEMENTS.

Section 1.1. **Capitalization**. The issued and outstanding Shares of the Corporation are set forth on **Exhibit A**.

Section 1.2. **Board of Directors**.

(a) **Definition of Group 1 Shareholders and Group 2 Shareholders**. For purposes of this Agreement, the Corporation's board of directors (the "Board of Directors" or "Directors") consists of both group 1 Shareholders (the "Group 1 Shareholders") and group 2 Shareholders (the "Group 2 Shareholders"). When used in this Agreement, the term "Group 1 Shareholders" means Gary Peterson and Christopher Robin Brown. The term "Group 2 Shareholders" means any other person or entity to which any Shares are issued by the Corporation or transferred pursuant to the provisions of this Agreement and such persons and/or entities shall remain Group 2 Shareholders as long as they continue to own Shares in the Corporation.

(b) **Election of Directors**.

(i) The Board of Directors will consist of a maximum of five (5) Directors.

(ii) Subject to the terms and conditions specified in Section 1.2(b)(iv) and Section 1.2(b)(v) of this Agreement, the Shareholders shall vote at all meetings of the Shareholders in such manner as to ensure that the following individuals are elected, appointed, and maintained in office as a Director of the Corporation:

(1) Gary Peterson;

(2) Christopher Robin Brown;

(3) Tom Carrico;

(4) Brian Carrico.

(iii) The Directors may nominate a fifth (5th) Director of the Corporation, or the Directors may leave a fifth (5th) Director position vacant.

(iv) Shareholders may elect to remove and replace a Group 2 Shareholder from a Group 2 Shareholder's position on the Board of Directors if a Group 2 Shareholder terminates employment with the Corporation or if the Corporation terminates the Group 2 Shareholder from employment with the Corporation.

(v) Shareholders may elect to remove and replace a Group 1 Shareholder from a Group 1 Shareholder's position on the Board of Directors only if a Group 1 Shareholder sells or otherwise transfers or disposes of all of the Group 1 Shareholder's Shares in the Corporation or if that Group 1 Shareholder dies.

(c) **Day-to-Day Business Decisions**. Except as otherwise provided in this Agreement, the management of the business of the Corporation and all decisions regarding the management of the business of the Corporation shall require the vote of a majority of the Directors. In the event of any inconsistency between (i) the provisions of this Section 1.2(c), or any other provisions of this Agreement and (ii) Indiana law, the provisions of this Section 1.2(c) or other provisions of this Agreement shall govern. The Corporation, acting pursuant to the first sentence of this Section 1.2(c), may delegate decision-making authority regarding ordinary day-to-day matters or other specified matters to any one or more officers or agents of the Corporation and decisions within the scope of authority so delegated shall not require a vote pursuant to the first sentence of this Section 1.2(c).

(d) **Extraordinary Business Decisions**. Notwithstanding any other provision of this Agreement, at least one of the Group 1 Shareholders must vote in the affirmative to:

(i) amend the Articles of Incorporation of the Corporation;

(ii) amend the Bylaws of the Corporation;

(iii) amend this Agreement;

(iv) acquire substantially all of the assets of another business;

(v) sell or otherwise dispose of all or substantially all of the assets of the Corporation as part of a single transaction or plan, other than in the ordinary course of the Corporation's business, or merger, consolidation or combination of the Corporation with or into any other entity;

(vi) incur debt or other liability or other financial commitments in excess of $100,000.00 in each instance;

(vii) issue any options or equity in the Corporation;

(viii) institute, compromise, or settle litigation;

(ix) file or consent to file any petition in bankruptcy or other similar proceeding;

(x) undertake any matter that is outside the ordinary course of the Corporation's business;

(xi) substantially change the scope of duties of the officers of the Corporation;

(xii) terminate a Group 1 Shareholder as an employee or officer of the Corporation;

(xiii) distribute profits to the Shareholders;

(xiv) conduct any transaction between the Corporation and a Shareholder or an entity in which a Shareholder holds an ownership interest.

Article 2. SECURITIES LAWS; LEGENDS.

Section 2.1. **Federal and State Laws**. The Shareholders acknowledge that the Shares have not been registered under the Securities Act of 1933 (the "Act") or any state securities law (the "State Acts"). The Shareholders severally represent and warrant that they did not acquire their Shares from the Corporation with a view to offer, offer for sale or sell in connection with the distribution of such Shares. All applicable provisions of this Agreement are in all respects subject to the restrictions of the Act and the State Acts and the rules and regulations thereunder. All certificates representing Shares subject to this Agreement shall bear conspicuous legends in substantially the following form:

> THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE FEDERAL AND STATE SECURITIES LAWS AND ARE BEING OFFERED AND SOLD IN RELIANCE UPON EXEMPTIONS FROM THE REGISTRATION

REQUIREMENTS OF THE FEDERAL AND STATE SECURITIES LAWS. THESE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT AND MAY NOT BE OFFERED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED, EXCEPT IN A TRANSACTION WHICH IS REGISTERED UNDER, EXEMPT FROM, OR OTHERWISE IN COMPLIANCE WITH THE FEDERAL AND STATE SECURITIES LAWS, AS TO WHICH THE ISSUER HAS RECEIVED SUCH ASSURANCES AS THE ISSUER MAY REQUEST.

Section 2.2. **Transfer Legend**. Upon the execution of this Agreement, the certificates representing the Shares subject to this Agreement shall bear a conspicuous legend in substantially the following form:

ANY SALE, ASSIGNMENT, TRANSFER, PLEDGE OR OTHER DISPOSITION OF THE SHARES OF STOCK REPRESENTED BY THIS CERTIFICATE IS RESTRICTED BY, AND SUBJECT TO, THE TERMS AND PROVISIONS OF A SHAREHOLDERS' AGREEMENT BETWEEN THE CORPORATION AND ITS SHAREHOLDERS. A COPY OF SAID AGREEMENT IS ON FILE WITH THE SECRETARY OF THE CORPORATION. BY ACCEPTANCE OF THIS CERTIFICATE, THE HOLDER HEREOF AGREES TO BE BOUND BY THE TERMS OF SAID AGREEMENT.

Article 3. TRANSFER RESTRICTIONS.

Section 3.1. **"Transfer" Definition**. For purposes of this Agreement, the term "Transfer" means to directly or indirectly sell, assign, give, mortgage, pledge, hypothecate, bequeath or in any manner encumber or dispose of, or permit to be sold, assigned, encumbered, attached or otherwise disposed of in any manner, whether voluntarily, involuntarily or by operation of law.

Section 3.2. **General Rule**. No Shareholder may Transfer the whole or any part of the Shares, or the certificate or certificates representing the Shares, now owned of record or beneficially by that Shareholder or which that Shareholder may at any time own or be entitled to own in the Corporation and any successors of the Corporation, except as permitted by this Agreement and in accordance with its terms. Any attempted Transfer in violation of the terms of this Agreement shall be null, void and of no effect. The Corporation shall not permit the Transfer of any Shares to be made on the books of the Corporation, unless the Transfer is permitted by this Agreement and is made in accordance with its terms.

Section 3.3. **Permitted Transferees**. By Board of Director consent, the Board of Directors shall have the right to waive in writing any or all of the restrictions on Transfer set forth in this Agreement with respect to any particular proposed Transfer of Shares. Furthermore, any Shareholder shall be entitled to make a Transfer of Shares to any one or more members of a class consisting of the Shareholder's spouse, descendants, guardian or conservator, or to a trust for the benefit of any one or more members of such class, free of any restrictions on Transfer set

forth in this Agreement; provided, however, that no such Transfer shall be permitted unless (1) the transferee (the "Family Transferee") would be eligible to be a shareholder of an S corporation; and (2) the transferring Shareholder retains the sole legal and equitable rights to vote the Shares being transferred to the Family Transferee, either through a voting agreement, voting trust or other similar legal arrangement.

Section 3.4. **Permitted Transferees Agreement to Become a Party**. Any Transfer of a Shareholder's Shares or any part thereof, although otherwise permitted under this Agreement, shall be deemed invalid, null and void, and of no force or effect, unless and until the transferee shall have become a party to this Agreement by executing and delivering to the Corporation a written agreement agreeing to be bound by the provisions of this Agreement, using a form of agreement satisfactory to the Corporation. Furthermore, each Shareholder covenants, promises and agrees that such Shareholder shall not Transfer any Shares unless, as a condition to such Transfer, the transferee executes and delivers such a written agreement to the Corporation.

Article 4. TRANSFERS DURING LIFE – RIGHT OF FIRST REFUSAL.

Section 4.1. **Right of First Refusal**. Except as otherwise required, provided or permitted in this Agreement, a Shareholder shall not Transfer any or all of the Shares of the Corporation owned by that Shareholder to any person, firm, corporation, or other entity, unless: (i) the Shareholder desiring to make the Transfer (the "Transferor") shall have first made the offers to sell hereinafter prescribed; and (ii) that offer shall not have been accepted by the Corporation or any other Shareholder(s) within the circumstances and time periods prescribed below. Any attempted Transfer of any Shares of the Corporation not made in accordance with this Agreement shall be void; provided however, that this Agreement shall not prohibit any Shareholder from voting on any merger or consolidation of the Corporation with any other entity and tendering the Shareholder's Shares pursuant to such transaction.

Section 4.2. **Notice**. If a Shareholder desires to dispose of Shares, and receives a bona fide written offer which the Shareholder desires to accept, the Shareholder shall deliver to the Corporation a written notice ("Offering Notice") setting forth:

(a) all of the provisions, terms, and conditions of the proposed sale, including the purchase price per share for all Shares proposed to be sold, the number of Shares being disposed of (the "Offered Shares") and any financing arrangements;

(b) the name of the proposed purchaser ("Proposed Purchaser"); and

(c) the Transferor's address to which notices may be sent.

Section 4.3. **Option of Corporation to Purchase Shares**. Within thirty (30) days of the date on which the Corporation receives the Offering Notice, the Corporation may accept the offer to purchase all, but not less than all, of the Offered Shares by written notice of acceptance to the Transferor.

Section 4.4. **Corporation's Non-Exercise**. If the Corporation elects not to purchase all the Offered Shares, the Corporation shall give written notice to the Transferor and to the other

persons who are the holders of record of the Shares of the Corporation (the "Non-Transferors"), and the Non-Transferors shall have the option to purchase the Offered Shares in accordance with Section 4.5.

Section 4.5. **Option of the Non-Transferors to Purchase**. Within thirty (30) days after the earlier of the lapse of the option described in Section 4.3 or the receipt of notice from the Corporation that it elects not to purchase the Offered Shares, the Non-Transferors may, at each Non-Transferor's option, elect to purchase all, but not less than all, of the Offered Shares at the price and on the terms described in this Article 4. Within that thirty (30) day period, the Non-Transferors shall give the Corporation and the Transferor written notice of acceptance or rejection of the options under this Section 4.5 and the maximum number of Offered Shares that such Non-Transferor is willing to purchase. Each Non-Transferor electing to purchase the Offered Shares shall have the right to purchase an amount equal to the ratio of the number of such Shares of the Corporation owned by the individual Non-Transferor to the number of such Shares owned by all Non-Transferors. If any Non-Transferor elects not to purchase its proportionate share of any of the Offered Shares, the remaining Non-Transferors shall be entitled, but not bound, to purchase all, but not less than all, the remaining Offered Shares in proportion to their ownership of Shares as compared to all Non-Transferors electing to purchase the remaining Offered Shares.

Section 4.6. **Options Not Exercised**. If neither the Corporation nor any Non-Transferor elects to purchase the Offered Shares of the Transferor within the time limits set forth in Section 4.3 and Section 4.5, the Transferor may sell the Offered Shares to the Proposed Purchaser for the price and upon the terms and conditions specified in the Offering Notice, subject to the terms of this Agreement; provided however, if the Transferor fails to make the Transfer within sixty (60) calendar days following the expiration of time provided above for the election by the Corporation and the other Non-Transferors, the Offered Shares shall again become subject to the restrictions of this Article 4.

Section 4.7. **Closing**. Unless otherwise agreed, the closing of any transaction taking place pursuant to this Article 4 shall take place within sixty (60) days of acceptance of the Transferor's offer. At the closing, the Transferor shall assign and deliver the duly executed certificates representing the purchased Shares to the purchaser(s), as applicable, free and clear of all claims, liens and encumbrances. The purchaser shall make payment for the Shares in the manner provided in the Offering Notice or, at the election of the purchaser, in any applicable manner provided for in Article 9. All rights and incidences of ownership of such purchased Shares shall pass to the Corporation or the Non-Transferors on the closing date.

Article 5. TRANSFERS DURING LIFETIME – INVOLUNTARY TRANSFERS AND RESTRICTED ACTIONS.

In the event of (i) any transfer made contrary to or without the free choice of the Transferor, other than a transfer to a personal representative upon the death of a Shareholder, including, but not limited to, a transfer due to divorce or a transfer to a trustee in bankruptcy, a receiver, a judgment creditor, a lienholder, the holder of a security interest or other encumbrance, or other transfer made pursuant to a judicial order or legal process (referred to herein as an "Involuntary Transfer") or (ii) a Shareholder engaging in any act that, in the discretion of the

Board of Directors, jeopardizes the status of the Corporation as an S Corporation without the written consent of the other Shareholders ("S-Corp Action"), the Shareholder subject to the Involuntary Transfer or having committed an S-Corp Action shall be deemed to have provided a continuing offer to sell some or all (as determined by the Corporation) of his or her Shares back to the Corporation at the Agreed Value or fair market value (the applicability and calculation of which is determined in accordance with Article 8). The Agreed Value, if dated within fifteen (15) months before the date of the Involuntary Transfer or the S-Corp Action, as applicable, shall be final and binding on the parties. If there is no Agreed Value, or if the Agreed Value is dated more than fifteen (15) months before the date of the Involuntary Transfer or the S-Corp Action, as applicable, the resulting fair market value shall be determined as provided in Article 8 hereof, and shall be final and binding on the parties. The Corporation shall have a period of one hundred eighty (180) days after receipt of actual written notice of the Involuntary Transfer or upon actually learning of the S-Corp Action, as applicable, within which to give written notice of its agreement to purchase the Shares so offered. Payment for such Shares shall be made in accordance with Article 9. If the Corporation does not agree to purchase such Shares within the period of time set forth above, the Shares may be Transferred only in accordance with the provisions set forth herein.

Article 6. TRANSFERS DURING LIFETIME – TERMINATION OF EMPLOYMENT.

Section 6.1. **Offer to Corporation**. Upon the termination of an employment agreement between the Corporation and any Group 2 Shareholder (or if no employment agreement in place, upon termination of any Group 2 Shareholder's employment from the Corporation) for any reason other than death (but specifically including disability which shall be defined for purposes of this Agreement as the inability to wholly and continuously perform the required duties as an employee for a period of six (6) consecutive months as a result of sickness, accident or injury), such terminated Group 2 Shareholder and any Group 2 Shareholder who received Shares pursuant to Section 3.2 from the terminated Group 2 Shareholder (collectively referred to as the "Terminated Transferor") shall be deemed to have offered to sell to the Corporation all of his or her Shares (the "Termination Offer") at the Agreed Value or the fair market value (the applicability and calculation of which is determined in accordance with Article 8) as of the date of such termination. The Agreed Value, if dated within fifteen (15) months before the date of the Termination Offer shall be final and binding on the parties. If there is no Agreed Value, or if the Agreed Value is dated more than fifteen (15) months before the date of the Termination Offer, the fair market value determined in accordance with Article 8 hereof, shall be final and binding on the parties. The Corporation shall have ninety (90) days following the date of the Termination Offer within which to give written notice of its agreement to purchase the shares subject to the Termination Offer. Payment for such shares shall be made in accordance with Article 9.

Section 6.2. **Further Sale**. If the Corporation fails to accept all of the Shares subject to the Termination Offer, the Terminated Transferor may Transfer such Shares only in accordance with the provisions set forth herein.

Article 7. TRANSFER ON DEATH.

Upon the death of a Shareholder (the "Deceased Shareholder"), the estate of the Deceased Shareholder, or any person, executor, administrator, personal representative, trustee or

devisee who holds title to the Shares of the Deceased Shareholder by reason of the death of such deceased Shareholder or by reason of being a Permitted Transferee (the "Transferor's Representative"), shall provide the Corporation with written notice of the death of the Deceased Shareholder. The Corporation shall have three (3) months following receipt of such notice of the death of the Deceased Shareholder or six (6) months from the date of death of the Deceased Shareholder, whichever is later, within which to give written notice of its intent to purchase such Shares at the Agreed Value or the fair market value (the applicability and calculation of which is determined in accordance with Article 8). The Agreed Value, if dated within fifteen (15) months before the date of the Offer shall be final and binding on the parties. If there is no Agreed Value, or if the Agreed Value is dated more than fifteen (15) months before the date of the Offer, the fair market value as determined in accordance with Article 8 hereof, shall be final and binding on the parties. Payment for such Shares shall be made in accordance with Article 9.

Article 8. VALUE OF SHARES.

Section 8.1. **Agreed Value**. It is intended that the Board of Directors will agree annually to an agreed value for the Shares of the Corporation (the "Agreed Value"), and set forth that Agreed Value on a certificate in a form substantially similar to the form attached to this Agreement as **Exhibit B** (the "Agreed Value Certificate"). The annual certificate of Agreed Value shall be placed in the Corporation's record books. A certificate of agreed value dated less than fifteen (15) months before the date of (i) the Offering Notice pursuant to Article 4; (ii) the Involuntary Transfer or transfer pursuant to an S-Corp Action pursuant to Article 5; (iii) the Termination Offer pursuant to Article 6; or (iv) the written notice of the death of a Deceased Shareholder pursuant to Article 7, as the case may be (referred to herein as the "Valuation Date"), shall be final, binding and conclusive as to the value of such shares and no other determination of the Agreed Value or any other value shall be required or made. The Board of Directors may, at any time, execute a new certificate of Agreed Value, which shall automatically serve to replace and revoke all prior certificates of Agreed Value; provided that the Board of Directors may not retroactively determine Agreed Value after a Valuation Date.

Section 8.2. **No Agreed Value-Mutual Agreement of Parties**. If no certificate of Agreed Value is in existence or if the certificate of Agreed Value which is in existence is dated fifteen (15) or more months prior to the Valuation Date, the value of the Shares offered shall be equal to the current value of such Shares as of the last day of the month immediately prior to the Valuation Date, as determined by the mutual agreement of the selling Shareholder (or such Shareholder's personal representative or successor in interest) and the purchaser(s). If the selling Shareholder and the purchaser(s) cannot agree on the value of the Shares within thirty (30) days of the Valuation Date, then the fair market value of the Shares shall be determined by appraisal as provided in Section 8.3.

Section 8.3. **Appraisal**.

(a) **Initial Appointment of Qualified Appraisers-Agreement**. The selling Shareholder and the purchaser(s) shall each appoint, at their respective costs and within fifteen (15) days following the expiration of the time for mutual agreement as provided in Section 8.2, a qualified appraiser ("Qualified Appraiser"), who shall be a professional appraiser or certified public accountant qualified by experience and ability to appraise the

Shares of a closely held corporation. If both Qualified Appraisers agree on the fair market value of the Shares, their opinion, which shall be submitted in writing, shall be conclusive and binding on both the selling Shareholder and the purchaser(s). If only one of the parties appoints a Qualified Appraiser or if the parties agree on the same Qualified Appraiser, that appraiser's written opinion on the fair market value of the Shares shall be conclusive and binding on both the selling Shareholder and the purchaser(s).

(b) **Disagreement of Qualified Appraisers**. If the two Qualified Appraisers disagree on the fair market value of the Shares, they shall appoint a third Qualified Appraiser mutually acceptable to them, and the written opinion of the third Qualified Appraiser, whose fees and expenses shall be divided equally between the selling Shareholder and the purchaser, shall be conclusive and binding as to the fair market value of the Shares to be purchased; provided, however, that if the value of the Shares as determined by the third Qualified Appraiser is greater than the highest of the first two appraisals provided pursuant to Section 8.3(a), the highest of the first two appraisals (and not the third appraisal) shall constitute the value of the Shares, and if the value as determined by the third appraiser is less than the lowest of the first two appraisals provided pursuant to Section 8.3(a), the lower of the first two appraisals (and not the third appraisal) shall constitute the fair market value of the Shares.

(c) **Appraisal Agreed Value**. Any value of the Shares finally determined pursuant to an appraisal conducted pursuant to the terms of Section 8.3 shall be deemed to be the Agreed Value of the Shares as of the date that such determination is provided by the Qualified Appraisers as if all Shareholders have executed an Agreed Value Certificate as of such date.

Article 9. PAYMENT OF PURCHASE PRICE.

The payment of the purchase price for Shares sold subject to this Agreement shall be made as follows:

Section 9.1. **Corporation's Purchase on Death of Shareholder**. In the event a purchase of Shares is in accordance with Article 7, and insurance proceeds are received or will be received by the Corporation as the result of the death of the Deceased Shareholder, then that portion of the purchase price to be paid by the Corporation which is or will be covered by the insurance proceeds shall be paid in cash at the closing of the sale, which shall be no later than sixty (60) days after the receipt by the Transferor's Representative of the Corporation's written notice of its agreement to purchase the Shares so offered (the "Section 9.1 Closing"), or, if later, five (5) days after the receipt of the insurance proceeds by the Corporation. The Corporation may, at its sole option, pay this amount before actually receiving the insurance proceeds. The balance of the purchase price, if any, may be paid in cash in full at the Section 9.1 Closing, at the option of the Corporation, in not more than five (5) equal annual installments of principal and interest, the number of installments to be selected by the Corporation. If the installment election is chosen, the Corporation must pay a minimum of ten percent (10%) of the purchase price in cash (either from insurance proceeds, other sources or a combination thereof) at the Section 9.1 Closing. The first installment of remaining principal and interest shall be due on the first anniversary of the Section 9.1 Closing. The unpaid balance of the purchase price shall bear

interest at the applicable federal interest rate ("A.F.R.") as of the date of the Section 9.1 Closing. If the Corporation exercises the installment election and fails to complete the purchase or fails to cure a default in the payment of any installment of principal and interest within ten (10) days after notice of such default is given by the Transferor's Representative, the entire unpaid principal balance plus interest owed shall immediately become due and payable at the Transferor's Representative's option. The Corporation shall have the right to prepay any unpaid balance of the amount due to the Transferor's Representative at any time and in any amount without penalty, although interest due to the date of payment shall be paid.

Section 9.2. **Other Circumstances**. In all other circumstances, the purchase price payments shall begin within sixty (60) days of the receipt by the Transferor of the Corporation's and/or Non-Transferors' (hereinafter, "Buyer") written notice of its agreement to purchase the Shares so offered (the "Section 9.2 Closing"). The purchase price may be paid in cash in full at the Section 9.2 Closing, or, at the option of the Buyer, in not more than five (5) equal annual installments of principal and interest, the number of installments to be selected by the Buyer. If the installment election is chosen, the Buyer must make a minimum payment of ten percent (10%) of the purchase price in cash at the Section 9.2 Closing. The first installment of remaining principal and interest shall be due on the first anniversary of the Section 9.2 Closing. The unpaid balance of the purchase price shall bear interest at the A.F.R. as of the date of the Section 9.2 Closing. If the Buyer exercises the installment election and fails to complete the purchase or fails to cure a default in the payment of any installment of principal and interest within ten (10) days after notice of such default is given by the Transferor, the entire unpaid principal balance plus interest owed shall immediately become due and payable at the Transferor's option. The Buyer shall have the right to prepay any unpaid balance of the amount due from the Buyer any time and in any amount without penalty, although interest due to the date of payment shall be paid.

Article 10. SUBCHAPTER S ELECTION.

Section 10.1. **Corporation's Covenants**. The Corporation hereby covenants and agrees that it shall not undertake any act, operation or allow any omission which would cause (with or without the passage of time) the Corporation's election to be taxed as an S Corporation to terminate, including, without limitation, by ceasing to be a small business corporation under Section 1362(d)(2) of the Code, or by having passive investment income in excess of twenty-five percent (25%) of its gross receipts under Section 1362(d)(3) of the Code.

Section 10.2. **Shareholders' Covenants**. Each Shareholder hereby covenants and agrees that, (i) without the consent of all of the other Shareholders, such Shareholder shall not take any action that would be reasonably likely to, in the opinion of counsel to the Corporation, terminate the Corporation's S Corporation status or jeopardize the Corporation's retention of its S Corporation status, except as specifically provided in this Agreement, (ii) such Shareholder shall not Transfer any Shares to a person or entity who would be (or become with the passage of time) an ineligible shareholder of an S Corporation, and no such Transfer shall otherwise be made which would cause (with or without the passage of time) the termination of the Corporation's election to be taxed as a S Corporation, except as provided in Section 10.4 of this Agreement, (iii) such Shareholder shall provide to the Corporation, immediately upon the Corporation's request, such properly signed consents or other documents as, in the opinion of the Corporation, may be necessary or useful to maintain the Corporation's status as an S

Corporation, and (iv) such Shareholder shall take all such steps as may be deemed by the Corporation necessary or desirable to continue and maintain the Corporation's status as an S Corporation.

Section 10.3. **Inadvertent Termination of S Corporation Election**. In the event that the Corporation's election to be taxed as an S Corporation is terminated, except in accordance with this Agreement, the Corporation shall immediately seek a waiver of such termination from the Internal Revenue Service under Sections 1362(f)(3) and 1362(f)(4) of the Code, and Shareholders agree to take any action as may be required by the Internal Revenue Service to obtain such a waiver. The Corporation shall bear the expense of procuring the waiver, including the legal, accounting and tax cost of taking such steps and of making such adjustments as may be required, except to the extent that Shareholders are required to bear such cost, or any portion of such cost, as a condition to receiving the waiver. If the Corporation fails to receive such a waiver, the Corporation shall request the consent of the Internal Revenue Service to re-file an election to be taxed as an S Corporation prior to the time specified in Section 1362(g) of the Code, and Shareholders agree to take any action as may be required to obtain the consent of the Internal Revenue Service to such an early re-election by the Corporation to be taxed as an S Corporation.

Section 10.4. **Revocation of S Election**. If the Board of Directors, at least one of the Group 1 Shareholders, and a majority of Shareholders of the Corporation vote to revoke the Corporation's election to be taxed as an S Corporation, then all Shareholders shall immediately execute a consent to such revocation in the form prescribed by the Internal Revenue Service and deliver such consent to the Corporation, and the Corporation and Shareholders shall take all such further actions as may be required to obtain the revocation of the Corporation's election to be taxed as an S Corporation in accordance with the vote.

Section 10.5. **Tax Distributions**. As long as the Corporation has an S Corporation election in effect, and except as provided by Indiana Code Section 23-1-28-3, the Shareholders and Board of Directors covenant and agree to cause the Corporation to make distributions to each Shareholder who is a Shareholder on the date of the distribution in an amount (as reasonably estimated in the discretion of the Board of Directors) at least sufficient for each such Shareholder to discharge his federal, state and local income tax liabilities attributable to income realized by the Corporation (each, a "Tax Distribution"). Tax Distributions, if required to be made under this Section 10.5, shall be made on April 10 during each of the Corporation's taxable years. In determining the amount of such Tax Distributions, the Corporation shall take into account losses of the Corporation previously realized by such Shareholder with respect to the operations or transactions of the Corporation and shall make the distribution proportionate to ownership (even if this means some Shareholders receive a distribution in excess of his or her estimated tax liability). The Shareholders acknowledge and agree that the Corporation's Board of Directors may, but shall not be required to, make distributions in addition to Tax Distributions, but such distributions shall be entirely at the discretion of the Board of Directors. All amounts withheld pursuant to the Code or any provision of state or local tax law for any payment or distribution to the Shareholders from the Corporation shall be treated as amounts distributed to a Shareholder pursuant to this Section 10.5.

Article 11. Successors and Assigns.

Transfers of any Shares in violation of this Agreement shall be null and void, and the Corporation shall continue to treat the Shareholder purporting to have been transferred such Shares as the sole owners of the Shares purported to have been transferred. Any Shares transferred by Shareholders shall be subject to this Agreement, and any transferee of those Shares shall be bound by and shall be deemed to agree to the terms of this Agreement to the same extent as if such transferee were a purchaser. Any shares hereafter acquired by a shareholder shall be subject to this Agreement.

Article 12. MISCELLANEOUS.

Section 12.1. **Notices**. All notices, requests, demands and other communications required or permitted hereunder shall be in writing and shall be (i) delivered by hand, (ii) mailed by United States registered or certified mail, return receipt requested, first class postage prepaid and properly addressed, or (iii) sent by national overnight courier service to the parties or their permitted assigns at the addressed maintained for such party in the books and records of the Corporation. All notices, requests, instructions or documents given to any party in accordance with this Section 12.1 shall be deemed to have been given (1) on the date of receipt if delivered by hand or overnight courier service, or (2) on the date five (5) business days after depositing with the United States Postal Service if mailed by United States registered or certified mail, return receipt requested, first class postage prepaid and properly addressed. Any party may change its address specified for notices herein by designating a new address by notice to the Corporation's registered agent in accordance with the terms of this Section 12.1.

Section 12.2. **Entire Agreement**. This Agreement contains the entire agreement among the parties, and supersedes all prior oral or written agreements, commitments or understandings, with respect to the matters provided for herein.

Section 12.3. **Amendments**.

(a) This Agreement shall not be amended or otherwise modified except pursuant to a writing executed by all of the following:

(i) the Board of Directors;

(ii) at least one of the Group 1 Shareholders; and

(iii) a majority of Shareholders.

(b) In the event that this Agreement is amended or otherwise modified in accordance with the requirements set forth in Section 12.3(a), all Shareholders agree to execute an amended Agreement so approved, or in any event, to be bound by the amendment or other modification, irrespective of any individual Shareholder's vote on the amendment or other modification.

Section 12.4. **Waivers**. The failure or delay of any party at any time or times to require the performance of any provision of this Agreement shall in no manner affect his or its right to enforce that provision. No single or partial waiver by any party of any condition of this Agreement, or of the breach of any term, agreement or covenant of, or of the inaccuracy of any

representation or warranty in, this Agreement, whether by conduct or otherwise, in any one or more instances shall be construed or deemed to be a further or continuing waiver of any such condition, breach or inaccuracy or a waiver of any other condition, breach or inaccuracy.

Section 12.5. **Succession and Assignment**. This Agreement shall be binding upon and shall inure to the benefit of and be enforceable by the parties and their respective successors and permitted assigns. Except as otherwise provided herein, no party hereto shall be permitted to assign his or its rights and obligations hereunder to any other person or entity, without the prior written consent of the other parties.

Section 12.6. **Governing Law**. This Agreement shall be controlled, construed and enforced in accordance with the substantive laws of the State of Indiana, without regard to any laws related to choice or conflicts of laws.

Section 12.7. **Severability**. Should any one or more of the provisions of this Agreement be determined to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be adversely affected or impaired thereby. The parties shall endeavor in good faith to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as practicable to that of the invalid, illegal or unenforceable provisions.

Section 12.8. **Counterparts**. This Agreement may be executed in any number of counterparts, and any party hereto may execute any such counterpart, each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. Signatures of the parties submitted by facsimile or email transmission shall be valid and binding for all purposes.

Section 12.9. **Conflicts**. In the event of any conflict between the terms and conditions of the Articles of Incorporation or Bylaws of the Corporation and the terms and conditions of this Agreement, the terms and conditions of this Agreement shall govern and control.

[SIGNATURE PAGE FOLLOWS]

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

"Corporation"

INNOVATIVE HEALTH SOLUTIONS, INC.

/s/ Gary Peterson
Name: Gary Peterson
Title: Chief Executive Officer

"Shareholders"

/s/ Gary Peterson
Gary Peterson

Christopher Robin Brown

Tom Carrico

Brian Carrico

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

"Corporation"

INNOVATIVE HEALTH SOLUTIONS, INC.

Name: Gary Peterson
Title: Chief Executive Officer

"Shareholders"

Gary Peterson

/s/ Christopher Robin Brown
Christopher Robin Brown

Tom Carrico

Brian Carrico

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

"Corporation"

INNOVATIVE HEALTH SOLUTIONS, INC.

Name: Gary Peterson
Title: Chief Executive Officer

"Shareholders"

Gary Peterson

Christopher Robin Brown

/s/ Tom Carrico
Tom Carrico

/s/ Brian Carrico
Brian Carrico

EXHIBIT A

SHAREHOLDERS

See attached.

EXHIBIT B

CERTIFICATE OF AGREED VALUE

Pursuant to the provisions of Article 8 of the Amended and Restated Shareholders' Agreement dated as of October 12, 2017 by and among Innovative Health Solutions, Inc., an Indiana corporation (the "Corporation") and the shareholders of the Corporation, it is agreed that the "Agreed Value" per share of the Shares involving a transfer of the Shares of the Corporation is _____ ($_____) per Share.

Approved by the Innovative Health Solutions, Inc. Board of Directors as of the ____ day of _____, 20___.

INNOVATIVE HEALTH SOLUTIONS, INC.

_____
Name: Brian Carrico
Title: Chief Executive Officer

DMS 13096225v1

FIRST AMENDMENT TO
SHAREHOLDERS' AGREEMENT

THIS FIRST AMENDMENT TO SHAREHOLDERS' AGREEMENT (this "**Amendment**") is executed effective the 30th day of January, 2019 (the "**Effective Date**") by and among Innovative Health Solutions, Inc., an Indiana corporation (the "**Corporation**"), all members of the Board of Directors of the Corporation (collectively, the "**Board**", and each member of the Board a "**Director**"), and the undersigned shareholders of the Corporation (the "**Shareholders**").

BACKGROUND

A. The Corporation and the Shareholders are parties to that certain Amended and Restated Shareholders' Agreement (the "**Shareholders' Agreement**") dated as of October 12, 2017 (capitalized terms not otherwise defined in this Amendment shall have the meanings ascribed to such terms in the Shareholders' Agreement).

B. The undersigned Shareholders and Directors constitute (i) all of the Directors of the Corporation, (ii) a majority in interest of the shareholders of the Corporation, and (iii) at least one of the Group 1 Shareholders, and, pursuant to Section 12.3 of the Shareholders' Agreement, are entitled to amend the Shareholders' Agreement.

C. The Corporation, the Directors, and the Shareholders now desire to amend the Shareholders' Agreement to increase the maximum size of the Board from 5 Directors to 7 Directors and to appoint Adrian Miranda as the 6th Director.

AMENDMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Shareholders, the Directors, and the Corporation hereby amend the Shareholders' Agreement as follows:

1. Section 1.2(b)(i) through Section 1.2(b)(iii) of the Shareholders' Agreement is hereby deleted and restated in its entirety as follows:

(b) **Election of Directors**.

(i) The Board of Directors will consist of a maximum of seven (7) Directors.

(ii) Subject to the terms and conditions specified in Section 1.2(b)(iv) and Section 1.2(b)(v) of this Agreement, the Shareholders shall vote at all meetings of the Shareholders in such manner as to ensure that the following individuals are elected, appointed, and maintained in office as a Director of the Corporation:

(1) Gary Peterson;

(2) Christopher Robin Brown;

(3) Tom Carrico;

(4) Brian Carrico;

(5) Dan Clarence; and

(6) Adrian Miranda.

(iii) The Directors may nominate a seventh (7th) Director of the Corporation, or the Directors may leave a seventh (7th) Director position vacant.

2. In all other respects, the Shareholders' Agreement shall remain unchanged.

[Remainder of Page Left Blank Intentionally.]

IN WITNESS WHEREOF, the Corporation's undersigned duly authorized officer and the Directors and Shareholders have each signed this First Amendment to Shareholders' Agreement.

"Corporation"

INNOVATIVE HEALTH SOLUTIONS, INC.

By:

/s/ Brian Carrico

Name: Brian Carrico
Title: Chief Executive Officer
Date: 1/30/2019

"Shareholders"

Christopher Robin Brown
Date: 1/30/2019
Signature:

/s/ Christopher Robin Brown

Gary Peterson
Date: 1/30/2019
Signature:

/s/ Gary Peterson

Brian Carrico
Date: 1/30/2019
Signature:

/s/ Brian Carrico

Tom Carrico
Date: 1/30/2019
Signature:

/s/ Tom Carrico

Dan Clarence
Date: 1/30/2019
Signature:

/s/ Dan Clarence

"Directors"

Christopher Robin Brown
Date: 1/30/2019
Signature:

/s/ Christopher Robin Brown

Gary Peterson
Date: 1/30/2019
Signature:

/s/ Gary Peterson

Brian Carrico
Date: 1/30/2019
Signature:

/s/ Brian Carrico

Tom Carrico
Date: 1/30/2019
Signature:

/s/ Tom Carrico

Dan Clarence
Date: 1/30/2019
Signature:

/s/ Dan Clarence

Exhibit 4.21

SECOND AMENDMENT TO
SHAREHOLDERS' AGREEMENT

THIS SECOND AMENDMENT TO SHAREHOLDERS' AGREEMENT (this "**Amendment**") is executed effective the 8th day of January, 2023 (the "**Effective Date**") by and among NeurAxis, Inc., a Delaware corporation (f/k/a Innovative Health Solutions, Inc.) (the "**Corporation**"), all members of the Board of Directors of the Corporation (collectively, the "**Board**", and each member of the Board a "**Director**"), and the undersigned shareholders of the Corporation (the "**Shareholders**").

BACKGROUND

A. The Corporation and the Shareholders are parties to that certain Amended and Restated Shareholders' Agreement (the "**Shareholders' Agreement**") dated as of October 12, 2017, as amended by the First Amendment to Shareholders' Agreement dated as of January 30, 2019 (capitalized terms not otherwise defined in this Amendment shall have the meanings ascribed to such terms in the Shareholders' Agreement).

B. The undersigned Shareholders and Directors constitute (i) all of the Directors of the Corporation, (ii) holders of a majority of the outstanding shares of common stock of the Corporation (the "**Common Stock**") on an as-converted basis, and (iii) at least one of the Group 1 Shareholders, and, pursuant to Section 12.3 of the Shareholders' Agreement, are entitled to amend the Shareholders' Agreement.

C. The Corporation plans to file a registration statement on Form S-1 (the "**Registration Statement**") with the U.S. Securities and Exchange Commission (the "**SEC**") relating to the offering of the Corporation's shares of Common Stock in connection with a firm commitment underwritten initial public offering (the "**IPO**").

D. The Shareholders' Agreement contains a variety of restrictions, covenants, representations, and warranties that are not customary for public companies. To induce investors to invest in the IPO and to facilitate the listing of the Corporation's Common Stock in connection with the proposed IPO, the parties desire to terminate the Shareholders' Agreement contingent upon and effective as of immediately the SEC declaring the Registration Statement effective.

AMENDMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Shareholders, the Directors, and the Corporation hereby amend the Shareholders' Agreement as follows:

1. A new Section 12.10 shall be added to the Shareholders' Agreement, which shall read as follows:

   Section 12.10. **Automatic Termination**. This Agreement shall terminate automatically and immediately upon the SEC declaring the Registration Statement effective under the Securities Act of 1933, as amended.

2. A new Section 12.11 shall be added to the Shareholders' Agreement, which shall read as follows:

Section 12.11. **Effect of Termination**.

(a) The termination of this Agreement shall terminate all further rights and obligations of the Shareholders under this Agreement except that such termination shall not effect:

(i) the existence of the Corporation;

(ii) the obligation of any party to this Agreement to pay any amounts arising on or prior to the date of termination, or as a result of or in connection with such termination;

(iii) the rights which any Shareholder may have by operation of law as a shareholder of the Corporation; or

(iv) the rights contained herein which by their terms are intended to survive termination of this Agreement.

(b) The following provisions shall survive the termination of this Agreement: this Section 12.11, Section 12.1, Section 12.4, and Section 12.6.

3. In all other respects, the Shareholders' Agreement shall remain unchanged.

4. This Amendment may be executed in counterparts, and each executed counterpart shall have the same force and effect as an original instrument. The signature pages to this Amendment may be delivered via electronic mail (including .pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any signature page so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

[Remainder of Page Left Blank Intentionally.]

IN WITNESS WHEREOF, the Corporation's undersigned duly authorized officer and the Directors and Shareholders have each signed this Second Amendment to Shareholders' Agreement.

"*Corporation*"

NeurAxis, Inc. (f/k/a Innovative Health Solutions, Inc.)

By: */s/ Brian Carrico*
Name: Brian Carrico
Title: Chief Executive Officer
Date: 01/08/2023

"*Directors*"

Brian Carrico
Date: 01/08/2023
Signature: */s/ Brian Carrico*

Tom Carrico
Date: 01/08/2023
Signature: */s/ Tom Carrico*

Christopher Robin Brown
Date: 01/08/2023
Signature: */s/ Christopher Robin Brown*

Gary Peterson
Date: 01/08/2023
Signature: */s/ Gary Peterson*

Dan Clarence
Date: 01/08/2023
Signature: */s/ Dan Clarence*

Adrian Miranda
Date: 01/08/2023
Signature: */s/ Adrian Miranda*

"*Shareholders*"

Christopher Robin Brown
Date: 01/08/2023
Signature: */s/ Christopher Robin Brown*

Gary Peterson
Date: 01/08/2023
Signature: */s/ Gary Peterson*

Brian Carrico
Date: 01/08/2023
Signature: */s/ Brian Carrico*

Tom Carrico
Date: 01/08/2023
Signature: */s/ Tom Carrico*

Sierra Enterprises, LLC

By: */s/ Dan Clarence*
Name: Dan Clarence

Title: Sole Member
Date: 01/08/2023

Irrevocable Trust for Savanna C. Stapp

By: */s/ Christopher Robin Brown*
Name: Christopher R. Brown, acting pursuant to an Irrevocable Proxy, dated August 29, 2022
Date: 01/08/2023

Irrevocable Trust for Jessica L. (Brown) Snodgrass

By: */s/ Christopher Robin Brown*
Name: Christopher R. Brown, acting pursuant to an Irrevocable Proxy, dated August 29, 2022
Date: 01/08/2023

Irrevocable Trust for Mark T. Volz

By: */s/ Christopher Robin Brown*
Name: Christopher R. Brown, acting pursuant to an Irrevocable Proxy, dated August 29, 2022
Date: 01/08/2023

Irrevocable Trust for Abby E. (Brown) Baier

By: */s/ Christopher Robin Brown*
Name: Christopher R. Brown, acting pursuant to an Irrevocable Proxy, dated August 29, 2022
Date: 01/08/2023

Exhibit 10.1

Execution Version

LICENSE AND COLLABORATION AGREEMENT

This LICENSE AND COLLABORATION AGREEMENT is entered into as of April 9, 2020 ("**Effective Date**"), by and between Innovative Health Solutions, Inc., a corporation organized under the laws of the State of Indiana with principal offices at 829 S. Adams Street, Versailles, IN 47042 ("**Licensor**") and Masimo Corporation, a corporation organized under the laws of Delaware with principal offices at 52 Discovery, Irvine, CA 92618 ("**Licensee**") (this "**Agreement**"). Licensor and Licensee are each sometimes referred to individually herein as a "**Party**" and collectively as the "**Parties**".

BACKGROUND

WHEREAS, concurrently with the execution of this Agreement, the Parties are entering into that certain Series A Preferred Stock Purchase Agreement (as may be amended or restated from time to time, the "**Purchase Agreement**");

WHEREAS, as a material inducement to Licensee executing the Purchase Agreement, Licensee wishes to obtain certain exclusive rights and licenses from Licensor, and access to Licensor's research and development capabilities, to enable the development, manufacture and commercialization of Products in the Field in the Territory (each as defined below) and Licensor is willing to grant such exclusive rights and licenses and access to Licensee; and

WHEREAS, the Parties also anticipate collaborating with each other to further develop and improve certain technologies and products (including Products); and

WHEREAS, the Parties now desire to enter into this Agreement to provide for and facilitate such exclusive rights and licenses, access, and mutual development activities and support.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE 1
DEFINITIONS

Whenever used in this Agreement with an initial capital letter, the terms defined in this Article 1 shall have the meanings specified below:

"**Affiliate**" means, with respect to any specified Person, any other Person who, directly or indirectly, controls, is controlled by, or is under common control with such Person, including, without limitation, any general partner, managing member, officer, director or trustee of such Person, or any venture capital fund or registered investment company now or hereafter existing that is controlled by one or more general partners, managing members or investment advisers of, or shares the same management company or investment adviser with, such Person; provided that for purposes of this Agreement, Licensor and any entity controlled by Licensor will not be considered Affiliates of Licensee, and Licensee and its other Affiliates will not be considered Affiliates of Licensor or any entity controlled by Licensor.

"**Applicable Law**" means all federal, state, local, national and supra-national laws, statutes, rules and regulations, including any rules, regulations, or requirements of Regulatory Authorities, major national securities exchanges or major securities listing organizations, that may be in effect from time to time during the Term and applicable to a particular activity or exercise of rights hereunder.

"**cGCP**" means the then current Good Clinical Practice standards for the design, conduct, performance, monitoring, auditing, recording, analysis, and reporting of clinical trials as set forth in the International Conference on Harmonization (ICH) guidelines entitled "Guidance for Industry E6 Good Clinical Practice: Consolidated Guidance," and equivalent regulations or standards in the Territory and any update thereto and any other policies or guidelines applicable to the design, conduct, performance, monitoring, auditing, recording, analysis, and reporting of clinical trials in the Territory, and/or any applicable foreign equivalents thereof, and any updates of any of the foregoing.

"**Clinical Data**" means all data with respect to a Product that is made, collected or otherwise generated anywhere in the world under or in connection with the Clinical Studies for a Product, as applicable (as opposed to Pre-Clinical Data or non-clinical data derived from laboratory studies, disease models and animal studies). Clinical Data includes, but is not limited to, validated clinical databases.

"**Clinical Study(ies)**" means any investigator initiated studies (including any Phase I Study, Phase II Study, Phase III Study, or Phase IV Study) conducted anywhere in the world, or such other tests or studies in humans conducted anywhere in the world, that are required by Applicable Law, or otherwise recommended by the Regulatory Authorities, to obtain or maintain Regulatory Approvals for a Product in the Territory.

"**Commercialization**" or "**Commercialize**" means any and all activities (whether before or after Regulatory Approval) directed to the manufacture, distribution, transportation, storage, use, sale, promotion, importation, exportation, use, and other commercialization of a Product, including commercial manufacturing, pre-launch and post-launch marketing, promoting, distributing, importing, offering to sell and selling a Product for the Territory. When used as a verb, "Commercializing" means to engage in Commercialization and "Commercialized" has a corresponding meaning.

"**Confidential Information**" means any and all confidential or proprietary information or material, whether oral, visual, in writing or in any other form, that has been or is provided, communicated or otherwise made known directly or indirectly by a Party or its Affiliates (the "**Disclosing Party**") to the other Party or any of its Affiliates (the "**Receiving Party**") pursuant to this Agreement or in connection with the transactions contemplated hereby or any discussions or negotiations with respect thereto, and that may be reasonably understood from notices or legends, the nature of such information itself or the circumstances of such information or materials' disclosure to be confidential or proprietary to the Disclosing Party.

"**Control**" or "**Controlled**" means, with respect to any Intellectual Property or Regulatory Filing, the right of Licensor or an Affiliate thereof to license or sublicense such Intellectual Property or Regulatory Filing to Licensee pursuant to the terms and conditions of this Agreement without breaching any other agreement with respect to such Intellectual Property or Regulatory Filing.

"**Development**" or "**Develop**" means, with respect to a Product in the Territory, all research, all pre-clinical and clinical activities conducted relating to a Product (as applicable) in the Territory, including test method development and stability testing, toxicology, animal studies, formulation, process development, manufacturing scale-up, quality assurance and quality control development for Clinical Studies, statistical analysis and report writing, and Clinical Studies, including clinical trial design, operations, data collection and analysis and report writing, publication planning and support, risk assessment mitigation strategies, health economics outcomes research planning and support, clinical laboratory work, the preparation of Regulatory Filings, and obtaining and/or maintaining Regulatory Approvals for a Product in the Territory (including regulatory affairs activities and preparation of meetings with Regulatory Authorities in the Territory). When used as a verb, "Developing" means to engage in Development and "Developed" has a corresponding meaning.

"**Disputes**" means all disputes, differences, controversies or claims (whether based on contract, tort, statutory concepts, or any other legal doctrine) arising out of, in connection with, or relating to this Agreement (including without limitation the existence, validity, interpretation, performance, amendment, breach, default, or termination of this or the subject matter of this Agreement).

"**Field**" means and includes any treatment or management or other medical or therapeutic applications of, for or related to any of the following: pain or pain associated with medical conditions or procedures; substance abuse withdrawal symptoms; iatrogenic withdrawal syndrome; and post-operative nausea and vomiting. The Field excludes the following pediatric and adults conditions (including the associated symptoms and any pain caused thereby): chronic nausea, gastroparesis, functional gastrointestinal disorders, chemotherapy induced nausea/vomiting, concussions and post-concussion syndrome, headaches (migraine or benign, non-specified), symptoms resulting from traumatic brain injury, post-traumatic stress disorder, fatty liver disease, cyclic vomiting syndrome, movement disorder including Parkinson's disease, chronic sleep disorders, inflammatory bowel disease, pancreatitis, pulmonary inflammatory disorders, dysautonomia and postural orthostatic tachycardia syndrome, tic disorders, tinnitus, TMJ disorders, autoimmune disorders, seizure disorders, diabetes, and modulation of exercise physiology and recovery(the "**Retained Fields**").

"**Joint Invention**" means any Invention, other than Improvements to Licensee IP, that is developed, conceived or reduced to practice jointly by one or more employees of Licensor or its Affiliates or a Third Party acting under authority of Licensor or its Affiliates, on the one hand, and one or more employees of Licensee or its Affiliates or a Third Party acting under authority of Licensee or its Affiliates, on the other hand.

"**Intellectual Property**" means any or all of the following and all rights, arising out of or associated therewith anywhere in the world: (i) all Patent Rights; (ii) all works of authorship (including software), user interfaces, URLs, web sites, copyrights, copyright registrations and applications therefor, and all other rights therein or corresponding thereto; (iii) all internet uniform resource locators, domain names, trade names, logos, brand names, slogans, product names, designs, common law trademarks and service marks, trademark and service mark registrations and applications therefor (collectively, "**Trademarks**"); (iv) all moral and economic rights of authors and inventors, however denominated; (v) all Know-How (whether or not embodied in any tangible form and including all tangible embodiments of the foregoing such as instruction manuals, laboratory notebooks, prototypes, samples, studies, and summaries); and (vi) any similar or equivalent rights in or to any of the foregoing.

"**Invention**" means any Intellectual Property that is developed, conceived or reduced to practice under and as a result of any work performed under or in connection with this Agreement, including the Development Activities.

"**Know-How**" means, collectively, trade secrets, proprietary information, inventions, ideas, discoveries, improvements, processes, methods, protocols, concepts, know-how, data (including any clinical or marketing studies data), databases, materials (including tangible chemical, biological or other physical materials), compositions of matter, formulae, APIs, schematics, specifications, designs, and all documentation relating to any of the foregoing.

"**Licensed IP**" means and includes any and all (i) Licensed Know-How and Technological Information, (ii) Licensed Patent Rights, and (iii) other Intellectual Property that is Controlled by Licensor or any of its Affiliates as of the Effective Date or at any time during the Term of this Agreement and that are, in each of the foregoing cases, or may be, used or held for use, necessary or otherwise relevant for or useful to the Development, Promotion, Commercialization or other exercise of Licensee's rights under this Agreement or otherwise pertaining to the Field or any Products, including, without limitation the Intellectual Property set forth on **Exhibit A** hereto.

"**Licensed Know-How and Technological Information**" means and includes any and all Know- How that is Controlled by Licensor or any of its Affiliates as of the Effective Date or at any time during the Term of this Agreement and that are, in each of the foregoing cases, or may be, used or held for use, necessary or otherwise relevant for or useful to the Development, Promotion, Commercialization or other exercise of Licensee's rights under this Agreement or otherwise pertaining to the Field or any Products. For clarity, Licensed Know-How and Technological Information includes any Pre-Clinical Data and Clinical Data with respect to any Products, Development Activities or otherwise generated in connection with this Agreement.

"**Licensed Patent Rights**" means and includes any and all Patent Rights that are Controlled by Licensor or any of its Affiliates as of the Effective Date or at any time during the Term of this Agreement that: (i) would be infringed, absent a license, by the Development, Promotion, Commercialization of any Product or other exercise of Licensee's rights under this Agreement; or (ii) claim any (a) Licensed Know- How and Technological Information, or (b) Know-How made, conceived of or reduced to practice pursuant to or in connection with the activities contemplated under this Agreement.

"**Licensed Trademarks**" means any Trademarks included among the Licensed IP.

"**Patent Prosecution**" means activities directed to (i) preparing, filing and prosecuting applications (of all types) for any Patent Rights, (ii) managing any interference, opposition, re-issue, reexamination, supplemental examination, invalidation proceedings (including inter partes or post-grant review proceedings), revocation, nullification, or cancellation proceeding relating to the foregoing, (iii) deciding whether to abandon, extend or maintain Patents Rights, (iv) listing in regulatory publications (as applicable), and (v) settling any interference, opposition, reexamination, invalidation, revocation, nullification or cancellation proceeding, but excluding the defense of challenges to such Patent Rights as a counterclaim in an infringement proceeding with respect to the particular Patent Rights, and any appeals therefrom. For purposes of clarity, "Patent Prosecution" will not include any other enforcement actions taken with respect to a Patent Rights.

"**Patent Rights**" means the rights and interests in and to all patents and patent applications, including provisional applications, divisional applications, continuation applications, continuation-in-part applications, continued prosecution applications, certificate of inventions, utility models, petty patents, extensions or restorations, including adjustments, revalidations, reissues, re-examinations, patent term extensions, supplementary protection certificates of or to any of the foregoing and any similar rights.

"**Person**" means an individual, sole proprietorship, partnership, limited partnership, limited liability partnership, corporation, limited liability company, business trust, joint stock company, trust, incorporated association, joint venture, or other entity or organization, in any case whether for-profit or not- for profit, and including, without limiting the generality of any of the foregoing, a government or political subdivision, department or agency of a government.

"**Pre-Clinical Data**" means data derived from a study to test a Product, including, but not limited to, laboratory studies, toxicology, safety pharmacology, disease models and animal models.

"**Product**" means any product, process, or service within the Field, including any and all products, processes, and services developed pursuant to the Development Activities. The term "Product" or "a Product" as used herein may be used to reference one or more than one Product(s).

"**Promote**" or "**Promotion**" means those activities normally undertaken by a medical device company's sales force and marketing team to implement marketing plans and strategies aimed at encouraging the appropriate use of a particular medical device product, including detailing. When used as a verb, "Promote" means to engage in such activities.

"**Regulatory Approval**" means any and all approvals, licenses (including product and establishment licenses), permits, certifications, registrations, or authorizations of any Regulatory Authority necessary to Develop, Promote, or Commercialize a Product, as applicable, for use in the Territory.

"**Regulatory Authority**" means any national, supra-national, regional, federal, state, provincial or local regulatory agency, department, bureau, commission, council or other governmental entity having jurisdiction over the Development, Promotion, or Commercialization of a Product, as applicable, in the Territory.

"**Regulatory Filings**" means, with respect to a Product in the Territory, as applicable, all applications, registrations, submissions, dossiers, notifications, licenses, authorizations and approvals (including all Regulatory Approvals), all correspondence submitted to or received from the Regulatory Authorities (including minutes and official contract reports relating to any communications with any Regulatory Authority) and all supporting documents and all Pre-Clinical Data and Clinical Data, and all data contained in any of the foregoing.

"**Sublicensee**" means any Person (including a Licensee Affiliate) to whom Licensee sublicenses any rights as permitted hereunder.

"**Territory**" means worldwide.

ARTICLE 2
LICENSE GRANTS

2.1 Licensor Grants. Licensor, on behalf of itself and its Affiliates, hereby grants to Licensee, under the Licensed IP, an exclusive (even as to Licensor and its Affiliates), transferable, fully sublicensable (through multiple tiers), fully paid-up and royalty-free, perpetual, irrevocable, worldwide right and license to: (i) use and reference all Licensed Know-How and Technological Information to prepare for, support, obtain or maintain any Regulatory Filings or Regulatory Approvals made by or for Licensee or any of its Affiliates for a Product in the Field anywhere in the Territory; and (ii) Develop, Promote, and Commercialize any and all Products in the Field throughout the Territory.

2.2 Have Made and Right to Sublicense. Notwithstanding anything to the contrary contained in this Agreement, the licenses granted to Licensee under Section 2.1 shall include "have made" rights and the right of Licensee and its Affiliates to have any such licenses exercised by or on behalf of their behalf by any Third Party for their benefit and account. In addition to and not in lieu or limitation of the foregoing, Licensee and its Affiliates shall have the right to grant sublicenses to their respective Affiliates and any other Person (each of the foregoing, a "**Sublicensee**").

2.3 No Conflicting Grant; Field Integrity. Licensor agrees that it shall not, and shall cause its Affiliates to not, at any time during the Term of this Agreement: (i) grant any licenses or other right, title or interest under or relating to any of the Licensed IP or proprietary rights Controlled by Licensor or any of its Affiliates, in each of the foregoing cases, within the Field that conflicts with Licensee's rights under this Agreement, nor (ii) directly or indirectly develop, file for Regulatory Approval with respect to, make, have made, use, sell, offer for sale, import and otherwise commercialize any Product or any other product or service within the Field, except for or through Licensee and its designees, in accordance with the terms and conditions of this Agreement. For clarity, nothing in this paragraph shall restrict Licensor's rights in the Retained Field or right to seek Regulatory Approval in the Retained Field, including the right to grant licenses in the Retained Field.

2.4 Licensed Trademarks. All use of the Licensed Trademarks by Licensee, in the Field and all goodwill associated with such use, shall inure to the benefit of Licensor. Licensee shall use commercially reasonable efforts intended to ensure that its respective use of Licensed Trademarks does not tarnish, blur, or dilute the quality associated with Licensed Trademarks or the associated goodwill and to cooperate with Licensor to address any reasonable concerns based on the quality associated with Licensed Trademarks caused by Licensee's or its Sublicensee's use thereof.

2.5 Subcontracting. Licensee may at its discretion, perform any activities in support of its Development, Promotion, and Commercialization of a Product in the Territory through contracting with a Third Party ("**Subcontractor**") without prior consent of Licensor; provided that Licensee shall enter into an appropriate written agreement with any such Subcontractor such that the Subcontractor shall be bound by all applicable provisions of this Agreement to the same extent as Licensee. Upon any expiration or termination of this Agreement for any reason, all agreements with Subcontractors shall automatically terminate.

2.6 No Implied Licenses. No license or other right is or shall be created or granted hereunder by implication, estoppel or otherwise for any purpose. All such licenses and rights are or shall be granted only as expressly and specifically provided in this Agreement.

ARTICLE 3
UPFRONT FEE, TECHNOLOGY TRANSFER, RIGHTS OF REFERENCE & REGULATORY

3.1 Upfront Fee. As additional consideration for the licenses, rights and obligations granted and made by Licensor hereunder, Licensee shall pay to Licensor a one-time, upfront and non-refundable (except as provided below) fee of two hundred fifty thousand U.S. dollars ($250,000 USD) (the "**Upfront Fee**") which shall be due upon execution of this Agreement. In the event of a material breach by Licensor of its obligations under this Section 3, where such breach remains uncured for thirty (30) days following Licensor's receipt of written notice from Licensee specifying such breach, then Licensor shall promptly refund and pay to Licensee the Upfront Fee.

3.2 Technology Transfer. As soon as reasonably practicable after the Effective Date and from time to time during the Term of this Agreement, Licensor shall disclose and transfer to Licensee embodiments of the Licensed Patent Rights and any other Licensed IP Controlled by Licensor or any of its Affiliates, and all Licensed Know-How and Technological Information pertaining to the Field and any Products (collectively, the "**Transferred Technology**"). In addition, Licensor will, at the reasonable request of Licensee and at Licensee's expense in accordance with Section 4.4 hereof: (i) support Licensee's Commercialization of Products in the Field, and (ii) provide Licensee with reasonable assistance in connection with use the Transferred Technology to enable Licensee to use and exploit the Transferred Technology and otherwise exercise its rights and perform its obligations under this Agreement.

3.3 Regulatory Materials & Clinical Studies. During the Term, Licensor shall promptly provide to Licensee true and complete copies of all Regulatory Filings and Regulatory Approvals and other regulatory communications with respect to a Product in the Field received or submitted by or on behalf of Licensor, its Affiliates or Sublicensees. As reasonably requested during the Term, Licensor shall provide to Licensee true and complete copies of any Regulatory Filings and Regulatory Approvals and other material regulatory communications with respect to a Product outside the Field generated by or on behalf of, or received by, Licensor (or its Affiliates or respective Sublicensees or (sub)licensees). Without limiting the foregoing, Licensor shall provide Licensee (or its designees) with sufficient rights to reference and use any such documentation in connection with Licensee's or its designees' activities hereunder, including providing the appropriate authorizations to such Regulatory Authority(ies) allowing Licensee (or its designees) the right to reference and use any such documentation to support any Regulatory Filing for a Product in the Field consistent with the terms and conditions of this Agreement, including to support any necessary Regulatory Filing for the Products (or changes thereto) to permit manufacture by Licensee or its designee. Upon Licensee's request, Licensor shall also introduce Licensee (or its designee) to all Third Parties who have handled or conducted any Clinical Studies with respect to any Product within the Field and provide reasonable assistance to Licensee to coordinate the transfer of such Clinical Studies to Licensee. Licensee acknowledges that, as of the Effective Date, Licensor has not conducted any Phase I Study, Phase II Study, Phase III Study, or Phase IV Study with respect to any Product in the Field.

3.4 Ownership. To the extent permitted by Applicable Law, Licensee shall own all Regulatory Filings (including all Regulatory Approvals) specific to Products in the Field and Licensor shall, upon Licensee's request, assist Licensee and take such actions as Licensee may request to effect such transfer. Licensor agrees that neither it nor its Affiliates will do anything to adversely affect any such Regulatory Approvals or other Regulatory Filings. The Parties recognize all relevant investigator initiated studies are owned by the investigators that conducted the studies, not Licensor.

3.5 Cooperation. Licensor shall, at Licensee's expense in accordance with Section 4.4 hereof, cooperate and consult with Licensee to assist Licensee in: (i) developing strategies for Regulatory Filings with respect to any Product in the Field; (ii) responding to any communications from Regulatory Authorities with respect to any Product in the Field; and (iii) Development, Promotion, and Commercialization of the Products in the Field, including procuring, shipping, selling and authorizing the manufacture of Product (including the NSS-2 Bridge product) to or for Licensee on terms equal to those obtained by Licensor.

ARTICLE 4
DEVELOPMENT ACTIVITIES; COMMERCIALIZATION

4.1 Joint Development Committee. Promptly following the execution of this Agreement, the Parties shall establish a joint development committee (the "**Joint Development Committee**") to oversee the collaborative Product and technology development activities contemplated by this Agreement (such activities undertaken by either of the Parties, whether solely or jointly, hereunder, the "**Development Activities**"). The Joint Development Committee shall consist of two (2) representatives from each of Licensor and Licensee. Each Party may replace any or all of its representatives on the Joint Development Committee at any time upon written notice to the other Party. The Joint Development Committee will be held on a quarterly basis or as otherwise agreed upon by the Parties, as a forum to mutually discuss, exchange information and coordinate Development Activities.

4.2 Development Activities. Each Party shall perform its respective Development Activities and any related Clinical Studies activities in furtherance thereof in good scientific manner, in compliance with the current Good Clinical Practice standards set forth in the cGCP and Applicable Law, using personnel with sufficient skills and experience as are required to accomplish the objectives of the work. Each Party will maintain complete and accurate records of its Development Activities and regularly update the other Party through the Joint Development Committee regarding the results and progress of its Development Activities. All results of Licensee's Development Activities shall be subject to the licenses granted to Licensee in Section 2.1. Unless otherwise agreed to by the Parties and set forth in writing or as otherwise provided herein, Licensor and Licensee hereby agree that each Party shall bear their own respective costs and expenses incurred by such Party in connection with any Development Activities.

4.3 Commercialization by Licensee. Licensee shall have the exclusive right, directly or through its Affiliates, Sublicensees and subcontractors, to develop and seek Regulatory Approvals for Products in the Field in the Territory and to commercialize Products in the Field in the Territory, including all Products developed in furtherance of the Development Activities. Licensee (itself or through its Affiliates or Sublicensees) shall have the sole and exclusive right and responsibility to determine, in its sole discretion, the trademarks, trade dress, style of packaging, labeling and domain names with respect to the packaging, marketing, distribution and sales of the Product in the Field in the Territory, and Licensor shall have no rights to such trademarks, trade dress, style of packaging, labeling or domain names.

4.4 Consulting Fees. All technology transfer, assistance, support, and development activities of Licensor in furtherance of Section 3 and Section 4 of this Agreement shall be provided to Licensee free of charge during the six (6) month period immediately following the Effective Date. Thereafter, to the extent Licensee requires Licensor to provide additional technology transfer, assistance, support or development activities under Section 3 or Section 4 then the Parties will negotiate in good faith a consulting agreement, which consulting agreement will provide, among other things, payment to Licensor of an hourly fee, at typical market rates, for such additional technology transfer, assistance, support, and development activities. The Parties agree that all fees payable to Licensor hereunder are subject to Licensee's prior review and approval.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES; LIABILITY

5.1 Mutual Representations, Warranties and Covenants. Licensor and Licensee each represents and warrants to the other, as of the Effective Date: (i) Such Party is duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation or formation, and has full corporate or other power and authority to enter into this Agreement and to perform its obligations hereunder; (ii) Such Party has taken all necessary corporate action required to authorize the execution and delivery of this Agreement and the performance of its obligations hereunder; (iii) this Agreement has been duly executed and delivered on behalf of such Party and constitutes a legal, valid and binding obligation of such Party and is enforceable against it in accordance with the terms hereof subject to the effects of bankruptcy, insolvency or other laws of general application affecting the enforcement of creditor rights and judicial principles affecting the availability of specific performance and general principles of equity, whether enforceability is considered a proceeding at law or equity; (iv) the execution and delivery of this Agreement and the performance of such Party's obligations hereunder does not conflict with or violate any provision of the articles of incorporation, bylaws or any similar instrument of such Party, as applicable, in any material way and does not conflict with, violate or breach, or constitute a default or require any consent under, any contractual obligation or court or administrative order by which such Party is bound. In addition, each Party represents, warrants and covenants to the other: (a) that it shall, or shall cause its Affiliate to, obtain and maintain during the Term all authorizations, consents and approvals, governmental or otherwise, necessary for such Party to grant the rights and licenses granted by such Party under this Agreement and to perform its obligations under this Agreement; (b) it shall comply with Applicable Law relating to such Party's rights, duties, responsibilities and obligations set forth in this Agreement; and (c) it will not enter into an agreement that is inconsistent with the rights, licenses and assignments granted to the other Party in this Agreement.

5.2 No Debarment; Anti-Bribery and Anti-Corruption. Each Party certifies as of the Effective Date that neither Party has been debarred by any Regulatory Authority, or, to such Party's knowledge, is the subject of debarment proceedings by any Regulatory Authority. Each Party further certifies as of the Effective Date that it has not used prior to the Effective Date and shall not use during the Term, any employee, agent or independent contractor who has been debarred by any Regulatory Authority or, to such Party's knowledge, is the subject of debarment proceedings by any Regulatory Authority. Each Party further represents, warrants and covenants that it has not been sanctioned, suspended, excluded or otherwise declared ineligible from any Regulatory Authority healthcare program, including, but not limited to any United States healthcare program, such as Medicare or Medicaid or comparable foreign healthcare program. In the event that during the Term, such Party (i) becomes debarred, suspended, excluded, sanctioned, or otherwise declared ineligible; or (ii) receives notice of an action or threat of an action with respect to any such debarment, suspension, exclusion, sanction or ineligibility, such Party shall immediately notify the other Party. In the event a Party becomes debarred by a Regulatory Authority during the Term, the other Party shall have a right to terminate this Agreement upon thirty (30) days written notice to the debarred Party.

5.3 Right to Grant Licenses; No Existing Claims. Licensor represents, warrants and covenants to Licensee that: (i) it Controls the Licensed IP and otherwise has the full power and authority to grant to Licensee the rights, licenses and assignments granted under this Agreement, free and clear of any and all encumbrances and without the need for any assignments, releases, consents, approvals, immunities or other rights not yet obtained; and (ii) no agreements or arrangements of any kind exist between Licensor and Third Parties that limit or restrict use of the Licensed IP for a Product in the Territory or that otherwise conflicts or is inconsistent with Licensee's exercise of its rights under this Agreement. As of the Effective Date, Licensor represents and warrants that: (a) there are no claims, demands, Disputes or proceedings of any Person pertaining to or, to Licensor's knowledge, any claim, demand, Dispute or proceeding (including interferences, reissues, reexaminations, cancellations, oppositions, nullity actions, invalidation actions or post-grant reviews) which are pending or threatened that, in either case, challenges Licensor's right, title or interest in the Licensed IP in the Territory or makes any adverse claim of ownership thereof or which would affect Licensor's ability to perform its obligations or grant the rights and licenses under this Agreement; (b) to the best of Licensor's knowledge, after a reasonable investigation, the Licensed IP and Products and the exercise of Licensee's rights in connection therewith and as otherwise contemplated by this Agreement and the performance of each Party's obligations under this Agreement do not and will not violate, infringe or misappropriate the intellectual property or proprietary rights of any Third Party; and (c) none of the relevant Patent Rights and Trademarks in the Licensed IP are the subject of any judgment, injunction, order, decree, settlement or agreement restricting its use for or otherwise Licensee's exercise of rights under this Agreement relating to a Product in the Field for the Territory. Licensor agrees that it shall notify Licensee immediately if Licensor becomes aware of any actual or potential Third Party Claims that could affect either Party's ability to fully perform its obligations or to exercise its rights under this Agreement. Licensor represents, warrants and covenants that Licensor shall not assign or abandon, and shall maintain in full force and effect all Licensed IP.

5.4 No Additional Material Information. As of the Effective Date, Licensor has disclosed to Licensee all material scientific and technical information and all material information relating to safety and efficacy known to Licensor with respect to the Products. The documentation disclosed or made available to Licensee in connection with Licensee's due diligence in entering into this Agreement is, in all material respects, true, complete and unredacted (except as expressly noted in such documentation). Licensor has not failed to disclose or make available any material information to Licensee.

5.5 Warranty Disclaimer. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT, NEITHER PARTY MAKES ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE SUBJECT MATTER OF THIS AGREEMENT AND EACH PARTY HEREBY EXPRESSLY AND SPECIFICALLY DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES, WHETHER WRITTEN OR ORAL, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, BY STATUTE OR OTHERWISE, INCLUDING, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT.

5.6 Limitation of Liability. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NEITHER LICENSEE NOR ANY OF ITS AFFILIATES SHALL BE LIABLE TO LICENSOR OR ANY OF ITS AFFILIATES FOR ANY SPECIAL, PUNITIVE, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING LOST PROFITS OR LOST REVENUES, WHETHER UNDER ANY CONTRACT, WARRANTY, NEGLIGENCE, STRICT LIABILITY OR OTHER LEGAL OR EQUITABLE THEORY.

ARTICLE 6
INTELLECTUAL PROPERTY RIGHTS

6.1 Ownership of Inventions. Ownership of all Inventions shall be as set forth in this Article 6. Determination of inventorship of Inventions shall be made in accordance with US patent laws. Each Party will continue to own any Intellectual Property that it owned prior to the Effective Date or that it creates or obtains outside the scope of this Agreement that are not Inventions. Inventions that are made solely by or on behalf of Licensee shall be owned solely by Licensee. Any Inventions developed, conceived or reduced to practice by either Party (or jointly) that are improvements, modifications, derivative works or otherwise based upon any Intellectual Property owned by Licensee or its Affiliates shall be owned solely by Licensee, and Licensor, on behalf of itself and its Affiliates hereby irrevocably and unconditionally assigns to Licensee all of its (and their) respective right, title and interest in and to all such Inventions (collectively, "**Improvements to Licensee IP**"). Inventions, other than Improvements to Licensee IP that are made solely by or on behalf of Licensor shall be owned solely by Licensor but shall be subject to the exclusive licenses granted to Licensee pursuant to Section 2.1 (and, for the avoidance of doubt, exclude the Retained Field). Joint Inventions shall be jointly owned by Licensee and Licensor, without a duty of accounting, but shall be subject to the exclusive licenses granted to Licensee pursuant to Section 2.1 (and, for the avoidance of doubt, exclude the Retained Field).

6.2 Patent Prosecution and Maintenance of Licensed Patent Rights. Licensor, at Licensor's expense, shall have the first right and responsibility to control the Patent Prosecution and maintenance of Licensed Patent Rights using patent counsel reasonably acceptable to Licensee. In addition to, and not in lieu of Licensor's obligations under Section 6.4 hereof, Licensor shall keep Licensee reasonably informed with respect to the status of Patent Prosecution and maintenance of such Licensed Patent Rights and shall provide copies of all material submissions to any patent office related to Patent Prosecution of such Licensed Patent Rights. Licensor shall promptly (but not less than ninety (90) days, where possible, prior to the due date for the next applicable filing or payment) give notice to Licensee of any upcoming grant, lapse, revocation, surrender, invalidation or abandonment of any Licensed Patent Rights, and in the event of any upcoming lapse, revocation, surrender, invalidation or abandonment of any Licensed Patent Right in any country, Licensee may by notice to Licensor assume control of the Patent Prosecution of such Licensed Patent Rights in such country at Licensee's expense. Licensee shall have the sole right, but not the obligation, to control the Patent Prosecution and maintenance at Licensee's expense of all Licensee- owned Intellectual Property, including all Improvements to Licensee IP. Each Party shall provide the other Party all reasonable assistance and cooperation in the Patent Prosecution efforts provided herein at the request and expense of the Party controlling such Patent Prosecution, including providing any necessary powers of attorney and assignments of employees of the Parties and their Affiliates and sublicensees and Third Party contractors and executing any other required documents or instruments for such prosecution.

6.3 Enforcement and Defense.

6.3.1 Notice. Each Party shall provide prompt notice to the other Party of any infringement of Licensed IP first occurring after the Effective Date within the Field of which such Party becomes aware. Licensor and Licensee shall thereafter consult and cooperate fully to determine a course of action, including the commencement of legal action by either or both Licensor and Licensee, to terminate any such infringement.

6.3.2 Licensed Patent Rights. In consultation with Licensor, Licensee shall have the first right to enforce the Licensed IP in the Field (including any product or service which Licensee reasonably believes to be competing with a Product in the Field (excluding, for clarity, all Retained Fields) (each, a "**Competing Field Infringement**"), and to defend any declaratory judgment action (or other challenge) with respect thereto, at Licensee's expense and by counsel of its own choice and in the name of Licensee (at Licensee's expense) and shall notify Licensor of such enforcement actions. If Licensee fails to bring or defend any such action against a Competing Field Infringement within (i) sixty (60) days following the notice of alleged Competing Field Infringement provided pursuant to the above or (ii) ten (10) days before the time limit, if any, set forth in Applicable Laws for the filing of such actions, whichever is earlier, Licensor shall have the right, but not the obligation, to bring and control any such action at its own expense and by counsel of its own choice, and Licensee shall have the right, at its own expense, to be represented in any such action by counsel of its own choice. In no event shall either Party admit the invalidity of, or after exercising its right to bring and control an action under this Section, fail to defend the validity of, any Licensed Patent Rights without the other Party's prior written consent, which shall not be unreasonably withheld, conditioned or delayed.

6.3.3 Competing Field Infringement Action. In the event a Party brings a Competing Field Infringement action in accordance with this Section (the "**Controlling Party**"), such Controlling Party shall keep the other Party reasonably informed of the progress of any such action, and the other Party shall cooperate fully with the Controlling Party, at the Controlling Party's request and expense, including by providing information, materials and fact witnesses and, if necessary or desirable to bring such action, be named as a party and join such action. Neither Party shall have the right to settle any Competing Field Infringement action under this Section without the prior written consent of the other Party, which shall not be unreasonably withheld, conditioned or delayed.

6.3.4 Recovery. Except as otherwise agreed by the Parties as part of a cost-sharing arrangement, any recovery obtained by either or both of Licensor and Licensee or as a result of any action with respect to a Competing Field Infringement contemplated by this Section, whether by settlement or otherwise, shall be shared in order as follows: (i) the Controlling Party shall recoup all of its costs and expenses incurred in connection with the action; (ii) the other Party shall then, to the extent possible, recover its costs and expenses incurred in connection with the action; and (c) the portion of any recovery remaining shall be shared by the Parties 75:25 in favor of the Controlling Party.

6.3.5 Defense of Infringement Claims. In the event that a claim is brought against either Party alleging the infringement, violation or misappropriation of any Third Party intellectual property right based on the manufacture, use, sale or importation of the Product, then, upon Licensee's request, the Parties shall (i) promptly meet to discuss the defense of such claim and (ii) as appropriate, enter into a joint defense agreement with respect to the common interest privilege protecting communications regarding such claim in a form reasonably acceptable to the Parties. The Party against which such claim is brought shall have the right to control the defense of such claim and shall keep the other Party reasonably informed with respect thereto.

6.4 Information and Cooperation. During the Term, Licensor shall (i) provide Licensee with copies of all patent applications filed with respect to the Licensed Patent Rights in the Field and other material submissions and correspondence relating thereto, in sufficient time to allow for reasonable review and comment by Licensee, (ii) provide Licensee and its patent counsel with an opportunity to consult with Licensor and its patent counsel regarding the filing and contents of any such application, amendment, submission or response with respect to the Licensed Patent Rights in the Field and (iii) provide notice of filing of new Licensed Patent Rights in the Field to Licensee within ten (10) business days of such filing. Licensor hereby agrees that the advice and suggestions of Licensee and its patent counsel shall be taken into reasonable consideration by Licensor and its patent counsel in connection with each filing; provided that Licensor and its patent counsel shall make the final determination in connection with each filing.

6.5 Right to Acquire Licensed Patent Rights. In the event Licensor wishes to assign any of the Licensed Patent Rights to a Third Party then Licensor will provide Licensee with written notice of the same and, at Licensee's option, the Parties will negotiate in good faith a mutually acceptable agreement to assign such Licensed Patent Rights to Licensee. If the Parties fail to reach a mutually acceptable agreement then Licensor will be free to assign such Licensed Patent Rights to such Third Party (in all cases such assignment being subject to Licensee's rights under this Agreement).

ARTICLE 7
TERM AND TERMINATION

7.1 Term. This Agreement is effective as of the Effective Date and continues in full force and effect in perpetuity unless terminated pursuant to Section 7.3, except that the licenses and rights granted hereunder for Intellectual Property shall expire upon the applicable expiration, if any, of each such form of Intellectual Property in accordance with an Applicable Law (the "**Term**"). Except as set forth herein, the licenses and rights granted hereunder shall not be terminable by the licensing Party.

7.2 Termination. Neither this Agreement nor the licenses or rights granted in Section 2.1 may be terminated in whole or in part by the Licensor for any reason. Licensor's sole and exclusive remedy for any breach of or default under this Agreement by Licensee shall be to seek monetary damages and/or equitable remedies (other than rescission or termination of this Agreement) to prevent or stop any such breach or default. The rights granted to Licensor hereunder may be terminated by Licensee in the event of a material breach by Licensor of its obligations under this Agreement, where such breach remains uncured for thirty (30) days following Licensor's receipt of written notice from Licensee specifying such breach. Licensee may terminate this Agreement at any time with or without cause by providing written notice of termination to Licensor, which termination shall be effective thirty (30) days following Licensor's receipt of such written notice and no repayment or refund of the Upfront Payment shall be owed by Licensor to Licensee.

7.3 Effect of Termination; Surviving Provisions. The rights and obligations set forth in this Agreement shall extend beyond the Term or termination of this Agreement only to the extent expressly and specifically provided for in this Agreement. Without limiting the generality of the foregoing, it is agreed that the provisions of Articles 1, 8, and 9, Sections 5.5, 5.6, 6.1, and 7.3 and, to the extent applicable, all other Sections or Articles referenced in any such Section or Article, shall survive such expiration or termination.

ARTICLE 8
CONFIDENTIALITY AND NON-DISCLOSURE

8.1 Confidentiality.

8.1.1 Nondisclosure Obligations. The Receiving Party shall keep confidential and shall not publish or otherwise disclose or use for any purpose other than the purpose of the Parties to perform their respective obligations or in the exercise of their respective rights under this Agreement, any Confidential Information of the Disclosing Party. The Receiving Party shall treat Confidential Information as it would its own proprietary information which in no event shall be with less than a reasonable standard of care, and take reasonable precautions to prevent the disclosure of Confidential Information to a Third Party, except as explicitly set forth herein, without written consent of the Disclosing Party.

8.1.2 Exceptions to Confidentiality. The Receiving Party's obligations set forth in this Agreement shall not extend to any Confidential Information of the Disclosing Party to the extent that such Confidential Information:

(a) is or hereafter becomes part of the public domain by public use, publication, general knowledge or the like or is made generally available by a Third Party, in each case, other than through a wrongful act, fault or negligence on the part of the Receiving Party or a breach of this Agreement;

(b) is received from a Third Party without restriction and with the right to disclose such Confidential Information;

(c) the Receiving Party can demonstrate by competent evidence was already in its possession without any limitation on use or disclosure prior to its receipt from the Disclosing Party;

(d) the Receiving Party can demonstrate by competent evidence was independently developed by or for the Receiving Party without reference to, use of or disclosure of the Disclosing Party's Confidential Information;

(e) is released from the restrictions set forth in this Agreement by the express prior written consent of the Disclosing Party; or

(f) is reasonably necessary for the performance of the obligation or exercise of Receiving Party's rights under this Agreement.

The restriction set forth in this Section 8.1 shall not apply to the extent that the Receiving Party is required to disclose any Confidential Information under law or by an order of a Governmental Authority; provided that the Receiving Party: (i) provides the Disclosing Party with prompt written notice of such disclosure requirement if legally permitted, (ii) affords the Disclosing Party an opportunity, and cooperates with the Disclosing Party's efforts, to oppose or limit, or secure confidential treatment for such required disclosure (at the Disclosing Party's expense), and (iii) if the Disclosing Party is unsuccessful in its efforts pursuant to subsection (ii), discloses only that portion of the Confidential Information that the Receiving Party is legally required to disclose as advised by the Receiving Party's legal counsel.

ARTICLE 9
MISCELLANEOUS

9.1 Governing Law. This Agreement shall be governed by the laws of the State of Delaware, without regard to conflict of law principles. In relation to any legal action or proceedings (i) arising out of or in connection with this Agreement or its implementation or effect or (ii) relating to any non-contractual obligations arising out of or in connection with this Agreement, each of the parties irrevocably submits to the exclusive jurisdiction of the County of Orange, State of California, and waives any objection to proceedings in such courts on the grounds of venue or on the grounds that proceedings have been brought in an inappropriate forum., except that (a) questions affecting the construction and effect of any patent shall be determined by the law of the jurisdiction in which the patent has been granted, (b) matters related to Regulatory Filings and Regulatory Approval in the Territory, shall be governed by Applicable Law in the Territory and (c) any matters to be exclusively resolved pursuant to the Applicable Laws in the Territory as provided under this Agreement, shall be resolved by the Applicable Laws in the Territory. The Parties hereby exclude the United Nations Convention on Contracts for the International Sale of Goods from this Agreement.

9.2 Notice Requirements. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given upon the earlier of actual receipt, or

(i) personal delivery to the party to be notified, (ii) when sent, if sent by electronic mail or facsimile during normal business hours of the recipient, and if not sent during normal business hours, then on the recipient's next business day, (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (iv) one business day after deposit with a nationally recognized overnight courier, freight prepaid, specifying next business day delivery, with written verification of receipt. All communications shall be sent to the respective parties at their address as set forth below in Section 9.2.1, or to such e-mail address, facsimile number or address as subsequently modified by written notice given in accordance with this section.

9.2.1 Addresses for Notice

For Licensee:	For Licensor:
Masimo Corporation 52 Discovery Irvine, CA 92618 Attention: Micah Young, CFO	Innovative Health Solutions, Inc. 829 S. Adams Street Versailles, IN 47042 Attention: Brian Carrico, CEO

9.3 Anti-Bribery and Anti-Corruption. Licensor and Licensee acknowledge and agree that there are anti-bribery and anti-corruption laws to which Licensor and Licensee are subject, that prohibit the payment, or offering, or receiving, as the case may be, of anything of value to, or from, a government employee, or official, or private individual, for the purpose of (i) inducing or influencing any governmental act, or decision affecting Licensor or Licensee, (ii) to help Licensor or Licensee obtain or retain any business, or (iii) to otherwise improperly benefit Licensor's or Licensee's business activities, and such laws prohibit Licensor and Licensee from being involved with clients, contractors, agents, advisors or other Third Parties involved in such activity. Each Party represents, warrants and covenants to refrain from any activity in connection with this Agreement that would constitute a contravention by that Party of such laws.

9.4 Section 365(n). The Parties agree that all rights and licenses granted under or pursuant to this Agreement to Licensee, including those rights and licenses granted in Section 2.1, are rights and licenses in "intellectual property" within the scope of the United States Bankruptcy Code or any foreign bankruptcy Law (each, a "**Bankruptcy Law**"). Licensee shall have the rights set forth in this Agreement with respect to the Licensed IP when and as developed or created. Licensee shall have the rights set forth in this Agreement with respect to the Licensed IP when and as developed or created. In addition, Licensee, as a licensee of the Licensed IP hereunder, shall have and may fully exercise all rights available to it under Bankruptcy Laws, including, without limitation, under Section 365(n) of Section 101(35A) (or its successors) of the United States Bankruptcy Code or its successors. In the event of a case under any Bankruptcy Law involving Licensor, in addition to and not in lieu of any other remedies available to Licensee, to the maximum extent available, Licensee shall have the right to obtain (and Licensor or any trustee for Licensor or its assets shall, at Licensee's written request, deliver to Licensee) all Licensed IP granted to Licensee hereunder and a copy of all embodiments thereof, including, without limitation, embodiments necessary or desirable for Licensee to exercise its rights hereunder. In addition, Licensor shall take all steps reasonably requested by Licensee to perfect, exercise and enforce its rights hereunder, including, without limitation, filings in any Patent or Copyright office or with any other Regulatory Authorities with respect thereto.

9.5 Amendment; Waiver. Any term of this Agreement may be amended, modified or terminated and the observance of any term of this Agreement may be waived (either generally or in a particular instance, and either retroactively or prospectively) only with the written consent of Licensor and Licensee. No waivers of or exceptions to any term, condition, or provision of this Agreement, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such term, condition or provision.

9.6 Relationship of the Parties. Nothing in this Agreement shall be construed (i) to create or imply a partnership, association, joint venture or fiduciary duty between the Parties, (ii) to make either Party the agent of the other for any purpose, (iii) to alter, amend, supersede or vitiate any other arrangements between the Parties with respect to any subject matters not covered hereunder, or (iv) to give either Party the right to bind the other or to create any duties or obligations between the Parties, except as expressly set forth herein. All Persons employed by a Party shall be employees of such Party and not of the other Party and all costs/expenses and obligations incurred by reason of such employment shall be for the account and expense of such Party. The Parties agree that the rights and obligations under this Agreement are not intended to constitute a partnership or similar arrangement that will require separate reporting for tax purposes in the Territory.

9.7 Assignment and Successors. Subject to Section 6.5 hereof, Licensor and Licensee shall be free to assign or transfer this Agreement and its rights and obligations hereunder, in whole or in part, to any Person at any time, provided that Licensor must give Licensee (i) immediate written notice in the event Licensor receives an unsolicited offer to be acquired, or in the event Licensor receives an unsolicited offer to acquire any of Licensor's business or assets related to this Agreement (including any of the Licensed IP), and (ii) at least thirty (30) days prior written notice of any intended assignment of this Agreement by Licensor or any potential merger, acquisition, change of control, or other sale of any business or assets of Licensor related to this Agreement.

9.8 Interpretation. Except where the context otherwise requires, wherever used, the singular shall include the plural, the plural the singular, the use of any gender shall be applicable to all genders. The term "including" as used herein shall mean including, without limiting the generality of any description preceding such term. The language of this Agreement shall be deemed to be the language mutually chosen by the Parties. The Parties acknowledge and agree that: (i) the rule of construction to the effect that any ambiguities are resolved against the drafting Party shall not be employed in the interpretation of this Agreement; and (ii) the terms and provisions of this Agreement shall be construed fairly as to all Parties and not in favor of or against any Party, regardless of which Party was generally responsible for the preparation of this Agreement.

9.9 Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (i) the validity, legality and enforceability of the remaining provisions of this Agreement (including without limitation, each portion of any Section of hereof containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (ii) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (iii) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

9.10 Entire Agreement. This Agreement, together with the Purchase Agreement, constitutes the full and entire understanding and agreement between the Parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the Parties is expressly canceled.

9.11 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

9.12 Further Assurance. Licensor shall perform all further acts and things and execute and deliver such further documents as may be necessary or as Licensee may reasonably require to give effect to this Agreement.

[*Remainder of page intentionally left blank*.]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives.

MASIMO CORPORATION	**INNOVATIVE HEALTH SOLUTIONS, INC.**
By: _____	By: */s/ Brian Carrico*
(Signature)	(Signature)
Micah Young	Brian Carrico
Executive Vice President, Chief Financial Officer	Chief Executive Officer

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives.

MASIMO CORPORATION	**INNOVATIVE HEALTH SOLUTIONS, INC.**
By: _____	By: _____
(Signature)	(Signature)
/s/ Micah Young	
Micah Young	Brian Carrico
Executive Vice President, Chief Financial Officer	Chief Executive Officer

[Signature Page to License and Collaboration Agreement]

Exhibit A

Licensed IP

PATENT RIGHTS

Patent Number (Status)	Description
U.S. Patent No. 9,662,269 (Issued May 30, 2017)	Directed to a device for generating and providing electrical stimulation pulses to a concentrated area of auricular neurovascular bundles via a needle array having needles for insertion into the skin surface of the concentrated area.
U.S. Patent No. 9,839,577 (Issued December 12, 2017)	Directed at the same technical field as U.S. Patent No. 9,662,269 (above).
U.S. Patent No. 10,010,479 (Issued July 3, 2018)	Directed at the same technical field as U.S. Patent No. 9,662,269 (above).
U.S. Patent No. 10,322,062(Issued June 18, 2019)	Directed at auricular peripheral nerve field stimulator and method of operating same.
U.S. Patent No. 10,413,719 (Issued September 17, 2019)	Directed at treating disease using auricular peripheral nerve field stimulation.

TRADEMARKS

Owner	Trademark	Reg. Date / (Filing Date)	Reg. No. / (Serial No.)	Live / Dead
Innovative Health Solutions, Inc.	IB-STIM	(March 11, 2016)	(86937229)	Live
Innovative Health Solutions, Inc.	IB-STIM AURICULAR STIMULATOR	(March 11, 2016)	(86937225)	Live
Innovative Health Solutions, Inc.	IB-STIM	(March 11, 2016)	(86937224)	Live

Owner	Trademark	Reg. Date / (Filing Date)	Reg. No. / (Serial No.)	Live / Dead
Innovative Health Solutions, Inc.	IB-STIM	(March 11, 2016)	(86937221)	Live
Innovative Health Solutions, Inc.	BRIDGE	(February 9, 2016)	(86902033)	Live
Innovative Health Solutions, Inc.	BRIDGE	(February 9, 2016)	(86901992)	Live
Innovative Health Solutions, Inc.	EAD	November 8, 2016	5078513	Live
Innovative Health Solutions, Inc.	EAD	November 8, 2016	5078512	Live
Innovative Health Solutions, Inc.	MFS	April 19, 2016	4942293	Live
Innovative Health Solutions, Inc.	MFS	April 19, 2016	4942292	Live
Innovative Health Solutions, Inc.	NSS	November 10, 2015	4852008	Live
Innovative Health Solutions, Inc.	The Neuro-Stim System	December 20, 2016	5105258	Live

Owner	Trademark	Reg. Date / (Filing Date)	Reg. No. / (Serial No.)	Live / Dead
Innovative Health Solutions, Inc.		December 20, 2016	5105257	Live
Innovative Health Solutions, Inc.		February 23, 2016	4905470	Live
Innovative Health Solutions, Inc.	INNOVATIVE HEALTH SOLUTIONS	February 22, 2005	2927715	Dead

Exhibit 10.2

EXCLUSIVE LICENSE AGREEMENT

This License Agreement ("Agreement") is entered into by and between Innovative Health Solutions, Inc., a Domestic For-Profit Corporation existing under the laws of the State of Indiana, having a place of business at 829 South Adams Street, Versailles, IN, 47042 ("Licensee") and TKBMN, LLC, a Limited Liability Company existing under the laws of the State of Indiana, having a place of business at 13213 West County Line Road, Moores Hill, IN 47032 ("Licensor"), (collectively the "Parties").

WHEREAS, the technology claimed in the Patent Rights (as defined below) was developed and is owned by Licensor;

WHEREAS, Licensee wishes to obtain an exclusive in the field, field-of-use-limited license under the Patent Rights;

NOW, THEREFORE, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Definitions.

Whenever used in this Agreement, the terms defined in this Section 1, whether used in the singular or the plural, shall have the meanings specified below.

1.1. "Effective Date" means the date of execution of this Agreement by the last party to sign below.

1.2. "Field" means electro-therapy treatment by stimulation of cranial nerves, cranial nerve branches, auricular nerves, auricular nerve branches, auricular nerve bundles, and/or auricular anatomical structures in human patients.

1.3. "Licensed Product" means on a country-by-country basis, any system, method, and/or device, the making, using, selling, offering for sale, importing or exporting in the country in question would (without the license granted hereunder) infringe directly, indirectly by inducement of infringement, or indirectly by contributory infringement, at least one pending Valid Claim (were it to have issued) or issued Valid Claim in that country.

1.4. "Patent Rights" means, in each case to the extent owned and controlled by Licensor: (a) the patents and patent applications listed in Appendix A (including any PCT and/or U.S. utility application claiming priority to such application(s) that are filed on or before the one year conversion date of such application(s)); (b) any patent or patent application that claims priority to and is a divisional, continuation, reissue, renewal, reexamination, substitution or extension of any patent application identified in (a); (c) any patents issuing on any patent application identified in (a) or (b), including any reissues, renewals, reexaminations, substitutions or extensions thereof; (d) any claim of a continuation-in-part application or patent (including any reissues, renewals, reexaminations, substitutions or extensions thereof) that is entitled to the priority date of, and is directed specifically to subject matter specifically described in, at least one of the patents or patent applications identified in (a), (b) or (c); (e) any foreign counterpart (including PCTs) of any patent or patent application identified in (a), (b) or (c) or of the claims identified in (d); and (f) any supplementary protection certificates, pediatric exclusivity periods, any other patent term extensions and exclusivity periods and the like of any patents and patent applications identified in (a) through (e).

1.5. "Valid Claim" means: (a) a claim of an issued and unexpired patent within the Patent Rights that has not been (i) held permanently revoked, unenforceable, unpatentable or invalid by a decision of a court or governmental body of competent jurisdiction, unappealable or unappealed within the time allowed for appeal, (ii) rendered unenforceable through disclaimer or otherwise, (iii) abandoned or (iv) permanently lost through an interference or opposition proceeding without any right of appeal or review; or (b) a pending claim of a pending patent application within the Patent Rights that (i) has been asserted and continues to be prosecuted in good faith and (ii) has not been abandoned or finally rejected without the possibility of appeal or refilling.

2. License Grant.

2.1. License. Subject to the terms and conditions set forth in this Agreement, Licensor hereby grants to Licensee an exclusive, worldwide, non-transferable (subject to the provisions of paragraph 8.11), royalty-free license under the Patent Rights solely to develop, make, have made, use, market, offer for sale, sell, and import Licensed Products in the Field.

2.2. Sublicenses. Licensee shall have the right to grant sublicenses to the Patent Rights in the Field.

2.3. No Other Grant of Rights. Except as expressly provided in this Agreement, nothing in this Agreement shall be construed to confer any ownership interest, license or other rights upon Licensee by implication, estoppel or otherwise as to any technology, intellectual property rights, products or biological materials of Licensor or any other entity, regardless of whether such technology, intellectual property rights, products or biological materials are dominant, subordinate or otherwise related to any Patent Rights.

3. Consideration for Grant of License and Sublicenses. Licensee agrees to pay Licensor a one-time, non-refundable license fee of one U.S. Dollars ($1.00), due and payable upon the Effective Date.

4. Intellectual Property.

4.1. Responsibility. Licensor shall have sole responsibility for and control over the preparation, filing, prosecution, protection and maintenance of all Patent Rights, and all decision-making authority with regard to Patent Rights shall vest in Licensor (including, without limitation, as to whether to maintain or abandon any patent, patent application or claim thereof within Patent Rights). Licensor shall keep Licensee informed with respect to the course and conduct of patent applications and prosecution matters.

4.2. Patent Expenses. Licensee shall be responsible for all out-of-pocket expenses and legal fees incurred by Licensor with respect to the preparation, filing, prosecution, protection, and maintenance of the Patent Rights.

4.3. Small Entity Designation. If Licensee does not qualify, or at any point during the term of this Agreement ceases to qualify, as a "small entity" as provided by the United States Patent and Trademark Office (USPTO), Licensee shall so notify Licensor immediately, in order to enable Licensor to comply with USPTO regulations regarding payment of fees with respect to Patent Rights.

4.4. Marking. Licensee shall mark all Licensed Products sold or otherwise disposed of by it in the United States with the word "Patent" and the number of all patents included within the Patent Rights that cover such Licensed Products. All License Products shipped or sold in other countries shall be marked in such a manner as to conform with the patent laws and practice of the country to which such products are shipped or in which such products are sold.

4.5. Improvements. Any Improvements made to the Patent Rights by the Licensee, its subsidiaries, affiliates, and their officers, employees, and agents shall belong to Licensee. Licensee shall grant to Licensor, without additional consideration, a non-exclusive, worldwide, non-transferable, royalty-free license to any such Improvements outside the Field. Licensee shall have the sole right, at its discretion, to secure patent or other intellectual property rights in any such Improvements. Licensor shall cooperate in securing any such intellectual property rights, including, but not limited to, executing all necessary documents including assignments.

4.6. Enforcement. Licensee shall have the right, acting in its sole discretion, to prosecute in its own name and at its own expense any possible or actual infringement of patents related to the Patent Rights in the Field. Licensee agrees to notify Licensor of each suspected or confirmed infringement of such patents of which it is or becomes aware. Licensor agrees to cooperate fully in any action under this Section (including being named as a party in any enforcement litigation), provided that Licensee will reimburse Licensor for any reasonable costs and expenses incurred by Licensor in connection with providing such assistance. If Licensee declines to prosecute possible or actual infringement of patents related to the Patent Rights in the Field, Licensor shall have the right to prosecute such infringement in its own name and at its own expense.

5. Warranties; Limitation of Liability.

5.1. Right to License. Licensor represents and warrants that it is the owner of the entire right, title, and interest in and to the Patent Rights; that it has the right and power to grant the licenses granted herein; that there are no other agreements with any other party in conflict with such grant; and that it knows of no prior art that would invalidate the Patents.

5.2. Compliance with Law. Licensee represents and warrants that it will comply with all local, state, federal and international laws and regulations relating to the development, manufacture, use, sale and importation of Licensed Products. Without limiting the foregoing, Licensee represents and warrants that it will comply with all United States export control laws and regulations.

5.3. No Warranty.

5.3.1. Nothing contained herein shall be deemed to be a warranty by Licensor that it can or will be able to obtain patents on patent applications included in the patent rights, or that any of the patent rights will afford adequate or commercially worthwhile protection.

5.3.2. Licensor makes no warranties whatsoever as to the commercial or scientific value of the patent rights. Licensor makes no representation that the practice of the patent rights or the development, manufacture, use, sale or importation of any licensed product, or any element thereof, will not infringe any patent or proprietary rights.

5.3.3. Except as otherwise expressly provided in this agreement, neither party makes any warranty with respect to any technology, patents, goods, services, rights or other subject matter of this agreement and each party hereby disclaims warranties of merchantability, fitness for a particular purpose and noninfringement with respect to any and all of the foregoing.

5.4. Limitation of Liability.

5.4.1. Except with respect to matters for which Licensee is obligated to indemnify Licensor under Section 6, neither party will be liable to the other with respect to any subject matter of this Agreement under any contract, negligence, strict liability or other legal or equitable theory for (a) any indirect, incidental, consequential or punitive damages or lost profits or (b) cost of procurement of substitute goods, technology or services.

5.4.2. Licensor's aggregate liability for all damages of any kind arising out of or relating to this Agreement or its subject matter under any contract, negligence, strict liability or other legal or equitable theory shall not exceed the amounts paid to Licensor under this Agreement.

6. Indemnification.

6.1. Indemnity. Licensee shall indemnify, defend and hold harmless Licensor and its current and former directors, employees, and agents and their respective successors, heirs and assigns (the "Indemnitees") from and against any claim, liability, cost, expense, damage, deficiency, loss or obligation of any kind or nature (including reasonable attorneys' fees and other costs and expenses of litigation) based upon, arising out of or otherwise relating to this Agreement, including any cause of action relating to product liability concerning any product, process or service made, used, sold or performed pursuant to any right or license granted under this Agreement (collectively "Claims"). Neither Licensee nor Licensor shall settle any Claim without the prior written consent of the other, which consent shall not be unreasonably withheld.

6.2. Legal Representation. Licensee shall, at its own expense, provide attorneys reasonably acceptable to Licensor to defend against any actions brought or filed against any Indemnitee hereunder with respect to the subject of indemnity contained herein, whether or not such actions are rightfully brought.

7. Term and Termination.

7.1. Term. The term of this Agreement shall commence on the Effective Date and, unless earlier terminated as provided in this Section 7, shall continue in full force and effect until the expiration of the last to expire Valid Claim (the "Term").

7.2. Termination.

7.2.1. Termination Without Cause. Licensee may terminate this Agreement upon sixty (60) days prior written notice to Licensor.

7.2.2. Termination for Default. In the event that either party commits a material breach of its obligations under this Agreement and fails to cure that breach within thirty (30) days after receiving written notice thereof, the other party may terminate this Agreement immediately upon written notice to the party in breach.

7.2.3. Bankruptcy. Licensor may terminate this Agreement upon notice to Licensee if Licensee becomes insolvent, is adjudged bankrupt, applies for judicial or extra-judicial settlement with its creditors, makes an assignment for the benefit of its creditors, voluntarily files for bankruptcy or has a receiver or trustee (or the like) in bankruptcy appointed by reason of its insolvency, or in the event an involuntary bankruptcy action is filed against Licensee and not dismissed within ninety (90) days, or if the other party becomes the subject of liquidation or dissolution proceedings or otherwise discontinues business.

7.3. Effect of Termination or Expiration.

7.3.1. Termination of Rights. Upon expiration or termination of this Agreement by either party pursuant to any of the provisions of Section 7.2 the rights and licenses granted to Licensee under Section 2 shall terminate, all rights in and to and under the Patent Rights will revert to Licensor and Licensee may not make any further use or exploitation of the Patent Rights.

7.3.2. Accruing Obligations. Termination or expiration of this Agreement shall not relieve the parties of obligations accruing prior to such termination or expiration, including obligations to pay amounts accruing hereunder up to the date of termination or expiration under Section 4.2. After the date of termination or expiration (except in the case of termination by Licensor pursuant to Section 7.2), Licensee (a) may sell Licensed Products then in stock and (b) may complete the production of Licensed Products then in the process of production and sell the same.

7.4. Survival. The parties' respective rights, obligations and duties under 6, 7, and 8, as well as any rights, obligations and duties which by their nature extend beyond the expiration or termination of this Agreement, shall survive any expiration or termination of this Agreement.

8. Miscellaneous.

8.1. No Security Interest. Licensee shall not enter into any agreement under which Licensee grants to or otherwise creates in any third party a security interest in this Agreement or any of the rights granted to Licensee herein. Any grant or creation of a security interest purported or attempted to be made in violation of the terms of this Section 8.1 shall be null and void and of no legal effect.

8.2. Entire Agreement. This Agreement is the sole agreement with respect to the subject matter hereof and, except as expressly set forth herein, supersedes all other agreements and understandings between the parties with respect to the same.

8.4. Notices. Unless otherwise specifically provided, all notices required or permitted by this Agreement shall be in writing and may be delivered personally, or may be sent by facsimile, expedited delivery or certified mail, return receipt requested, to the following addresses, unless the parties are subsequently notified of any change of address in accordance with this Section 8.4:

If to Licensee: Innovative Health Solutions, Inc.
Brian Carrico
Chief Executive Officer
829 S Adams St.
Versailles, IN 47042

If to Licensor: TKBMN, LLC
Thomas J. Carrico
Manager: TKBMN LLC

Any notice shall be deemed to have been received as follows: (a) by personal delivery or expedited delivery, upon receipt; (b) by facsimile, one business day after transmission or dispatch; (c) by certified mail, as evidenced by the return receipt. If notice is sent by facsimile, a confirming copy of the same shall be sent by mail to the same address.

8.5. Governing Law and Jurisdiction. This Agreement is to be governed by the laws of the State of Indiana, and any questions arising hereunder shall be construed or determined according to such laws, excluding its choice of law principles. With respect to any action arising under or related to this Agreement, Licensee hereby: (i) agrees that it has sufficient contacts with Indiana, USA to subject it to the personal jurisdiction of the state and federal courts of Indiana, USA; (ii) agrees that venue properly lies in any or all of those courts; (iii) waives and agrees not to assert any claim that it is not subject personally to the jurisdiction of the above-named courts or that such action should be dismissed on grounds of lack of venue or forum non conveniens, should be transferred to any court other than the above-named courts, or should be stayed by reason of the pendency of some other proceeding in any court other than the above-named courts; (iv) consents and agrees that service of process may be made in any manner permitted by law or by registered or certified mail, return receipt requested, at its principal place of business, and that service made in accordance with the foregoing is reasonably calculated to give actual notice of any such action; and (v) waives and agrees not to assert any claim that service of process made in accordance with the foregoing does not constitute good and sufficient service of process.

8.6. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective legal representatives, successors and permitted assigns.

8.7. Headings. Section and subsection headings are inserted for convenience of reference only and do not form a part of this Agreement.

8.8. Counterparts. The parties may execute this Agreement in two or more counterparts, each of which shall be deemed an original, but both of which together shall constitute one and the same instrument. Transmission by facsimile or electronic mail of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

8.9. Amendment; Waiver. This Agreement may be amended, modified, superseded or canceled, and any of the terms may be waived, only by a written instrument executed by each party or, in the case of waiver, by the party waiving compliance. The delay or failure of either party at any time or times to require performance of any provisions hereof shall in no manner affect the rights at a later time to enforce the same. No waiver by either party of any condition or of the breach of any term contained in this Agreement, whether by conduct, or otherwise, in any one or more instances, shall be deemed to be, or considered as, a further or continuing waiver of any such condition or of the breach of such term or any other term of this Agreement.

8.10. No Agency or Partnership. Nothing contained in this Agreement shall give either party the right to bind the other or be deemed to constitute either party as agent for or partner of the other or any third party.

8.11. Assignment and Successors. This Agreement may not be assigned by either party without the consent of the other, which consent shall not be unreasonably withheld, except that each party may, without such consent, assign this Agreement and the rights, obligations and interests of such party to any purchaser of all or substantially all of its assets to which the subject matter of this Agreement relates, or to any successor corporation resulting from any merger or consolidation of such party with or into such corporation; provided, in each case, that the assignee agrees in writing to be bound by the terms of this Agreement. Any assignment purported or attempted to be made in violation of the terms of this Section 8.11 shall be null and void and of no legal effect.

8.12. Force Majeure. Except for monetary obligations hereunder, neither party will be responsible for delays resulting from causes beyond the reasonable control of such party, including fire, explosion, flood, war, strike, pandemic, or riot, provided that the nonperforming party uses commercially reasonable efforts to avoid or remove such causes of nonperformance and continues performance under this Agreement with reasonable dispatch whenever such causes are removed.

8.13. Interpretation. Each party hereto acknowledges and agrees that: (a) it and/or its counsel reviewed and negotiated the terms and provisions of this Agreement and has contributed to its revision; (b) the rule of construction to the effect that any ambiguities are resolved against the drafting party shall not be employed in the interpretation of this Agreement; (c) the terms and provisions of this Agreement shall be construed fairly as to both parties hereto and not in favor of or against either party, regardless of which party was generally responsible for the preparation of this Agreement and (d) the use of “include,” “includes,” or “including” herein shall not be limiting and “or” shall not be exclusive.

8.14. Severability. If any provision of this Agreement is or becomes invalid or is ruled invalid by any court of competent jurisdiction or is deemed unenforceable, it is the intention of the parties that the remainder of this Agreement shall not be affected.

[Signature page follows]

IN WITNESS WHEREOF, LICENSOR and LICENSEE hereby acknowledge, by signature below that each has read this Agreement, understands it, and has caused it to be executed and sealed by authorized officers.

TKBMN, LLC LICENSOR	Innovative Health Solutions, Inc. LICENSEE
/s/ Thomas J. Carrico Signature	*/s/ Daniel Clarence* Signature
Thomas J. Carrico Printed Name	Daniel Clarence Printed Name
Manager Title	Chief Operating Officer Title
5/6/2020 Date	5/7/20 Date

APPENDIX A

Patent Rights

Pending Applications

Application No.	Filing Date	Title
US 15/981,082	May 16, 2018	Systems and Methods for Electro-Therapy Treatment
PCT/US2018/032944	May 16, 2018	Systems and Methods for Electro-Therapy Treatment
US 62/507,168	May 16, 2017	Systems and Methods for Electro-Therapy Treatment

Exhibit 10.4

THIS NOTE HAS BEEN ISSUED WITH "ORIGINAL ISSUE DISCOUNT" FOR U.S. FEDERAL INCOME TAX PURPOSES. THE ISSUER WILL MAKE AVAILABLE TO ANY HOLDER OF THIS NOTE: (1) THE ISSUE PRICE AND ISSUE DATE OF THE NOTE, (2) THE AMOUNT OF ORIGINAL ISSUE DISCOUNT ON THE NOTE, (3) THE YIELD TO MATURITY OF THE NOTE, AND (4) ANY OTHER INFORMATION REQUIRED TO BE MADE AVAILABLE BY U.S. TREASURY REGULATIONS UPON RECEIVING A WRITTEN OR ELECTRONIC REQUEST FOR SUCH INFORMATION AT THE FOLLOWING ADDRESS: 829 S ADAMS ST, VERSAILLES, IN 47042.

NEITHER THE ISSUANCE NOR SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE CONVERTIBLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL (WHICH COUNSEL SHALL BE SELECTED BY THE HOLDER AND REASONABLY ACCEPTABLE TO THE COMPANY), IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.

Principal Amount: $ **Issue Date:___, 2022**
Purchase Price: $
Original Issue Discount: $

SENIOR SECURED CONVERTIBLE PROMISSORY NOTE

For value received, **Neuraxis, Inc.**, a corporation organized under the laws of the state of Indiana ("**Neuraxis**" or the "**Borrower**"), hereby promises to pay to the order of _____, a limited partnership organized under the laws of the State of , or registered assigns (the "**Holder**") the principal sum of _____ Dollars ($____) (the "**Principal Amount**"), together with interest on the Principal Amount, on the dates set forth below or upon acceleration or otherwise, as set forth herein (or as may be amended, extended, renewed and refinanced, collectively, this "**Note**"). The "**Interest Rate**" shall reset daily and accrue at a rate equal to the greater of (i) the Prime Rate plus eight and one half percent (8.5%) per annum, or (ii) twelve percent (12%). The "**Prime Rate**" shall mean that variable rate of interest published from time to time by the Wall Street Journal as the prime rate of interest. In no event shall the Interest Rate exceed the maximum rate allowed by law; any interest payment which would for any reason be unlawful under applicable law shall be applied to principal.

The consideration to the Borrower for this Note is _____ Dollars ($____) (the "**Consideration**") to be paid upon the issuance of this Note by Holder (the "**Closing**").

The maturity date ("**Maturity Date**") shall be twelve (12) months from the Issue Date. The principal sum, as well as interest and other fees shall be due and payable in accordance with the payment terms set forth in Article I herein. Notwithstanding the foregoing, the Maturity Date for this Note, shall be no later than the date upon which the Borrower completes a Registered Public Offering of shares of the Company. Subject to Section 5.10 below, this Note may not be prepaid in whole or in part except as otherwise explicitly set forth herein.

Any amount of principal, interest, other amounts due hereunder or penalties on this Note, which is not paid by the due date as specified herein, shall bear interest at the lesser of the rate of twenty four percent (24%) per annum or the maximum legal amount permitted by law ("**Default Interest Rate**"), from the due date thereof until the same is paid in full, including following the entry of a judgment in favor of Holder ("**Default Interest**").

If any payment (other than a payment due at maturity or upon default) is not made on or before its due date, the Holder may at its discretion collect a delinquency charge equal to the greater of one hundred Dollars ($100.00) or five (5%) percent of the unpaid amount. The unpaid balances on all obligations payable by Borrower and due to Holder pursuant to the terms of this Note, shall in addition to other remedies contained herein, bear interest after default or maturity at an annual rate equal to the Default Interest rate.

Except as provided for in Section 1.2 below, all payments of principal and interest due hereunder (to the extent not converted into Borrower's ordinary shares (the "**Ordinary Shares**") shall be paid by automatic debit, wire transfer, check or in coin or currency which, at the time or times of payment, is the legal tender for public and private debts in the United States of America and shall be made at such place as Holder or the legal holder or holders of the Note may from time to time appoint in a payment invoice or otherwise in writing, and in the absence of such appointment, then at the offices of Holder at such address as the Holder shall hereafter give to the Borrower by written notice made in accordance with the provisions of this Note. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest, then to any late charges, and then to principal. Whenever any amount expressed to be due by the terms of this Note is due on any day which is not a business day, the same shall instead be due on the next succeeding day which is a business day and, in the case of any interest payment date which is not the date on which this Note is paid in full, interest shall continue to accrue during such extension. As used in this Note, the term "**business day**" shall mean any day other than a Saturday, Sunday or a day on which commercial banks in the city of New York, New York are authorized or required by law or executive order to remain closed.

This Note carries an original issue discount of ten percent (10%) of the Principal Amount (the "**OID**"), to cover the Holder's accounting fees, due diligence fees, monitoring, and/or other transactional costs incurred in connection with the purchase and sale of the Note, which is included in the principal balance of this Note. Thus, the purchase price of this Note shall be computed as follows: the Principal Amount minus the OID.

It is further acknowledged and agreed that the Principal Amount owed by Borrower under this Note shall be increased by the amount of all reasonable expenses incurred by the Holder in connection with the collection of amounts due, or enforcement of any terms pursuant to, this Note. All such expenses shall be deemed added to the Principal Amount hereunder to the extent such expenses are paid or incurred by the Holder.

This Note is issued by the Borrower to the Holder pursuant to the terms of that certain Securities Purchase Agreement even date herewith (the "**Purchase Agreement**"), terms of which are incorporated by reference and made part of this Note. Each capitalized term used herein, and not otherwise defined, shall have the meaning ascribed thereto in the Purchase Agreement. As used herein, the term "Trading Day" means any day that the Borrower's ordinary shares (the "**Common Shares**") are listed for trading or quotation on the OTC, or any other exchanges or electronic quotation systems on which the Common Shares are then traded (as defined in the Purchase Agreement).

This Note shall be a senior secured obligation of the Borrower, with first priority over all current and future Indebtedness (as defined below) of the Borrower and any subsidiaries, whether such subsidiaries exist on the Issue Date or are created or acquired thereafter (each a "**Subsidiary**" and collectively, the "**Subsidiaries**"). The obligations of the Borrower under this Note are secured pursuant to the terms of the security and pledge agreement (the "**Security and Pledge Agreement**" and collectively with the Purchase Agreement, the "**Related Documents**"), a copy of which is attached hereto as Exhibit C, between the Borrower and the Collateral Agent, as defined in the Purchase Agreement, terms of which are incorporated by reference and made part of this Note. With respect to any Subsidiary created or acquired subsequent to the Issue Date, Borrower agrees to cause such Subsidiary to execute any documents or agreements that would bind the Subsidiary to the terms herein and in the Related Documents.

This Note is free from all taxes, liens, claims and encumbrances with respect to the issue thereof and shall not be subject to preemptive rights or other similar rights of shareholders or members, as applicable, of Borrower and will not impose personal liability upon the holder thereof.

In addition to the terms above, the following terms shall also apply to this Note:

ARTICLE I. PAYMENTS

1.1 Principal Payments. The Principal Amount shall be due and payable on the Maturity Date.

1.2 Interest Payments. Interest on this Note (i) is payable monthly; and (ii) is guaranteed to the Holder for the entire term of the Note, without regard to an acceleration of the Maturity Date, based on the total Principal Amount, without regard to a reduction of the Principal Amount resulting from, without limitation, Principal Payments, Conversion (as defined below), or prepayment by Borrower. At the option of the Borrower, the Borrower may, upon not less than five Business Days' written notice to the Lead Investor prior to the date on which Interest is due (the "**Interest Date**"), pay such Interest (i) in kind or (ii) partly in cash and partly as Interest paid in kind ("**PIK Interest**"). PIK Interest shall be capitalized, compounded and added to the unpaid principal amount of the Note on the Interest Date. Amounts representing the PIK Interest shall be treated as Principal Amount for purposes of this Note. The obligation of the Borrower to pay all such PIK Interest so added shall be automatically evidenced by the Note issued to the Holder (without modification or reissuance thereof).

1.3 Other Payment Obligations. All payments, fees, penalties, and other charges, if any, due under this Note shall be payable pursuant to the terms contained herein, but in any case, shall be payable no later than the Maturity Date.

ARTICLE II. CONVERSION RIGHTS

2.1 Conversion Right. The Holder shall have the right at any time, at the Holder's option to convert all or any part of the outstanding and unpaid principal amount and accrued and unpaid interest of this Note into fully paid and non-assessable Common Shares of Borrower or other securities into which such Common Shares shall hereafter be changed or reclassified (each, a "**Conversion Share**") at the conversion price (the "**Conversion Price**") determined as provided herein (a "**Conversion**"); provided, however, that in no event shall the Holder be entitled to convert any portion of this Note in excess of that portion of this Note upon conversion of which the sum of (1) the number of Common Shares beneficially owned by the Holder and its affiliates (other than Common Shares which may be deemed beneficially owned through the ownership of the unconverted portion of the Note or the unexercised or unconverted portion of any other security of Borrower subject to a limitation on conversion or exercise analogous to the limitations contained herein, and, if applicable, net of any shares that may be deemed to be owned by any person not affiliated with the Holder who has purchased a portion of the Note from the Holder) and (2) the number of Common Shares issuable upon the conversion of the portion of this Note with respect to which the determination of this proviso is being made, would result in beneficial ownership by the Holder and its affiliates of more than 4.99% of the outstanding Common Shares. For purposes of the proviso to the immediately preceding sentence, beneficial ownership shall be determined in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and Regulations 13D-G thereunder, except as otherwise provided in clause (1) of such proviso, provided, further, however, that the limitations on conversion may be waived (up to a maximum of 9.99%) by the Holder upon, at the election of the Holder, not less than 61 days' prior notice to Borrower, and the provisions of the conversion limitation shall continue to apply until such 61st day (or such later date, as determined by the Holder, as may be specified in such notice of waiver). The number of Common Shares to be issued upon each conversion of this Note shall be determined by dividing the Conversion Amount (as defined below) by the applicable Conversion Price then in effect on the date specified in the notice of conversion, in the form attached hereto as Exhibit A (the "**Notice of Conversion**"), delivered to Borrower by the Holder in accordance with Section 2.4 below; provided that the Notice of Conversion is submitted by facsimile or e-mail (or by other means resulting in, or reasonably expected to result in, notice) to Borrower before 6:00 p.m., New York, New York time on such conversion date (the "**Conversion Date**"). The term "**Conversion Amount**" means, with respect to any conversion of this Note, the sum of: (1) the principal amount of this Note to be converted in such conversion; plus (2) at the Holder's option, accrued and unpaid interest; provided, however, that at the option of Holder, the accrued and unpaid interest can be converted prior to any other amounts under the Note, if any, on such principal amount at the interest rates provided in this Note to the Conversion Date; plus (3) at the Holder's option, Default Interest, if any, on the amounts referred to in the immediately preceding clauses (1) and/or (2); plus (4) the Holder's expenses relating to a Conversion, including but not limited to amounts paid by Holder on the Borrower's transfer agent account; plus (5) at the Holder's option, any amounts owed to the Holder pursuant to Sections 2.3 and 2.4(g) hereof.

2.2 Conversion Price.

(a) Calculation of Conversion Price. The Conversion Price shall be the lower of (i) $4.72; or (ii) a discount of thirty percent (30%) to the price per share of any subsequent offering.

(b) Fixed Conversion Price Adjustments.

(1) Common Share Distributions and Splits. If Borrower, at any time while this Note is outstanding: (i) pays a distribution on its Common Shares or otherwise makes a distribution or distributions payable in Common Shares on its Common Shares; (ii) subdivides outstanding Common Shares into a larger (or smaller) number of shares; or (iii) issues, in the event of a reclassification of shares of Common Shares, any Common Shares of Borrower, then the Fixed Conversion Price shall be multiplied by a fraction of which the numerator shall be the number of Common Shares (excluding any treasury shares of Borrower) outstanding immediately before such event and of which the denominator shall be the number of Common Shares outstanding immediately after such event.

(2) Fundamental Transaction. If, at any time while this Note is outstanding, (i) Borrower effects any merger or consolidation of Borrower with or into another person, (ii) Borrower effects any sale of all or substantially all of its assets in one transaction or a series of related transactions, (iii) any tender offer or exchange offer (whether by Borrower or another person) is completed pursuant to which holders of Common Shares are permitted to tender or exchange their shares for other securities, cash or property, or (iv) Borrower effects any reclassification of the Common Shares or any compulsory share exchange pursuant to which the Common Shares are effectively converted into or exchanged for other securities, cash or property (in any such case, a "**Fundamental Transaction**"), then, upon any subsequent conversion of this Note, the Holder shall have the right to receive, for each Conversion Share that would have been issuable upon such conversion immediately prior to the occurrence of such Fundamental Transaction, the same kind and amount of securities, cash or property as it would have been entitled to receive upon the occurrence of such Fundamental Transaction if it had been, immediately prior to such Fundamental Transaction, the holder of 1 Common Share (the "**Alternate Consideration**"). For purposes of any such conversion, the determination of the Fixed Conversion Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of 1 Common Share in such Fundamental Transaction, and Borrower shall apportion the Fixed Conversion Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration.

(3) Anti-dilution Adjustment. If at any time while this Note is outstanding, Borrower sells, grants, or otherwise makes a disposition of Common Shares, or sells, grants, or otherwise makes a disposition of other securities (or in the case of securities existing on the Issue Date, amends such securities) convertible into, exercisable for, or that would otherwise entitle any person or entity the right to acquire Common Shares, or announces its intention, or files any document with the SEC or other regulatory body that reflects its intention to do of any of the foregoing, at an effective price per share that is lower than the then Fixed Conversion Price (such lower price, the "**Base Conversion Price**" and such issuances, collectively, a "**Dilutive Issuance**") (it being agreed that if the holder of the Common Shares or other securities so issued shall at any time, whether by operation of purchase price adjustments, reset provisions, floating conversion, exercise or exchange prices or otherwise, or due to warrants, options or rights per share which are issued in connection with such issuance, be entitled to receive Common Shares at an effective price per share that is lower than the Fixed Conversion Price, such issuance shall be deemed to have occurred for less than the Conversion Price on such date of the Dilutive Issuance, and the Base Conversion Price shall then be adjusted to equal the lowest of such issuance price), then the Fixed Conversion Price shall be reduced to a price equal the Base Conversion Price as it may be adjusted as provided for above. Such adjustment shall be made whenever such Common Shares or other securities are issued. Notwithstanding the foregoing, no adjustment will be made under this Section 2.2(b)(4) in respect of an Exempt Issuance. For purposes of this Section 2.2(b)(4) an "**Exempt Issuance**" means an issuance of Common Shares or other securities convertible into or exercisable or exchangeable for Common Shares (i) upon the exercise or exchange of any securities issued hereunder or under the Warrants, (ii) to employees, directors of Borrower pursuant to any stock or option or similar equity incentive plan duly adopted for such purpose by the Board of Directors of Borrower, (iii) to banks, equipment lessors or other financial institutions, or to real property lessors, at market value as of the date of issuance, pursuant to a debt financing, equipment leasing, or real property leasing transaction approved by the Board of Directors of Borrower, (iv) to suppliers, consultants, or third party service providers in connection with the provision of goods or services, at market value as of the date of issuance, pursuant to a stock option plan, agreement, or arrangement of the Borrower, duly adopted for such purpose by the Board of Directors of Borrower, (v) pursuant to the acquisition of another corporation or other entity by Borrower by merger, purchase of substantially all of the assets or other reorganization or pursuant to a joint venture agreement, provided that such issuances are approved by the Board of Directors of Borrower, (vi) to third parties in connection with collaboration, technology license, development, marketing or other similar agreements or strategic partnerships, in each case only in connection with the operating business of the Borrower and approved by the Board of Directors of Borrower, or (vii) shares with respect to which the Holder waives its anti-dilution rights granted hereby; provided, however, that any such issuance described in (v) and (vi) shall only be to a person (or to the equity holders of a person) which is, itself or through its Subsidiaries, an operating company or an owner of an asset (or an employee, director, consultant, or advisor thereof), in a business synergistic with the business of Borrower and shall provide to Borrower additional benefits in addition to the investment of funds, but in none of (ii) through (vi) above shall include a transaction in which Borrower is issuing securities primarily for the purpose of raising capital or to a recipient whose primary business is investing in securities or to a recipient whose primary business is investor relations or public relations. In the event of an issuance of securities involving multiple tranches or closings, any adjustment pursuant to this Section 2.2(b)(3) shall be calculated as if all such securities were issued upon distribution of the initial tranche.

(4) Notice to the Holder. Whenever the Conversion Price is adjusted pursuant to any provision of this Section 2.2(b), Borrower shall within two (2) business days deliver to the Holder a notice setting forth the Fixed Conversion Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment, provided that Borrower's failure to timely provide the notice shall not affect the automatic adjustments contemplated hereby.

2.3 Authorized Shares. Borrower covenants that during the period the conversion right exists, Borrower will reserve from its authorized and unissued Common Shares a sufficient number of shares, free from preemptive rights, to provide for the issuance of Common Shares upon the full conversion of this Note and exercise of the Warrants. Borrower is required at all times to have authorized and reserved seven (7) times the number of shares that is actually issuable upon full conversion of the Note (based on the Conversion Price of the Note in effect from time to time, which, if cannot be determined shall be estimated in good faith by Borrower) it being acknowledged and agreed by the parties that for the initial issuance of the Note, 1,730,226 shares of Common Shares is sufficient and will be reserved (the "**Reserved Amount**"). The Reserved Amount shall be increased from time to time in accordance with Borrower's obligations hereunder. Borrower represents that upon issuance, such shares will be duly and validly issued, fully paid and non-assessable. In addition, if Borrower shall issue any securities or make any change to its capital structure which would change the number of Common Shares into which the Note shall be convertible at the then current Conversion Price, Borrower shall at the same time make proper provision so that thereafter there shall be a sufficient number of Common Shares authorized and reserved, free from preemptive rights, for conversion of the outstanding Note, including but not limited to authorizing additional shares or effectuating a reverse split. Borrower (i) acknowledges that it has irrevocably instructed its transfer agent by letter, a copy of which is attached hereto as Exhibit B to issue certificates for the Common Shares issuable upon conversion of this Note and exercise of the Warrants, and (ii) agrees that its issuance of this Note shall constitute full authority to its officers and agents who are charged with the duty of executing Common Share certificates to execute and issue the necessary certificates for Common Shares in accordance with the terms and conditions of this Note. If, at any time Borrower does not maintain the Reserved Amount it will be considered an Event of Default under Section 4.1.2 of the Note.

2.4 Method of Conversion.

(a) Mechanics of Conversion. Subject to Section 2.1, this Note may be converted by the Holder in whole or in part, at any time from the date hereof, by (A) submitting to Borrower a Notice of Conversion (by facsimile, e-mail or other reasonable means of communication dispatched on the Conversion Date prior to 7:00 p.m., New York, New York time) and (B) subject to Section 2.4(b), surrendering this Note at the principal office of Borrower.

(b) Surrender of Note Upon Conversion. Notwithstanding anything to the contrary set forth herein, upon conversion of this Note in accordance with the terms hereof, the Holder shall not be required to physically surrender this Note to Borrower unless the entire unpaid principal amount of this Note is so converted. The Holder and Borrower shall maintain records showing the principal amount so converted and the dates of such conversions or shall use such other method, reasonably satisfactory to the Holder and Borrower, so as not to require physical surrender of this Note upon each such conversion. In the event of any dispute or discrepancy, such records of Borrower shall, *prima facie,* be controlling and determinative in the absence of manifest error. The Holder and any assignee, by acceptance of this Note, acknowledge and agree that, by reason of the provisions of this paragraph, following conversion of a portion of this Note, the unpaid and unconverted principal amount of this Note represented by this Note may be less than the amount stated on the face hereof.

(c) Payment of Taxes. Borrower shall not be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of Ordinary Shares or other securities or property on conversion of this Note in a name other than that of the Holder (or in street name), and Borrower shall not be required to issue or deliver any such shares or other securities or property unless and until the person or persons (other than the Holder or the custodian in whose street name such shares are to be held for the Holder's account) requesting the issuance thereof shall have paid to Borrower the amount of any such tax or shall have established to the satisfaction of Borrower that such tax has been paid.

(d) Delivery of Ordinary Shares Upon Conversion. Upon receipt by Borrower from the Holder of an e-mail (or other reasonable means of communication) of a Notice of Conversion meeting the requirements for conversion as provided in this Section 2.4, Borrower shall issue and deliver to or cause to be issued and delivered to or upon the order of the Holder certificates for Ordinary Shares issuable upon such conversion by the end of the next business day after such receipt (the "**Deadline**") (and, solely in the case of conversion of the entire unpaid principal amount hereof, surrender of this Note) in accordance with the terms hereof.

(e) Obligation of Borrower to Deliver Ordinary Shares. Upon receipt by Borrower of a Notice of Conversion, the Holder shall be deemed to be the holder of record of the Ordinary Shares issuable upon such conversion, the outstanding principal amount and the amount of accrued and unpaid interest on this Note shall be reduced to reflect such conversion, and, unless Borrower defaults on its obligations under this Article II, all rights with respect to the portion of this Note being so converted shall forthwith terminate except the right to receive the Ordinary Shares or other securities, cash or other assets, as herein provided, on such conversion. If the Holder shall have given a Notice of Conversion as provided herein, Borrower's obligation to issue and deliver the certificates for Ordinary Shares shall be absolute and unconditional, irrespective of the absence of any action by the Holder to enforce the same, any waiver or consent with respect to any provision thereof, the recovery of any judgment against any person or any action to enforce the same, any failure or delay in the enforcement of any other obligation of Borrower to the holder of record, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by the Holder of any obligation to Borrower, and irrespective of any other circumstance which might otherwise limit such obligation of Borrower to the Holder in connection with such conversion. The Conversion Date specified in the Notice of Conversion shall be the Conversion Date so long as the Notice of Conversion is received by Borrower before 7:00 p.m., New York, New York time, on such date.

(f) Delivery of Ordinary Shares by Electronic Transfer. If the shares of the Company are publicly traded, in lieu of delivering physical certificates representing the Ordinary Shares issuable upon conversion, provided Borrower is participating in the Depository Trust Company ("**DTC**") Fast Automated Securities Transfer ("**FAST**") program, upon request of the Holder and its compliance with the provisions contained in Section 2.1 and in this Section 2.4, Borrower shall use its best efforts to cause its transfer agent to electronically transmit the Ordinary Shares issuable upon conversion to the Holder by crediting the account of Holder's Prime Broker with DTC through its Deposit Withdrawal Agent Commission ("**DWAC**") system. If the Borrower is not registered with DTC as of the Issue Date, the Borrower shall be required to register with DTC within 30 days of the Issue Date, and the provisions of this paragraph shall apply after such registration. Failure to become DTC registered or maintain DTC eligibility as provided herein shall be an Event of Default under Section 4.1.22 of this Note.

(g) Failure to Deliver Ordinary Shares Prior to Deadline. Without in any way limiting the Holder's right to pursue other remedies, including actual damages and/or equitable relief, the parties agree that if Borrower causes the Ordinary Shares issuable upon conversion of this Note to not be delivered by the second (2nd) Trading Day following the Deadline (such non delivery referred to herein as a "**Conversion Default**"), Borrower shall pay to the Holder $1,000 per day in cash, for each day beyond the Deadline that Borrower fails to deliver such Ordinary Shares. Such cash amount shall be paid to Holder by the fifth day of the month following the month in which it has accrued or, at the option of the Holder (by written notice to Borrower by the first day of the month following the month in which it has accrued), shall be added to the principal amount of this Note, in which event interest shall accrue thereon in accordance with the terms of this Note and such additional principal amount shall be convertible into Ordinary Shares in accordance with the terms of this Note. Borrower agrees that the right to convert is a valuable right to the Holder, and as such, Borrower will not take any actions to hamper, delay or prevent any Holder conversion of the Note. The damages resulting from a failure, attempt to frustrate, interference with such conversion right are difficult if not impossible to qualify. Accordingly, the parties acknowledge that the liquidated damages provision contained in this Section 2.4(g) are justified.

2.5 Concerning the Ordinary Shares. The Ordinary Shares issuable upon conversion of this Note may not be sold or transferred except in accordance with the Articles of Association of the Company and unless (i) such shares are sold pursuant to an effective registration statement under the Act or (ii) Borrower or its transfer agent shall have been furnished with an opinion of counsel (which opinion shall be in form, substance and scope customary for opinions of counsel in comparable transactions) to the effect that the shares to be sold or transferred may be sold or transferred pursuant to an exemption from such registration or (iii) such shares are sold or transferred pursuant to Rule 144 under the Act (or a successor rule) ("**Rule 144**") or (iv) such shares are transferred to an "**affiliate**" (as defined in Rule 144) of Borrower who agrees to sell or otherwise transfer the shares only in accordance with this Section 2.5 and who is an Accredited Investor. Except as otherwise provided (and subject to the removal provisions set forth below), until such time as the Ordinary Shares issuable upon conversion of this Note have been registered under the Act or otherwise may be sold pursuant to Rule 144 without any restriction as to the number of securities as of a particular date that can then be immediately sold, each certificate for Ordinary Shares issuable upon conversion of this Note that has not been so included in an effective registration statement or that has not been sold pursuant to an effective registration statement or an exemption that permits removal of the legend, shall bear a legend substantially in the following form, as appropriate:

NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE EXERCISABLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL (WHICH COUNSEL SHALL BE SELECTED BY THE HOLDER AND REASONABLY ACCEPTABLE TO THE COMPANY), IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.

The legend set forth above shall be removed and Borrower shall issue to the Holder a new certificate therefore free of any transfer legend if (i) Borrower or its transfer agent shall have received an opinion of counsel, in form, substance and scope customary for opinions of counsel in comparable transactions, to the effect that a public sale or transfer of such Ordinary Shares may be made without registration under the Act, which opinion shall be accepted by Borrower (which acceptance shall be subject to and conditioned on any requirements, if any, of its transfer agent, the exchange on which Borrower is then trading or other applicable laws, rules or regulations) so that the sale or transfer is effected or (ii) in the case of the Ordinary Shares issuable upon conversion of this Note, such security is registered for sale by the Holder under an effective registration statement filed under the Act or otherwise may be sold pursuant to Rule 144 without any restriction as to the number of securities as of a particular date that can then be immediately sold. In the event that Borrower does not accept the opinion of counsel provided by the Holder with respect to the transfer of Securities pursuant to an exemption from registration, such as Rule 144 or Regulation S, at the Deadline, it will be considered an Event of Default pursuant to Section 4.1.2 of the Note.

2.6 Status as Shareholder. Upon submission of a Notice of Conversion by a Holder, (i) the shares covered thereby (other than the shares, if any, which cannot be issued because their issuance would exceed such Holder's allocated portion of the Reserved Amount or Maximum Share Amount) shall be deemed converted into Ordinary Shares and (ii) the Holder's rights as a Holder of such converted portion of this Note shall cease and terminate, excepting only the right to receive certificates for such Ordinary Shares and to any remedies provided herein or otherwise available at law or in equity to such Holder because of a failure by Borrower to comply with the terms of this Note. Notwithstanding the foregoing, if a Holder has not received certificates for all Ordinary Shares prior to the tenth (10th) business day after the expiration of the Deadline with respect to a conversion of any portion of this Note for any reason, then (unless the Holder otherwise elects to retain its status as a holder of Ordinary Shares by so notifying Borrower) the Holder shall regain the rights of a Holder of this Note with respect to such unconverted portions of this Note and Borrower shall, as soon as practicable, return such unconverted Note to the Holder or, if the Note has not been surrendered, adjust its records to reflect that such portion of this Note has not been converted. In all cases, the Holder shall retain all of its rights and remedies (including, without limitation, (i) the right to receive Conversion Default Payments pursuant to Section 2.4 to the extent required thereby for such Conversion Default and any subsequent Conversion Default and (ii) the right to have the Conversion Price with respect to subsequent conversions adjusted upon an Event of Default, if applicable) for Borrower's failure to convert this Note.

ARTICLE III. RANKING, CERTAIN COVENANTS AND POST CLOSING OBLIGATIONS

3.1 Warrants. Upon the advance of the Consideration by Holder to the Borrower, Borrower shall issue to Holder warrants exercisable for the Borrower's Ordinary Shares (the "**Warrants**"). The Warrants shall have the following terms: (1) a term of 60 Months; (2) anti-dilution protection provisions; (3) exercisable for a number of Common Shares equal to the number of Common Shares that would be issued upon full conversion of this Note; and (4) an exercise price equal to a 25% premium to the Conversion Price.

3.2 Equity Interest. Upon the advance of the Consideration by Holder to the Borrower, Borrower shall issue to Holder a number of Common Shares, the value of which in the aggregate shall be equal to ten percent (10%) of the Principal Amount of this Note, at a value per share equal to the Conversion Price.

3.3 Distributions on Ordinary Shares. So long as the Borrower shall have any obligation under this Note, the Borrower shall not without the Holder's written consent (a) pay, declare or set apart for such payment, any dividend or other distribution (whether in cash, property or other securities) on the Ordinary Shares (or other capital securities of the Borrower) other than dividends on Ordinary Shares solely in the form of additional Ordinary Shares or (b) directly or indirectly or through any Subsidiary make any other payment or distribution in respect of Ordinary Shares (or other securities representing its capital) except for distributions that comply with Section 3.7 below.

3.4 Restrictions on Variable Rate Transactions. Unless approved by the Holder in writing, which approval shall not be unreasonably withheld, Borrower and each Subsidiary shall not enter into an agreement or amend an existing agreement to effect any sale of securities involving, or convert any securities previously issued under, a Variable Rate Transaction. The term "**Variable Rate Transaction**" means a transaction in which Borrower or any Subsidiary (i) issues or sells any convertible securities either (A) at a conversion, exercise or exchange rate or other price that is based upon and/or varies with the trading prices of, or quotations for, the Ordinary Shares at any time after the initial issuance of such convertible securities, or (B) with a conversion, exercise or exchange price that is subject to being reset at some future date after the initial issuance of such convertible securities or upon the occurrence of specified or contingent events directly or indirectly related to the business of Borrower or the Subsidiary, as the case may be, or the market for the Ordinary Shares, or (ii) enters into any agreement (including, without limitation, an "equity line of credit" or an "at-the-market offering") whereby Borrower or any Subsidiary may sell securities at a future determined price (other than standard and customary "preemptive" or "participation" rights). The Holder shall be entitled to obtain injunctive relief against Borrower and its Subsidiaries to preclude any such issuance, which remedy shall be in addition to any right to collect damages.

3.5 Restrictions on Other Certain Transactions. So long as the Borrower shall have any obligation under this Note and unless approved in writing by the Holder (which such approval not to be unreasonably withheld), the Borrower shall not directly or indirectly: (a) change the nature of its business; (b) sell, divest, change the structure of any material assets of the Borrower or any Subsidiary other than in the ordinary course of business (c) solicit any offers for, respond to any unsolicited offers for, or conduct any negotiations with any other person or entity in respect of any Variable Rate Debt Transaction; (d) accept Merchant-Cash-Advances in which it sells future receivables at a discount, any other factoring transactions, or similar financing instruments or financing transactions; or (e) Enter into a borrowing arrangement where the Company pays an effective APR greater than 20%.

3.6 Restriction on Ordinary Share Repurchases. So long as the Borrower shall have any obligation under this Note, Borrower shall not without the Holder's written consent redeem, repurchase or otherwise acquire (whether for cash or in exchange for property or other securities or otherwise) in any one transaction or series of related transactions any Ordinary Shares (or other securities representing its capital) of Borrower or any warrants, rights or options to purchase or acquire any such shares; except for the repurchase of shares at a nominal price in connection with rights under an agreement with an employee or consultant of the Borrower whose shares have been forfeited as a result of such employee or consultant's ceasing to provide services to the Borrower.

3.7 Payments from Future Funding Sources. The Borrower shall pay to the Holder on an accelerated basis, any outstanding Principal Amount of the Note, along with all unpaid interest, and fees and penalties, if any, from the sources of capital below, at the Holder's discretion, it being acknowledged and agreed by Holder that Borrower shall have the right to make Bona Fide payments to vendors with Ordinary Shares:

3.7.1 Future Financing Proceeds. One hundred percent (100%) of the net proceeds of any future financings by Borrower or any Subsidiary, whether debt or equity, or any other financing proceeds such as cash advances, royalties or earn-out payments provided, however, that this provision is not applicable if the transaction generating the future financing proceeds has a specific use of proceeds requirement that such proceeds are to be used exclusively to purchase the assets or equity of an unaffiliated business in an arm's length transaction and the proceeds are used accordingly.

3.7.2 Other Future Receipts. One hundred percent (100%) of the net proceeds to the Borrower or Subsidiary resulting from the sale of any assets or securities, of Borrower or any of its Subsidiaries, including but not limited to, the sale of any Subsidiary, the receipt in cash by Borrower or any of its Subsidiaries of any tax refunds, the sale of any tax credits, collections by Borrower or any of its Subsidiaries pursuant to any settlement or judgement, but not including sales of inventory of the Borrower or its Subsidiaries in the ordinary course of business.

3.8 Use of Proceeds. Borrower agrees to use the proceeds of this Note solely for the following purposes: (i) to pursue an underwritten public offering of the Common Shares, (ii) to pursue acquisitions, (iii) for the payment of accounts payable, (iv) for the payment of employee salaries, and (v) for general working capital.

3.9 Ranking and Security. The obligations of the Borrower under this Note shall constitute a first priority security interest and rank senior with respect to any and all Indebtedness existing prior to or incurred as of or following the initial Issue Date. The obligations of the Borrower under this Note are secured pursuant to the Security and Pledge Agreement attached hereto. So long as the Borrower shall have any obligation under this Note, the Borrower shall not (directly or indirectly through any Subsidiary or affiliate) incur or suffer to exist or guarantee any Indebtedness that is senior to or *pari passu* with (in priority of payment and performance) the Borrower's obligations hereunder. As used herein, the term "**Indebtedness**" means (a) all indebtedness of the Borrower for borrowed money or for the deferred purchase price of property or services, including any type of letters of credit, but not including deferred purchase price obligations in place as of the Issue Date or obligations to trade creditors incurred in the ordinary course of business, (b) all obligations of the Borrower evidenced by notes, bonds, debentures or other similar instruments, (c) purchase money indebtedness hereafter incurred by the Borrower to finance the purchase of fixed or capital assets, including all capital lease obligations of the Borrower which do not exceed the purchase price of the assets funded, (d) all guarantee obligations of the Borrower in respect of obligations of the kind referred to in clauses (a) through (c) above that the Borrower would not be permitted to incur or enter into, and (e) all obligations of the kind referred to in clauses (a) through (d) above that the Borrower is not permitted to incur or enter into that are secured and/or unsecured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured and/or unsecured by) any lien or encumbrance on property (including accounts and contract rights) owned by the Borrower, whether or not the Borrower has assumed or become liable for the payment of such obligation.

3.10 Right of Participation. So long as the Borrower shall have any obligation under this Note, in the event Borrower or any Subsidiary proposes to offer and sell its securities, whether in the form of debt, Equity Financing (defined below), or any other financing transaction (each a "**Future Offering**"), the Holder shall have the right, but not the obligation, to participate in the purchase of the securities being offered up to an amount equal to thirty percent (30%) of the Principal Amount (the "**Participation Right**"); provided that, the Participation Right shall not exceed the lesser of (i) one-third of the aggregate amount of the Future Offering, and (ii) an amount equal to the Principal Amount (allocated to the Holder's pro-rata to their portion of the Principal Amount). For the avoidance of doubt, an "Equity Financing" shall mean Borrower's or its Subsidiary's sale of its common stock or any securities conferring the right to purchase Borrower's or Subsidiary's common stock or securities convertible into, or exchangeable for (with or without additional consideration), shares of the Borrower's or Subsidiary's common stock. In connection with each Participation Right, Borrower shall provide written notice to the Holder of the terms and conditions of the Future Financing at least ten business days prior to the anticipated first closing of such Future Financing (the "**FF Notice**"). If the Holder shall elect to exercise its Participation Right, it shall notify Borrower, in writing, of such election at least five business days prior to the anticipated closing date set forth in the FF Notice (the "**Participation Notice**"). In the event the Holder does not return a Participation Notice to Borrower within such five-business day period, the Participation Right granted hereunder shall terminate and be of no further force and effect; provided, however, that such Participation Right shall be reinstated if the anticipated closing referenced in the FF Notice does not occur prior to thirty business days following the anticipated first closing date specified in such FF notice.

3.11 Right of First Refusal. So long as the Borrower shall have any obligation under this Note, if the Borrower or any Subsidiary has a bona fide offer of capital or financing from any third party that the Borrower or any Subsidiary intends to act upon, other than an underwritten initial public offering of the Ordinary Shares, then the Borrower must first offer such opportunity to the Holder to provide such capital or financing to the Borrower or Subsidiary on the same terms as each respective third party's terms. Should the Holder be unwilling or unable to provide such capital or financing to the Borrower or Subsidiary within 10 Trading Days from Holder's receipt of written notice of the offer (the "**Offer Notice**") from the Borrower, then the Borrower or Subsidiary may obtain such capital or financing from that respective third party upon the exact same terms and conditions offered by the Borrower to the Holder, which transaction must be completed within 60 days after the date of the Offer Notice. If the Borrower or Subsidiary does not receive the capital or financing from the respective 3rd party within 60 days after the date of the respective Offer Notice, then the Borrower must again offer the capital or financing opportunity to the Holder as described above, and the process detailed above shall be repeated. The Offer Notice must be sent via electronic mail to avi@leonitecap.com Cc: dberger@bergerlawpllc.com.

3.12 Terms of Future Financings. So long as any obligations of the Borrower under the Transaction Documents (defined below) are outstanding, upon any issuance of (or announcement of intent to effect an issuance of) any security, or amendment to (or announcement of intent to effect an amendment to) any security that was originally issued before the Issue Date, by the Borrower or any Subsidiary, with any term that the Holder reasonably believes is more favorable to the holder of such security than to the Holder in the Transaction Documents, or with a term in favor of the holder of such security that the Holder reasonably believes was not similarly provided to the Holder in the Transaction Documents, then (i) the Borrower shall notify the Holder of such additional or more favorable term within three (3) business days of the issuance and/or amendment (as applicable) of the respective security, and (ii) such term, at Holder's option, shall become a part of the transaction documents with the Holder (regardless of whether the Borrower complied with the notification provision of this Section 3.12). The types of terms contained in another security that may be more favorable to the holder of such security include, but are not limited to, terms addressing conversion price, conversion price discounts and adjustments, prepayment rate, conversion lookback periods, interest rates, original issue discounts, stock sale price, private placement price per share, commitment shares, and warrant coverage. If Holder elects to have the term become a part of the transaction documents with the Holder, then the Borrower shall immediately deliver acknowledgment of such adjustment in form and substance reasonably satisfactory to the Holder (the "Acknowledgment") within three (3) business days of Borrower's receipt of request from Holder (the "Adjustment Deadline"), provided that Borrower's failure to timely provide the Acknowledgement shall not affect the automatic amendments contemplated hereby.

3.13 Registration Rights. Borrower shall be required to register the Registrable Securities owned by the Holder, pursuant to Section 5.5 of the Purchase Agreement. As used herein, Registrable Securities shall mean the Equity Interest, the shares issuable upon Conversion of the Note, the Reserved Amount, and the shares underlying the Warrants.

3.14 Rollover Rights. So long as the Note is outstanding, if the Borrower completes any single public offering or private placement of its equity, equity-linked or debt securities (each, a "Future Transaction"), the Holder may, in its sole discretion, elect to apply as purchase consideration for such Future Transaction: (i) all, or any portion, of the then outstanding principal amount of the Note and any accrued but unpaid interest, including any amounts that would be added to the principal outstanding in the event that any redemption right or prepayment right is exercised by either the Holder or the Borrower, and (ii) any securities of the Borrower then held by the Holder, at their fair value (the "Rollover Rights"). The Borrower shall give written notice to Holder as soon as practicable, but in no event less than fifteen (15) days before the anticipated closing date of such Future Transaction. The Holder may exercise its Rollover Rights by providing the Borrower written notice of such exercise within five Business Days before the closing of the Future Transaction. In the event Holder exercises its Rollover Rights, then such elected portion of the outstanding principal amount of this Note and accrued but unpaid interest shall automatically convert into the corresponding securities issued in such Future Transaction under the terms of such Future Transaction, such that the Holder will receive all securities (including, without limitation, any warrants) issuable under the Future Transaction.

3.15 Exchange Act Reporting. Upon the Borrower becoming an SEC reporting company subject to the requirements of the Exchange Act, then thereafter, Borrower shall remain a fully reporting company under the SEC reporting requirements and remain subject to and fully compliant with, the annual and periodic reporting requirements of the Exchange Act (including but not limited to becoming current in its filings). Failure to remain a fully reporting company and subject to and compliant with the Exchange Act as described herein, (including but not limited to becoming delinquent in its filings), shall be an Event of Default (as defined below) under Section 4.1.9.

3.16 Opinion Letter. Borrower shall be responsible for supplying an opinion letter specific to the fact that Ordinary Shares issued pursuant to this Note, as well as the shares issued pursuant to the Warrant, are either exempt from Registration Requirements pursuant to Rule 144 (so long as the requirements of Rule 144 are satisfied) or have been duly registered and permitted to be sold and transferred without restriction (so long as the shares have been duly registered and permitted to be sold and transferred without restriction). Failure to provide an opinion letter as described herein shall be an event of default pursuant to Section 4.1.2 of the Note.

ARTICLE IV. EVENTS OF DEFAULT

4.1 It shall be considered an event of default if any of the following events listed in this Article IV (each, an "**Event of Default**") shall occur:

4.1.1 Failure to Pay Principal or Interest. The Borrower fails to pay the principal hereof or interest thereon when due on this Note, whether at maturity, upon acceleration or otherwise. A three (3) day cure period shall apply for failure to make a payment when due.

4.1.2 Failure to Reserve Shares. (a) Borrower fails to reserve a sufficient amount of Ordinary Shares as required under the terms of this Note (including the requirements of Section 2.3 of this Note), fails to issue Ordinary Shares to the Holder (or announces or threatens in writing that it will not honor its obligation to do so) upon exercise by the Holder of the conversion rights of the Holder in accordance with the terms of this Note, fails to transfer or cause its transfer agent to transfer (issue) (electronically or in certificated form) Ordinary Shares issued to the Holder upon conversion of or otherwise pursuant to this Note as and when required by this Note, Borrower directs its transfer agent not to transfer or delays, impairs, and/or hinders its transfer agent in transferring (or issuing) (electronically or in certificated form) Ordinary Shares to be issued to the Holder upon conversion of or otherwise pursuant to this Note as and when required by this Note, or fails to remove (or directs its transfer agent not to remove or impairs, delays, and/or hinders its transfer agent from removing) any restrictive legend (or to withdraw any stop transfer instructions in respect thereof) on any Ordinary Shares issued to the Holder upon conversion of or otherwise pursuant to this Note as and when required by this Note (or makes any written announcement, statement or threat that it does not intend to honor the obligations described in this paragraph), or fails to supply an opinion letter specific to the fact that Ordinary Shares issued pursuant to conversion of the Note, as well as the Equity Interest and the shares issued pursuant to the Warrant are exempt from Registration Requirements pursuant to Rule 144, and any such failure shall continue uncured (or any written announcement, statement or threat not to honor its obligations shall not be rescinded in writing) for three (3) business days after the Holder shall have delivered a Notice of Conversion. It is an obligation of Borrower to remain current in its obligations to its transfer agent. It shall be an event of default of this Note, if a conversion of this Note is delayed, hindered or frustrated due to a balance owed by Borrower to its transfer agent. If at the option of the Holder, the Holder advances any funds to Borrower's transfer agent in order to process a conversion, such advanced funds shall be paid by Borrower to the Holder within five (5) business days of a demand from the Holder, either in cash or as an addition to the outstanding Principal Amount of the Note, and such choice of payment method is at the discretion of Borrower. (b) Borrower establishes a reserve of its Ordinary Shares for the benefit of a party other than the Holder, without obtaining prior approval in writing by the Holder.

4.1.3 Breach of Covenants. Borrower, or the relevant related party, as the case may be, breaches any material covenant, post-closing obligation or other material term or condition contained in this Note, or in the related Warrants, Purchase Agreement, Security and Pledge Agreement, or any other ancillary documents executed in connection therewith (together, the "**Transaction Documents**") and breach continues for a period of ten (10) days.

4.1.4 Breach of Representations and Warranties. Any representation or warranty of the Borrower made herein or in any agreement, statement or certificate given pursuant hereto or in connection herewith, shall be false or misleading in any material respect when made and the breach of which has (or with the passage of time will have) an effect on the rights of the Holder with respect to this Note and the other Transaction Documents and breach continues for a period of ten (10) days.

4.1.5 Receiver or Trustee. Borrower or any subsidiary of Borrower shall make an assignment for the benefit of creditors, or apply for or consent to the appointment of a receiver or trustee for it or for a substantial part of its property or business, or such a receiver or trustee shall otherwise be appointed.

4.1.6 Judgments or Settlements. (i) Any money judgment, writ or similar process shall be entered or filed against Borrower or any subsidiary of Borrower or any of its property or other assets for more than $100,000, and shall remain unvacated, unbonded or unstayed for a period of twenty (20) days unless otherwise consented to by the Holder; or (ii) the settlement of any claim or litigation, creating an obligation on the Borrower in amount over $100,000.

4.1.7 Bankruptcy. Bankruptcy, insolvency, reorganization or liquidation proceedings or other proceedings, voluntary or involuntary, for relief under any bankruptcy law or any law for the relief of debtors shall be instituted by or against Borrower or any subsidiary of Borrower. With respect to any such proceedings that are involuntary, Borrower shall have a 60 day cure period in which to have such involuntary proceedings dismissed.

4.1.8 Delisting of Ordinary Shares. If at any time on or after the date in which Borrower's Ordinary Shares are listed or quoted on the OTC Pink or an equivalent U.S. replacement exchange, the Nasdaq Global Market, the Nasdaq Capital Market, the New York Stock Exchange, or the NYSE MKT (a "**Listing Event**"), Borrower shall fail to maintain the listing or quotation of the Ordinary Shares, or if its shares have been suspended from trading on the OTC Pink or a U.S. equivalent replacement exchange, the Nasdaq Global Market, the Nasdaq Capital Market, the New York Stock Exchange, or the NYSE MKT and breach continues for a period of ten (10) days.

4.1.9 Failure to Comply with the Exchange Act. If at any time after Borrower becomes an SEC reporting company, Borrower shall fail to be fully compliant with, or ceases to be subject to, the reporting requirements of the Exchange Act (including but not limited to becoming delinquent in its filings).

4.1.10 Change of Control or Liquidation. Any Change of Control of the Borrower, or the dissolution, liquidation, or winding up of Borrower or any substantial portion of its business. As used herein, a "Change of Control" shall be deemed to occur upon the consummation of any of the following events: (a) any person or persons acting together which would constitute a "group" for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), (other than the Borrower or any subsidiary of the Borrower) shall beneficially own (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, at least 50% of the total voting power of all classes of capital stock of the Borrower entitled to vote generally in the election of the Board; (b) Current Directors (as herein defined) shall cease for any reason to constitute at least a majority of the members of the Board (for this purpose, a "Current Director" shall mean any member of the Board as of the date hereof and any successor of a Current Director whose election, or nomination for election by the Borrower's shareholders, was approved by at least a majority of the Current Directors then on the Board); (c) (i) the complete liquidation of the Borrower or (ii) the merger or consolidation of the Borrower, other than a merger or consolidation in which (x) the holders of the Ordinary Shares of the Borrower immediately prior to the consolidation or merger have, directly or indirectly, at least a majority of the Ordinary Shares of the continuing or surviving corporation immediately after such consolidation or merger or (y) the Board immediately prior to the merger or consolidation would, immediately after the merger or consolidation, constitute a majority of the board of directors of the continuing or surviving corporation, which liquidation, merger or consolidation has been approved by the shareholders of the Borrower; (d) the sale or other disposition (in one transaction or a series of transactions) of all or substantially all of the assets of the Borrower pursuant to an agreement (or agreements) which has (have) been approved by the shareholders of the Borrower; or (e) the appointment of a new chief executive officer.

4.1.11 Cessation of Operations. Any cessation of operations by the Borrower or the Borrower admits it is otherwise generally unable to pay its debts as such debts become due, provided, however, that any disclosure of the Borrower's ability to continue as a "going concern" shall not be an admission that the Borrower cannot pay its debts as they become due.

4.1.12 Maintenance of Assets. The failure by Borrower to maintain any intellectual property rights, personal, real property or other assets which are necessary to conduct its business (whether now or in the future), to the extent that such failure would result in a material adverse condition or material adverse change in or affecting the business operations, properties or financial condition of Borrower or any of its subsidiaries (a "Material Adverse Effect").

4.1.13 Financial Statement Restatement. At any time after a Listing Event, Borrower restates any financial statements for any date or period from two years prior to the Issue Date of this Note and until this Note is no longer outstanding, if the result of such restatement would, by comparison to the unrestated financial statement, have constituted a material adverse effect on the rights of the Holder with respect to this Note.

4.1.14 Failure to Execute Transaction Documents or Complete the Transaction. The failure of the Borrower to execute any of the Transaction Documents or to complete the transaction for the full Principal Amount of the Note, as contemplated by the Purchase Agreement.

4.1.15 Illegality. Any court of competent jurisdiction issues an order declaring this Note, any of the other Transaction Documents or any provision hereunder or thereunder to be illegal, as long as such declaration was not the result of an act of negligence by the Holder, exclusive of the execution of the Transaction Documents or the transactions and acts contemplated herein.

4.1.16 Cross-Default. Notwithstanding anything to the contrary contained in this Note or the other related or companion documents, a breach or default by the Borrower of any covenant or other term or condition contained in any of the other financial instrument, including but not limited to all promissory notes, currently issued, or hereafter issued, by the Borrower, to the Holder or any other third party (the "**Other Agreements**"), after the passage of all applicable notice and cure or grace periods, that results in a Material Adverse Effect shall, at the option of the Holder, be considered a default under this Note, in which event the Holder shall be entitled to apply all rights and remedies of the Holder under the terms of this Note by reason of a default under said Other Agreement or hereunder.

4.1.17 Variable Rate Transactions. The Borrower (i) enters into a Variable Rate Transaction (as defined herein) (ii) issues Ordinary Shares (or convertible securities or purchase rights) pursuant to an equity line of credit of the Borrower or otherwise in connection with a Variable Rate Transaction (whether now existing or entered into in the future) or (iii) adjusts downward the "floor price" at which Ordinary Shares (or convertible securities or purchase rights) may be issued under an equity line of credit or otherwise in connection with a Variable Rate Transaction (whether now existing or entered into in the future).

4.1.18 Certain Transactions. Borrower enters into certain transactions prohibited by Sections 3.3, 3.4, 3.5, and 3.6 of this Agreement.

4.1.19 Reverse Splits. The Borrower effectuates a reverse split of its Ordinary Shares without twenty (20) days prior written notice to the Holder.

4.1.20 Replacement of Transfer Agent. In the event that the Borrower proposes to replace its transfer agent, the Borrower fails to provide, prior to the effective date of such replacement, a fully executed Irrevocable Transfer Agent Instructions in a form as initially delivered pursuant to the Purchase Agreement (including but not limited to the provision to irrevocably reserve shares of Ordinary Shares in the Reserved Amount) signed by the successor transfer agent to Borrower and the Borrower.

4.1.21 DTC "Chill". At any time on or after a Listing Event, the DTC places a "chill" (i.e. a restriction placed by DTC on one or more of DTC's services, such as limiting a DTC participant's ability to make a deposit or withdrawal of the security at DTC) on any of the Borrower's securities.

4.1.22 DWAC Eligibility. At any time on or after a Listing Event, in addition to the Event of Default in Section 4.21, the Ordinary Shares is otherwise not eligible for trading through the DTC's Fast Automated Securities Transfer or Deposit/Withdrawal at Custodian programs, or if the Borrower is not registered with DTC on the Issue Date, Borrower fails to become DTC registered within 30 days of such listing or quotation.

4.1.23 Bid Price. At any time on or after a Listing Event, The Borrower shall lose the "bid" price for its Ordinary Shares ($0.0001 on the "Ask" with zero market makers on the "Bid" per Level 2) and/or a market (including the OTC Pink, OTCQB or an equivalent replacement marketplace or exchange).

4.1.24 Inside Information. At any time on or after a Listing Event, any attempt by the Borrower or its officers, directors, and/or affiliates to transmit, convey, disclose, or any actual transmittal, conveyance, or disclosure by the Borrower or its officers, directors, and/or affiliates of, material non-public information concerning the Borrower, to the Holder or its successors and assigns, which is not immediately cured by Borrower's filing of a Form 6-K or Form 8-K pursuant to Regulation FD on that same date.

4.1.25 Intentionally Omitted.

4.1.26 Failure of Security Interest. (a) Any material provision of the Security and Pledge Agreement shall at any time for any reason (other than pursuant to the express terms thereof) cease to be valid and binding on or enforceable against the Borrower or any Subsidiary intended to be a party thereto, or the validity or enforceability thereof shall be contested by any party thereto, or a proceeding shall be commenced by the Borrower or any Subsidiary or any governmental authority having jurisdiction over any of them, seeking to establish the invalidity or unenforceability thereof, or the Borrower or any Subsidiary shall deny in writing that it has any liability or obligation purported to be created under the Security and Pledge Agreement; (b) the Security and Pledge Agreement, after delivery thereof pursuant hereto, shall for any reason fail or cease to create a valid and perfected and, except to the extent permitted by the terms hereof or thereof, first priority Lien in favor of the Holder on any collateral purported to be covered thereby.

4.2 Remedies Upon Default.

(a) Upon the occurrence of any Event of Default specified in this Article IV, in addition to and without limitation of other remedies set forth herein in this Note, (i) interest shall accrue on all amounts due under this Note at the Default Interest rate until payment in full of such amounts, including following the entry of a judgment in favor of Holder; (ii) this Note shall become immediately due and payable, all without demand, presentment or notice, all of which are hereby expressly waived by the Borrower, and the Borrower shall pay to the Holder, an amount (the "Default Amount") equal to the Principal Amount then outstanding (including Liquidating Damages, and Monitoring Fees, each defined below) plus accrued and unpaid interest through the date of the Event of Default, unaccrued interest through the Maturity Date that is guaranteed pursuant to Section 1.2 above, together with all costs, including, without limitation, reasonable legal fees and expenses of collection, and Default Interest through the date of full repayment; and (iii) a liquidated damages charge equal to 25% of the outstanding balance due under the Note ("Liquidating Damages") will be assessed and will become immediately due and payable to the Holder, either in form of a cash payment or as an addition to the Principal Amount due under the Note. In addition, the Holder shall be entitled to exercise all other rights and remedies available at law or in equity, including, without limitation, those set forth in the Related Documents. Notwithstanding the foregoing, the rights of the Holder solely with respect to the acceleration remedy described above in Section in 4.2(a)(ii), shall be waived upon the curing of any Event of Default.

(b) Upon the occurrence and during the continuation of an Event of Default, Borrower shall incur a monthly monitoring fee ("Monitoring Fee") in the amount of ten thousand Dollars ($10,000) per month commencing in the month in which the Event of Default occurs and continuing until the Event of Default is cured in order to cover the Holder's costs of monitoring and legal expenses and other expenses incurred by Holder.

ARTICLE V. MISCELLANEOUS

5.1 Failure or Indulgence Not Waiver. No failure or delay on the part of the Holder in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privileges. All rights and remedies existing hereunder are cumulative to, and not exclusive of, any rights or remedies otherwise available.

5.2 Notices. All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, shall be (i) personally served, (ii) deposited in the mail, registered or certified, return receipt requested, postage prepaid, (iii) delivered by reputable air courier service with charges prepaid, or (iv) transmitted by hand delivery, telegram, facsimile, or electronic mail addressed as set forth below or to such other address as such party shall have specified most recently by written notice. Any notice or other communication required or permitted to be given hereunder shall be deemed effective (a) upon hand delivery, upon electronic mail delivery, or delivery by facsimile, with accurate confirmation generated by the transmitting facsimile machine, at the address or number designated below (if delivered on a business day during normal business hours where such notice is to be received), or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received) or (b) on the second business day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur. The addresses for such communications shall be:

If to the Borrower, to:

Neuraxis, Inc.
829 S Adams St
Versailles, IN 47042
Attn: Brian Carrico
e-mail: bcarrico@neuraxis.com
Cc: jlucosky@lucbro.com

If to the Holder:

[Address]
e-mail: _____
Cc: _____

5.3 Amendments. This Note and any provision hereof may only be amended by an instrument in writing signed by the Borrower and the Holder. The term "**Note**" and all reference thereto, as used throughout this instrument, shall mean this instrument as originally executed, or if later amended or supplemented, then as so amended or supplemented.

5.4 Assignability. This Note shall be binding upon the Borrower and its successors and assigns, and shall inure to be the benefit of the Holder and its successors and assigns. Each transferee of this Note must be an "accredited investor" (as defined in Rule 501(a) of the 1933 Act).

5.5 Withholding Tax: In the event that there is any withholding tax due on any obligation of the Borrower, the obligation to pay such withholding tax shall be divided equally by Borrower and Holder, and Borrower may deduct half of any such withholding tax from amounts due to Holder upon providing Holder a confirmation of such withholding tax payment.

5.6 Cost of Collection. If default is made in the payment of this Note, the Borrower shall pay the Holder hereof costs of collection, including attorneys' fees. Such amounts spent by Holder shall be added to the Principal Amount of the Note at the time of such expenditure.

5.7 Governing Law. This Note shall be governed by and construed in accordance with the laws of the State of Delaware without regard to principles of conflicts of laws. Any action brought by either party against the other concerning the transactions contemplated by this Note shall be brought only in the state and/or federal courts located in Delaware. The parties to this Note hereby irrevocably waive any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon *forum non conveniens*. **THE BORROWER IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS NOTE OR ANY TRANSACTIONS CONTEMPLATED HEREBY**. The prevailing party shall be entitled to recover from the other party its reasonable attorney's fees and costs. In the event that any provision of this Note or any other agreement delivered in connection herewith is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision of any agreement. Each party hereby irrevocably waives personal service of process and consents to process being served in any suit, action or proceeding in connection with this Agreement or any other Transaction Documents by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law. All transactions contemplated herein are being made subject to the rules of Iska as found on Leonite's website (Leonitecap.com/iska).

5.8 Certain Amounts. Whenever pursuant to this Note the Borrower is required to pay an amount in excess of the outstanding principal amount (or the portion thereof required to be paid at that time) plus accrued and unpaid interest plus Default Interest on such interest, the Borrower and the Holder agree that the actual damages to the Holder from the receipt of cash payment on this Note may be difficult to determine and the amount to be so paid by the Borrower represents stipulated damages and not a penalty.

5.9 Remedies. The Borrower acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Holder, by vitiating the intent and purpose of the transaction contemplated hereby. Accordingly, the Borrower acknowledges that the remedy at law for a breach of its obligations under this Note will be inadequate and agrees, in the event of a breach or threatened breach by the Borrower of the provisions of this Note, that the Holder shall be entitled, in addition to all other available remedies at law or in equity, and in addition to the penalties assessable herein, to an injunction or injunctions restraining, preventing or curing any breach of this Note and to enforce specifically the terms and provisions thereof, without the necessity of showing economic loss and without any bond or other security being required.

5.10 Prepayment. Unless an Event of Default shall occur, Borrower shall have the right at any time prior to the Maturity Date, upon thirty (30) days' notice to the Holder (the "Prepayment Notice"), to prepay the Note by making a payment to Lender equal to 110% multiplied by the sum of (i) the outstanding Principal Amount, (ii) all accrued and unpaid interest, (iii) all unaccrued interest through the remainder of the Note term that is guaranteed pursuant to Section 1.2 above, and (iv) any other amounts due under the Note (the "Prepayment Amount"). The Prepayment Notice must be received by Holder no later than 30 days prior to the date that Borrower proposes to remit the Prepayment Amount (the "Prepayment Date"). Holder may convert any or all of this Note into shares of Common Stock prior to the Prepayment Date. If Borrower does not remit the Prepayment Amount within two (2) days of the Prepayment Date, then (i) the Prepayment Notice and the Prepayment right granted hereunder shall be canceled, (ii) Borrower shall thereafter not be permitted to Prepay the Note, and (iii) Holder's right to convert any or all of this Note into shares of Common Stock shall be reinstated. After the Maturity Date, Borrower may pay the balance due hereunder only upon express approval in writing by Holder.

5.11 Usury. To the extent it may lawfully do so, the Borrower hereby agrees not to insist upon or plead or in any manner whatsoever claim, and will resist any and all efforts to be compelled to take the benefit or advantage of, usury laws wherever enacted, now or at any time hereafter in force, in connection with any action or proceeding that may be brought by the Holder in order to enforce any right or remedy under this Note. Notwithstanding any provision to the contrary contained in this Note, it is expressly agreed and provided that the total liability of the Borrower under this Note for payments which under Delaware law are in the nature of interest shall not exceed the maximum lawful rate authorized under applicable law (the "**Maximum Rate**"), and, without limiting the foregoing, in no event shall any rate of interest or default interest, or both of them, when aggregated with any other sums which under Delaware law in the nature of interest that the Borrower may be obligated to pay under this Note exceed such Maximum Rate. It is agreed that if the maximum contract rate of interest allowed by Delaware law and applicable to this Note is increased or decreased by statute or any official governmental action subsequent to the date hereof, the new maximum contract rate of interest allowed by law will be the Maximum Rate applicable to this Note from the effective date thereof forward, unless such application is precluded by applicable law. If under any circumstances whatsoever, interest in excess of the Maximum Rate is paid by the Borrower to the Holder with respect to indebtedness evidenced by this Note, such excess shall be applied by the Holder to the unpaid principal balance of any such indebtedness or be refunded to the Borrower, the manner of handling such excess to be at the Holder's election.

5.12 Section 3(a)(10) Transactions. At any time after a Listing Event, and so long as this Note is outstanding, if the Borrower enters into a transaction structured in accordance with, based upon, or related or pursuant to, in whole or in part, Section 3(a)(10) of the Securities Act, then a liquidated damages charge of 25% of the outstanding principal balance of this Note at that time, will be assessed and will become immediately due and payable to the Holder, either in the form of cash payment or as an addition to the balance of the Note, as determined by mutual agreement of the Borrower and Holder.

5.13 No Broker-Dealer Acknowledgement. Absent a final adjudication from a court of competent jurisdiction stating otherwise, so long as any obligation of Borrower under this Note or the other Transaction Documents is outstanding, the Company shall not state, claim, allege, or in any way assert to any person, institution, or entity, that Holder is currently, or ever has been, a broker-dealer under the Securities Exchange Act of 1934.

5.14 Opportunity to Consult with Counsel. The Borrower represents and acknowledges that it has been provided with the opportunity to discuss and review the terms of this Note and the other Transaction Documents with its counsel before signing it and that it is freely and voluntarily signing the Transaction Documents in exchange for the benefits provided herein. The Borrower further represents and acknowledges that it has been provided a reasonable period of time within which to review the terms of the Transaction Documents. In light of this, the Borrower will not contest the validity of the Transaction Documents and the transactions contemplated therein, and Borrower represents and acknowledges that all parties hereto have participated in the preparation of this Note and the other Transaction Documents. In any construction of the terms of the Note or the other Transaction Documents, the same shall not be construed against either party on the basis of that party being the drafter of such terms.

5.15 Intentionally Omitted.

5.16 Integration. This Note, along with the other Transaction Documents, constitute the entire agreement between the Parties and supersedes all prior negotiations, discussions, representations, or proposals, whether oral or written, unless expressly incorporated herein, related to the subject matter of the Agreement. Unless expressly provided otherwise herein, this Note may not be modified unless in writing signed by the duly authorized representatives of the Borrower and the Holder. If any provision or part thereof is found to be invalid, the remaining provisions will remain in full force and effect.

[signature page to follow]

IN WITNESS WHEREOF, Borrower has caused this Note to be signed in its name by its duly authorized officer this June 3, 2022.

Neuraxis, Inc.

By: _____
Name: Brian Carrico
Title: President and Chief Executive Officer

EXHIBIT A – FORM OF NOTICE OF CONVERSION

(See Attached)

EXHIBIT B – TRANSFER AGENT INSTRUCTION LETTER

(See Attached)

EXHIBIT C – SECURITY AND PLEDGE AGREEMENT

(See Attached)

Exhibit 10.5

SECURITIES PURCHASE AGREEMENT

This Securities Purchase Agreement (the "**Agreement**") is made as of December 19, 2022, by and among Neuraxis, Inc., a Delaware corporation (the "**Company**") and each purchaser identified on the signature pages hereto (each, including its successors and assigns, a "**Purchaser**" and collectively, the "**Purchasers**").

Recital

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

B. Each Purchaser desires to purchase from the Company, and the Company desires to issue and sell to each Purchaser, upon the terms and conditions set forth in this Agreement, an Unsecured Convertible Promissory Note of the Company, issued by the Company to the Purchasers hereunder, in the form attached hereto as Exhibit A (the "**Notes**"), upon the terms and subject to the limitations and conditions set forth in such Notes;

C. The Principal Amount of the Notes, shall be in the aggregate amount of up to One Million, Six Hundred Sixty Six Thousand, Six Hundred Sixty-Six and 66/100 Dollars ($1,666,666.66) (the "**Principal Amount**") and shall carry an original issue discount of ten percent (10%), or in the aggregate, up to One Hundred Sixty Six Thousand, Six Hundred Sixty-Six and 66/100 Dollars ($166,666.66) (the "**OID**"), to cover the Purchasers' accounting fees, due diligence fees, monitoring, and/or other transactional costs incurred in connection with the purchase and sale of the Notes, which is included in the principal balance of the Notes. Thus, the purchase price of the Notes shall be computed by subtracting the OID from the Principal Amount (as defined in the Notes), and shall equal in the aggregate, up to One Million Five Hundred Thousand Dollars ($1,500,000) (the "**Purchase Price**").

Agreement

Now, Therefore, in consideration of the foregoing, and the representations, warranties, covenants and conditions set forth below, the Company and the Purchaser, intending to be legally bound, hereby agree as follows:

1. Amount and Terms of the Note

1.1 Purchase of the Note. Subject to the terms of this Agreement, for consideration equal to the amount specified below each Purchaser's name on the signature page of this Agreement and next to the heading "Subscription Amount" (the "**Consideration**"), to be paid upon the Closing Dates (as defined below), the Purchasers agree to subscribe for and purchase from the Company on the Closing Dates, and the Company agrees to issue and sell to the Purchasers, the Notes. The OID shall be earned upon each Closing (defined below), on a pro rata basis of the amount of each Closing out of the total Purchase Price.

1.2 Form of Payment. At each Closing, the Purchaser shall pay the Consideration as set forth in Section 1.1.

2. Closing and Delivery

2.1 Initial Closing. The initial closing of the sale of the Notes in return for the Consideration paid by each Purchaser (the "**Initial Closing**") will take place remotely via the exchange of documents and signatures on the date of this Agreement, or at such other time and place as the Company and the Purchasers purchasing a majority-in-interest of the aggregate principal amount of the Notes to be sold at the Initial Closing agree upon orally or in writing. At the Initial Closing, each Purchaser will deliver the Consideration to the Company and the Company will deliver to each Purchaser one or more executed Notes in return for the respective Consideration provided to the Company.

2.2 Subsequent Closings. In any subsequent closing (each a "**Subsequent Closing**") (the Initial Closing and any Subsequent Closings shall be referred to as a "**Closing**"), the Company may sell additional Notes subject to the terms of this Agreement to any purchaser as it will select; provided that the aggregate principal amount of Notes issued pursuant to this Agreement does not exceed $1,666,666.66. Any subsequent purchasers of Notes will become parties to, and will be entitled to receive Notes in accordance with, this Agreement. Each Subsequent Closing will take place remotely via the exchange of documents and signatures or at such locations and at such times as will be mutually agreed upon orally or in writing by the Company and such purchasers of additional Notes. Subject to the satisfaction (or written waiver) of the conditions thereto set forth in Section 6 and Section 7, the date and time of the Closings (the "**Closing Dates**") shall be 4:00 PM, Eastern Time on the date that this Agreement is executed by all parties, or such other mutually agreed upon time, at such location as may be agreed to by the parties (including via exchange of electronic signatures).

3. Representations and Warranties of the Company

The Company hereby makes the following representations and warranties as of the date hereof and as of the Closing Date to the Purchasers:

3.1 Organization and Qualification. The Company is a corporation duly organized and validly existing under the laws of its jurisdiction of incorporation. The Company has the requisite corporate power to own and operate its properties and assets and to carry on its business as now conducted. The Company is duly qualified and is authorized to do business in all jurisdictions in which the nature of its activities and of its properties makes such qualification necessary, except where the failure to be so qualified would not have or reasonably be expected to result in a material adverse effect on the results of operations, assets, business or financial condition of Company taken as a whole (a "**Material Adverse Effect**").

3.2 Corporate Power. The Company has all requisite corporate power to execute and deliver this Agreement, to issue the Note and any other instruments, documents and agreements being entered into at the Closing (each a "**Subscription Document**" and collectively, the "**Subscription Documents**") and to carry out and perform its obligations under the terms of the Subscription Documents.

3.3 Authorization. All corporate action on the part of the Company, its directors and its stockholders necessary for the authorization of the Subscription Documents and the execution, delivery and performance of all obligations of the Company under the Subscription Documents, including, but not limited to, (i) the issuance and delivery of the Note and the securities issuable upon conversion of the Note (collectively, the "**Underlying Securities**"), and (ii) the reservation of shares pursuant to the Notes, have been taken or will be taken prior to the issuance of such Underlying Securities. The Subscription Documents, when executed and delivered by the Company, shall constitute valid and binding obligations of the Company enforceable in accordance with their terms, subject to laws of general application relating to bankruptcy, insolvency, the relief of debtors and, with respect to rights to indemnity, subject to federal and state securities laws.

3.4 Offering. Assuming the accuracy of the representations and warranties of the Purchasers contained in Section 4, the offer, issue, and sale of Notes or the Underlying Securities (collectively, the "**Securities**") are and will be exempt from the registration and prospectus delivery requirements of the Securities Act, and have been registered or qualified (or are exempt from registration and qualification) under the registration, permit, or qualification requirements of all applicable state securities laws. No "bad actor" disqualifying event described in Rule 506(d)(1)(i)-(viii) of the Securities Act (a "**Disqualification Event**") is applicable to the Company or, to the Company's knowledge, any person listed in the first paragraph of Rule 506(d)(1) of the Securities Act, except for a Disqualification Event as to which Rule 506(d)(2)(ii–iv) or (d)(3), is applicable.

3.5 Litigation. There is no action, suit, inquiry, notice of violation, proceeding or investigation pending or, to the knowledge of the Company, threatened against or affecting the Company before or by any court, arbitrator, governmental or administrative agency or regulatory authority (federal, state, county, local or foreign) (collectively, an "**Action**") which could, if there were an unfavorable decision, have or reasonably be expected to result in a Material Adverse Effect. To the knowledge of the Company, none of the Company's officers or directors is subject of any Action involving a claim of violation of or liability under federal or state securities laws or a claim of breach of fiduciary duty.

4. Representations and Warranties of the Purchasers

4.1 Purchase for Own Account; Investment Purpose. Each Purchaser represents that it is acquiring the Note for its own account. Each Purchaser further represents that it is acquiring the Securities for investment only and not with a view towards, or for resale in connection with, the public sale or distribution thereof, except pursuant to sales registered under or exempt from the registration requirements of the Securities Act; provided, however, that by making the representations herein, the Purchasers do not agree, or make any representation or warranty, to hold any of the Securities for any minimum or other specific term and reserves the right to dispose of the Securities at any time in accordance with or pursuant to an effective registration statement covering such Securities or an available exemption under the Securities Act. The Purchasers do not presently have any agreement or understanding, directly or indirectly, with any person to distribute any of the Securities.

4.2 Information and Sophistication. Without lessening or obviating the representations and warranties of the Company set forth in Section 3, each Purchaser hereby: (a) acknowledges that it has received all the information it has requested from the Company and it considers necessary or appropriate for deciding whether to acquire the Note, (b) represents that it has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of the Note and to obtain any additional information necessary to verify the accuracy of the information given each Purchaser and confirms its awareness that the Company needs to actively restart its business activities, and (c) further represents that it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risk of this investment.

4.3 Ability to Bear Economic Risk. Each Purchaser acknowledges that investment in the Note involves a high degree of risk, and represents that it is able, without materially impairing its financial condition, to hold the Note for an indefinite period of time and to suffer a complete loss of its investment.

4.4 Accredited Investor Status. Each Purchaser is an "accredited investor" as such term is defined in Rule 501 under the Act. Each Purchaser has accurately completed and executed the accredited investor questionnaire set forth on Exhibit B attached hereto (the "**Accredited Investor Questionnaire**").

4.5 Existence; Authorization. Each Purchaser, if an entity, is duly organized, validly existing and in good standing under the laws of the state of its organization, having full power and authority to own its properties and to carry on its business as conducted. The principal place of business of each Purchaser is as shown on the Accredited Investor Questionnaire. Each Purchaser has the requisite power and authority to deliver this Agreement, perform its obligations set forth herein, and consummate the transactions contemplated hereby. Each Purchaser has duly executed and delivered this Agreement and has obtained the necessary authorization to execute and deliver this Agreement and to perform his, her or its obligations herein and to consummate the transactions contemplated hereby. This Agreement, assuming the due execution and delivery hereof by the Company, is a legal, valid and binding obligation of the Purchasers, and enforceable against the Purchasers in accordance with its terms.

4.6 No Regulatory Approval. Each Purchaser understands that no state or federal authority has scrutinized this Agreement or the Note offered pursuant hereto, has made any finding or determination relating to the fairness for investment in the Note, or has recommended or endorsed the Note, and that the Note has not been registered or qualified under the Act or any state securities laws, in reliance upon exemptions from registration thereunder. The Note may not, in whole or in part, be resold, transferred, assigned or otherwise disposed of unless it is registered under the Act or an exemption from registration is available, and unless the proposed disposition is in compliance with the restrictions on transferability under federal and state securities laws.

4.7 Purchaser Received Independent Advice. Each Purchaser confirms that the Purchaser has been advised to consult with the Purchaser's independent attorney regarding legal matters concerning the Company and to consult with independent tax advisers regarding the tax consequences of investing in the Company. Each Purchaser acknowledges that Purchaser understands that any anticipated United States federal or state income tax benefits may not be available and, further, may be adversely affected through adoption of new laws or regulations or amendments to existing laws or regulations. Each Purchaser acknowledges and agrees that the Company is providing no warranty or assurance regarding the ultimate availability of any tax benefits to the Purchaser by reason of the subscription.

4.8 Legends. Each Purchaser understands that until such time as the Note and upon the conversion of the Note in accordance with its terms, the Underlying Securities, have been registered under the Securities Act or may be sold pursuant to Rule 144, Rule 144A under the Securities Act or Regulation S without any restriction as to the number of securities as of a particular date that can then be immediately sold, the Securities may bear a restrictive legend in substantially the following form (and a stop- transfer order may be placed against transfer of the certificates for such Securities):

> **NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE CONVERTIBLE OR EXERCISABLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL (WHICH COUNSEL SHALL BE SELECTED BY THE PURCHASER), IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144, RULE 144A OR REGULATION S UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.**

5. Further Agreements; Post-Closing Covenants

5.1 Use of Proceeds. Company agrees to use the proceeds solely as provided for in the Note.

5.2 Usury. Notwithstanding any provision to the contrary contained in the Note, it is expressly agreed and provided that the total liability of the Company under the Note for payments which under Delaware law are in the nature of interest shall not exceed the maximum lawful rate authorized under applicable law (the "**Maximum Rate**"), and, without limiting the foregoing, in no event shall any rate of interest or default interest, or both of them, when aggregated with any other sums which under Delaware law in the nature of interest that the Company may be obligated to pay under the Note exceed such Maximum Rate. It is agreed that if the maximum contract rate of interest allowed by Delaware law and applicable to the Note is increased or decreased by statute or any official governmental action subsequent to the date hereof, the new maximum contract rate of interest allowed by law will be the Maximum Rate applicable to the Note from the effective date thereof forward, unless such application is precluded by applicable law. If under any circumstances whatsoever, interest in excess of the Maximum Rate is paid by the Company to the Purchasers with respect to indebtedness evidenced by the Notes, such excess shall be applied by the Purchasers to the unpaid principal balance of any such indebtedness or be refunded to the Company, the manner of handling such excess to be at the Purchaser's election.

5.3 Registration Rights.

(a) Piggy-Back Registration.

(i) Company may give the Purchasers written notice of each filing by Company with the SEC, of a registration statement (other than that certain Draft Registration Statement on Form S-1 submitted September 27, 2022, as amended, as well as any public filing thereof and subsequent amendment thereto and a registration statement on Form S-4 or Form S-8 or on any successor forms thereto) (in each case, referred to hereinafter as a "**Registration**"). If requested by the Purchasers in writing within 20 days after receipt of any such notice, Company shall, at Company's sole expense (other than the underwriting discounts, if any, payable in respect of the shares sold by the Purchasers), register or otherwise include all or, at Purchasers' option, any portion of the Securities, concurrently with the registration of such other securities, all to the extent requisite to permit the public offering and sale of the Securities through the securities exchange, if any, on which the shares of common stock of the Company is being sold or on the over-the-counter market, and will use its commercially reasonable efforts through its officers, directors, auditors, and counsel to cause such registration statement or offering statement to become effective or qualified (as applicable) as promptly as practicable, provided however, that Purchasers shall agree to a lock-up of no more than 180 days if all other shareholders who own 1% or more of the Company do the same and if such lock-up is required by the underwriters in such offering.

(ii) In the event of a Registration pursuant to these provisions, Company shall use its reasonable commercial efforts to cause the Securities so registered to be registered or qualified for sale under the securities or blue sky laws of such jurisdictions as the Purchasers may reasonably request; provided, however, that Company shall not be required to qualify to do business in any state by reason of this section in which it is not otherwise required to qualify to do business.

(iii) Notwithstanding the registration obligations described in this Section 5.3(a), if the Company has engaged an underwriter for a public, registered offering, and the underwriter does not allow the Securities to be included in a Registration to be filed in connection with such offering, then the Company shall use reasonable commercial efforts to convince the underwriter to include the Securities, as required above, and if such efforts are unsuccessful, then the non-inclusion of the Securities in such Registration shall not be deemed an event of default.

5.4 Confidentiality. Each Purchaser agrees that it will keep confidential and will not disclose, divulge, or use for any purpose (other than to monitor its investment in the Company) the terms and conditions of this Agreement or any confidential information obtained from the Company pursuant to the terms of this Agreement (including notice of Company's intention to file a registration statement), unless such confidential information (a) is known or becomes known to the public in general (other than as a result of a breach of this Section 5.4 by the Purchasers), (b) is or has been independently developed or conceived by the Purchaser without use of the Company's confidential information, or (c) is or has been made known or disclosed to the Purchaser by a third party without a breach of any obligation of confidentiality such third party may have to the Company; provided, however, that the Purchasers may disclose confidential information as may otherwise be required by law, provided that to the extent legally permissible the Purchasers notifies the Company at least five (5) business days in advance of such disclosure and takes reasonable steps to minimize the extent of any such required disclosure.

5.5 Further Assurances. Each Purchaser agrees and covenants that at any time and from time to time it will execute and deliver to the Company such further instruments and documents and take such further action as the Company may reasonably require within three (3) business days of any such request in order to carry out the full intent and purpose of this Agreement and to comply with state or federal securities laws or other regulatory approvals.

6. Conditions to the Company's Obligation to Sell

The obligation of the Company hereunder to issue and sell the Notes to each of the Purchasers at the Closing is subject to the satisfaction, at or before the Closing Date, of each of the following conditions thereto, provided that these conditions are for the Company's sole benefit and may be waived by the Company at any time in its sole discretion:

(a) The Purchaser shall have executed this Agreement and delivered the same to the Company.

(b) The Purchaser shall have delivered the Consideration in accordance with Section 1.2.

(c) The representations and warranties of the Purchaser shall be true and correct in all material respects as of the date when made and as each Closing Date, as though made at that time (except for representations and warranties that speak as of a specific date), and the Purchaser shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by the Purchaser at or prior to each Closing Date.

(d) No litigation, statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by or in any court or governmental authority of competent jurisdiction or any self-regulatory organization having authority over the matters contemplated hereby which prohibits the consummation of any of the transactions contemplated by this Agreement.

7. Conditions to The Purchasers' Obligation to Purchase

The obligation of the Purchasers hereunder to purchase the Notes, on the Closing Date, is subject to the satisfaction, at or before the Closing Date, of each of the following conditions, provided that these conditions are for the Purchasers' sole benefit and may be waived by the Purchasers at any time in its sole discretion:

(a) The Company shall have executed this Agreement and delivered the same to the Purchaser.

(b) The Company shall have delivered to the Purchaser the duly executed Notes in such denominations as the Purchasers shall request and in accordance with Section 1.2.

(c) The representations and warranties of the Company shall be true and correct in all material respects as of the date when made and as of each Closing Date, as though made at such time (except for representations and warranties that speak as of a specific date) and the Company shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by the Company at or prior to each Closing Date.

(d) No litigation, statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by or in any court or governmental authority of competent jurisdiction or any self-regulatory organization having authority over the matters contemplated hereby which prohibits the consummation of any of the transactions contemplated by this Agreement.

8. Miscellaneous

8.1 Binding Agreement. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties. Nothing in this Agreement, expressed or implied, is intended to confer upon any third party any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

8.2 Governing Law; Consent to Jurisdiction. This Agreement shall be governed by and construed under the laws of the State of Delaware, without giving effect to conflicts of laws principles. Each party to this Agreement hereby irrevocably submits to the non-exclusive jurisdiction of the state and federal courts sitting in Delaware for the adjudication of any dispute hereunder or in connection with any transaction contemplated hereby, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper.

8.3 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

8.4 Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

8.5 Notices. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient, if not, then on the next business day, (c) five days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the Company and to the Purchasers at the addresses set forth on the signature page to this Agreement or at such other addresses as the Company or Purchasers may designate by 10 days' advance written notice to the other parties hereto.

8.6 Modification; Waiver. No modification or waiver of any provision of this Agreement or consent to departure therefrom shall be effective only upon the written consent of the Company and the Required Holders. Any provision of the Note may be amended or waived by the written consent of the Company and the Required Holders. For purposes of this Agreement, the term "**Required Holders**" shall mean holders of at least a majority of the aggregate Principal Amount of Notes issued.

8.7 Expenses. The Company and the Purchasers shall each bear its respective expenses and legal fees incurred with respect to this Agreement and the transactions contemplated herein.

8.8 Delays or Omissions. It is agreed that no delay or omission to exercise any right, power or remedy accruing to any party to this Agreement, upon any breach or default of any other party under the Subscription Documents shall impair any such right, power or remedy, nor shall it be construed to be a waiver of any such breach or default, or any acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. It is further agreed that any waiver, permit, consent or approval of any kind or character by the non-breaching party of any breach or default by any other party under this Agreement, or any waiver thereby of any provisions or conditions of this Agreement must be in writing and shall be effective only to the extent specifically set forth in writing and that all remedies, either under this Agreement, or by law or otherwise afforded to the non-breaching party, shall be cumulative and not alternative.

8.9 Entire Agreement. This Agreement and the Exhibits hereto constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and no party shall be liable or bound to any other party in any manner by any representations, warranties, covenants and agreements except as specifically set forth herein.

[Signature page follows]

In Witness Whereof, the parties have executed this **Securities Purchase Agreement** as of the date(s) written below.

COMPANY:

Neuraxis, Inc.

By: */s/Brian Carrico*
Name: Brian Carrico
Title: President and Chief Executive Officer

Date: December 19, 2022
Address: 829 S Adams St.
Versailles, IN 47042

[*Securities Purchase Agreement – Signature page of Company; Signature Page of Purchaser Follows*]

SIGNATURE PAGE
TO
SECURITIES PURCHASE AGREEMENT

In Witness Whereof, the undersigned have executed this **Securities Purchase Agreement** as of the date written below.

PURCHASER:

Michele and Michael Robuck
(Print Legal Name of Purchaser)

By: */s/ Michele Robuck*
(Signature of Purchaser)

By: */s/ Michael Robuck*
(Signature of Purchaser)

Date: December 19, 2022

Address: 429 W 4th Avenue
Anchorage, AK 99501

Email: Michele@alakamint.com

Phone: (907) 244-4975

Subscription Amount: $100,000

Principal Amount: $111,111.11 **(*Subscription Amount ÷ 0.9*)**

ACCEPTANCE: The Company hereby accepts the subscription as set forth above on the terms and conditions contained in this Agreement.

Neuraxis, Inc.

By: */s/Brian Carrico*
Name: Brian Carrico
Title: President and Chief Executive Officer

[*Securities Purchase Agreement – Signature page of Purchaser*]

EXHIBIT A

FORM OF CONVERTIBLE PROMISSORY NOTE

(SEE ATTACHED)

EXHIBIT B

ACCREDITED INVESTOR QUESTIONNAIRE

(SEE ATTACHED)

THIS NOTE HAS BEEN ISSUED WITH "ORIGINAL ISSUE DISCOUNT" FOR U.S. FEDERAL INCOME TAX PURPOSES. THE ISSUER WILL MAKE AVAILABLE TO ANY HOLDER OF THIS NOTE: (1) THE ISSUE PRICE AND ISSUE DATE OF THE NOTE, (2) THE AMOUNT OF ORIGINAL ISSUE DISCOUNT ON THE NOTE, (3) THE YIELD TO MATURITY OF THE NOTE, AND (4) ANY OTHER INFORMATION REQUIRED TO BE MADE AVAILABLE BY U.S. TREASURY REGULATIONS UPON RECEIVING A WRITTEN OR ELECTRONIC REQUEST FOR SUCH INFORMATION AT THE FOLLOWING ADDRESS: 829 S ADAMS ST, VERSAILLES, IN 47042.

NEITHER THE ISSUANCE NOR SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE CONVERTIBLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL (WHICH COUNSEL SHALL BE SELECTED BY THE HOLDER AND REASONABLY ACCEPTABLE TO THE COMPANY), IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.

Principal Amount: $111,111.11 **Issue Date: December 19, 2022**
Purchase Price: $100,000
Original Issue Discount: $11,111.11

UNSECURED CONVERTIBLE PROMISSORY NOTE

For value received, NEURAXIS, INC., a Delaware corporation ("**Neuraxis**" or the "**Borrower**"), hereby promises to pay to the order of Michele and Michael Robuck, or registered assigns (the "**Holder**") the principal sum of One Hundred Eleven Thousand, One Hundred Eleven and 11/100 Dollars ($111,111.11) (the "**Principal Amount**"), together with interest on the Principal Amount, on the dates set forth below or upon acceleration or otherwise, as set forth herein (or as may be amended, extended, renewed and refinanced, collectively, this "**Note**"). The "**Interest Rate**" shall accrue at a rate equal to twelve percent (12%) per annum.

The consideration to the Borrower for this Note is One Hundred Thousand and 00/100 Dollars ($100,000) (the "**Consideration**") to be paid upon the issuance of this Note by Holder (the "**Closing**").

The maturity date ("**Maturity Date**") shall be the earlier of (i) twelve (12) months from the Issue Date or (ii) the date upon which the Borrower completes a registered public offering of shares of the Company. The principal sum, as well as interest and other fees shall be due and payable in accordance with the payment terms set forth in Article I. Subject to Section 5.7, this Note may not be prepaid in whole or in part except as otherwise explicitly set forth herein.

Any amount of principal, interest, other amounts due hereunder or penalties on this Note, which is not paid by the due date as specified herein, shall bear interest at the lesser of the rate of fifteen percent (15%) per annum or the maximum legal amount permitted by law ("**Default Interest Rate**"), from the due date thereof until the same is paid in full, including following the entry of a judgment in favor of Holder ("**Default Interest**").

Except as provided for in Section 1.2, all payments of principal and interest due hereunder (to the extent not converted into Borrower's common stock (the "**Common Shares**")) shall be paid by automatic debit, wire transfer, check or in coin or currency which, at the time or times of payment, is the legal tender for public and private debts in the United States of America and shall be made at such place as Holder or the legal holder or holders of the Note may from time to time appoint in a payment invoice or otherwise in writing, and in the absence of such appointment, then at the offices of Holder at such address as the Holder shall hereafter give to the Borrower by written notice made in accordance with the provisions of this Note. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest, then to any late charges, and then to principal. Whenever any amount expressed to be due by the terms of this Note is due on any day which is not a business day, the same shall instead be due on the next succeeding day which is a business day and, in the case of any interest payment date which is not the date on which this Note is paid in full, interest shall continue to accrue during such extension. As used in this Note, the term "**business day**" shall mean any day other than a Saturday, Sunday or a day on which commercial banks in the city of New York, New York are authorized or required by law or executive order to remain closed.

This Note carries an original issue discount of ten percent (10%) of the Principal Amount (the "**OID**"), to cover the Holder's accounting fees, due diligence fees, monitoring, and/or other transactional costs incurred in connection with the purchase and sale of the Note, which is included in the principal balance of this Note. Thus, the purchase price of this Note shall be computed as follows: the Principal Amount *minus* the OID.

This Note is issued by the Borrower to the Holder pursuant to the terms of that certain Securities Purchase Agreement even date herewith (the "**Purchase Agreement**"), terms of which are incorporated by reference and made part of this Note. Each capitalized term used herein, and not otherwise defined, shall have the meaning ascribed thereto in the Purchase Agreement. As used herein, the term "Trading Day" means any day that the Common Shares are listed for trading or quotation on the OTC, or any other exchanges or electronic quotation systems on which the Common Shares are then traded.

This Note is a general unsecured obligation of the Company. This Note is subordinated in right of payment to all current and future indebtedness of the Company for borrowed money (whether or not such indebtedness is secured) (the "**Senior Debt**"). The Company hereby agrees, and by accepting this Note, the Holder hereby acknowledges and agrees, that so long as any Senior Debt is outstanding, upon notice from the holders of such Senior Debt (the "**Senior Creditors**") to the Company that an event of default, or any event which the giving of notice or the passage of time or both would constitute an event of default, has occurred under the terms of the Senior Debt (a "**Default Notice**"), the Company will not make, and the Holder will not receive or retain, any payment under this Note. Nothing in this paragraph will preclude or prohibit the Holder from receiving and retaining any payment hereunder unless and until the Holder has received a Default Notice (which will be effective until waived in writing by the Senior Creditors) or from converting this Note or any amounts due hereunder into Common Shares

In addition to the terms above, the following terms shall also apply to this Note:

ARTICLE I. PAYMENTS

1.1 Principal Payments. The Principal Amount and any accrued interest thereon shall be due and payable on the Maturity Date.

1.2 PIK Interest. At the option of the Borrower, the Borrower may, upon not less than five Business Days' written notice to the Lead Investor prior to the date on which interest is due (the "**Interest Date**"), pay such interest (i) in kind or (ii) partly in cash and partly as interest paid in kind ("**PIK Interest**"). PIK Interest shall be capitalized, compounded and added to the unpaid principal amount of the Note on the Interest Date. Amounts representing the PIK Interest shall be treated as Principal Amount for purposes of this Note. The obligation of the Borrower to pay all such PIK Interest so added shall be automatically evidenced by the Note issued to the Holder (without modification or reissuance thereof).

1.3 Other Payment Obligations. All payments, fees, penalties, and other charges, if any, due under this Note shall be payable pursuant to the terms contained herein, but in any case, shall be payable no later than the Maturity Date.

ARTICLE II. CONVERSION RIGHTS

2.1 Conversion Right. The Holder shall have the right at any time on or after the Maturity Date, at the Holder's option to convert all or any part of the outstanding and unpaid principal amount and accrued and unpaid interest of this Note into fully paid and non-assessable Common Shares of Borrower or other securities into which such Common Shares shall hereafter be changed or reclassified (each, a "**Conversion Share**") at the conversion price (the "**Conversion Price**") determined as provided herein (a "**Conversion**"); provided, however, that in no event shall the Holder be entitled to convert any portion of this Note in excess of that portion of this Note upon conversion of which the sum of (1) the number of Common Shares beneficially owned by the Holder and its affiliates (other than Common Shares which may be deemed beneficially owned through the ownership of the unconverted portion of the Note or the unexercised or unconverted portion of any other security of Borrower subject to a limitation on conversion or exercise analogous to the limitations contained herein, and, if applicable, net of any shares that may be deemed to be owned by any person not affiliated with the Holder who has purchased a portion of the Note from the Holder) and (2) the number of Common Shares issuable upon the conversion of the portion of this Note with respect to which the determination of this proviso is being made, would result in beneficial ownership by the Holder and its affiliates of more than 4.99% of the outstanding Common Shares. For purposes of the proviso to the immediately preceding sentence, beneficial ownership shall be determined in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and Regulations 13D-G thereunder, except as otherwise provided in clause (1) of such proviso, provided, further, however, that the limitations on conversion may be waived (up to a maximum of 9.99%) by the Holder upon, at the election of the Holder, not less than 61 days' prior notice to Borrower, and the provisions of the conversion limitation shall continue to apply until such 61st day (or such later date, as determined by the Holder, as may be specified in such notice of waiver). The number of Common Shares to be issued upon each conversion of this Note shall be determined by dividing the Conversion Amount (as defined below) by the applicable Conversion Price then in effect on the date specified in the notice of conversion, in a form reasonably acceptable to Borrower (the "**Notice of Conversion**"), delivered to Borrower by the Holder in accordance with Section 2.4; provided that the Notice of Conversion is submitted by facsimile or e-mail (or by other means resulting in, or reasonably expected to result in, notice) to Borrower before 6:00 p.m., New York, New York time on such conversion date (the "**Conversion Date**"). The term "**Conversion Amount**" means, with respect to any conversion of this Note, the sum of: (1) the principal amount of this Note to be converted in such conversion; plus (2) accrued and unpaid interest.

2.2 Conversion Price.

(a) Conversion Price. The Conversion Price shall be the higher of (i) $4.72 or (ii) the price per share of Common Shares issued pursuant to the next registered public offering of shares of the Company made prior to the conversion of any portion of this Note.

(b) Fixed Conversion Price Adjustments.

(1) Common Share Distributions and Splits. If Borrower, at any time while this Note is outstanding: subdivides outstanding Common Shares into a larger (or smaller) number of shares, then the Fixed Conversion Price shall be multiplied by a fraction of which the numerator shall be the number of Common Shares (excluding any treasury shares of Borrower) outstanding immediately before such event and of which the denominator shall be the number of Common Shares outstanding immediately after such event.

(2) Fundamental Transaction. If, at any time while this Note is outstanding, (i) Borrower effects any merger or consolidation of Borrower with or into another person, (ii) Borrower effects any sale of all or substantially all of its assets in one transaction or a series of related transactions, (iii) any tender offer or exchange offer (whether by Borrower or another person) is completed pursuant to which holders of Common Shares are permitted to tender or exchange their shares for other securities, cash or property, or (iv) Borrower effects any reclassification of the Common Shares or any compulsory share exchange pursuant to which the Common Shares are effectively converted into or exchanged for other securities, cash or property (in any such case, a "**Fundamental Transaction**"), then, upon any subsequent conversion of this Note, the Holder shall have the right to receive, for each Conversion Share that would have been issuable upon such conversion immediately prior to the occurrence of such Fundamental Transaction, the same kind and amount of securities, cash or property as it would have been entitled to receive upon the occurrence of such Fundamental Transaction if it had been, immediately prior to such Fundamental Transaction, the holder of 1 Common Share (the "**Alternate Consideration**"). For purposes of any such conversion, the determination of the Fixed Conversion Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of 1 Common Share in such Fundamental Transaction, and Borrower shall apportion the Fixed Conversion Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration.

2.3 Authorized Shares. Borrower covenants that during the period the conversion right exists, Borrower will reserve from its authorized and unissued Common Shares a sufficient number of shares, to provide for the issuance of Common Shares upon the full conversion of this Note. Borrower represents that upon issuance, such shares will be duly and validly issued, fully paid and non-assessable. In addition, if Borrower shall issue any securities or make any change to its capital structure which would change the number of Common Shares into which the Note shall be convertible at the then current Conversion Price, Borrower shall at the same time make proper provision so that thereafter there shall be a sufficient number of Common Shares authorized and reserved, for conversion of the outstanding Note, including but not limited to authorizing additional shares or effectuating a reverse split.

2.4 Method of Conversion.

(a) Mechanics of Conversion. Subject to Section 2.1, this Note may be converted by the Holder in whole or in part, at any time on or subsequent to the Maturity Date, by (A) submitting to Borrower a Notice of Conversion (by facsimile, e-mail or other reasonable means of communication dispatched on the Conversion Date prior to 7:00 p.m., New York, New York time) and (B) subject to Section 2.4(b), surrendering this Note at the principal office of Borrower.

(b) Surrender of Note Upon Conversion. Notwithstanding anything to the contrary set forth herein, upon conversion of this Note in accordance with the terms hereof, the Holder shall not be required to physically surrender this Note to Borrower unless the entire unpaid principal amount of this Note is so converted. The Holder and Borrower shall maintain records showing the principal amount so converted and the dates of such conversions or shall use such other method, reasonably satisfactory to the Holder and Borrower, so as not to require physical surrender of this Note upon each such conversion. In the event of any dispute or discrepancy, such records of Borrower shall, *prima facie,* be controlling and determinative in the absence of manifest error. The Holder and any assignee, by acceptance of this Note, acknowledge and agree that, by reason of the provisions of this paragraph, following conversion of a portion of this Note, the unpaid and unconverted principal amount of this Note represented by this Note may be less than the amount stated on the face hereof.

(c) Payment of Taxes. Borrower shall not be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of Common Shares or other securities or property on conversion of this Note in a name other than that of the Holder (or in street name), and Borrower shall not be required to issue or deliver any such shares or other securities or property unless and until the person or persons (other than the Holder or the custodian in whose street name such shares are to be held for the Holder's account) requesting the issuance thereof shall have paid to Borrower the amount of any such tax or shall have established to the satisfaction of Borrower that such tax has been paid.

(d) Delivery of Common Shares Upon Conversion. Upon receipt by Borrower from the Holder of an e-mail (or other reasonable means of communication) of a Notice of Conversion meeting the requirements for conversion as provided in this Section 2.4, Borrower shall issue and deliver to or cause to be issued and delivered to or upon the order of the Holder certificates for Common Shares issuable upon such conversion by the end of the next business day after such receipt (the "**Deadline**") (and, solely in the case of conversion of the entire unpaid principal amount hereof, surrender of this Note) in accordance with the terms hereof.

(e) Obligation of Borrower to Deliver Common Shares. Upon receipt by Borrower of a Notice of Conversion, the Holder shall be deemed to be the holder of record of the Common Shares issuable upon such conversion, the outstanding principal amount and the amount of accrued and unpaid interest on this Note shall be reduced to reflect such conversion, and, unless Borrower defaults on its obligations under this Article II, all rights with respect to the portion of this Note being so converted shall forthwith terminate except the right to receive the Common Shares or other securities, cash or other assets, as herein provided, on such conversion. The Conversion Date specified in the Notice of Conversion shall be the Conversion Date so long as the Notice of Conversion is received by Borrower before 7:00 p.m., New York, New York time, on such date.

(f) Delivery of Common Shares by Electronic Transfer. If the shares of the Company are publicly traded, in lieu of delivering physical certificates representing the Common Shares issuable upon conversion, provided Borrower is participating in the Depository Trust Company ("**DTC**") Fast Automated Securities Transfer ("**FAST**") program, upon request of the Holder and its compliance with the provisions contained in Section 2.1 and in this Section 2.4, Borrower shall use its best efforts to cause its transfer agent to electronically transmit the Common Shares issuable upon conversion to the Holder by crediting the account of Holder's Prime Broker with DTC through its Deposit Withdrawal Agent Commission ("**DWAC**") system.

2.5 Concerning the Common Shares. The Common Shares issuable upon conversion of this Note may not be sold or transferred except in accordance with the Certificate of Incorporation and any applicable shareholders' agreement of the Borrower then in place and unless (i) such shares are sold pursuant to an effective registration statement under the Act or (ii) Borrower or its transfer agent shall have been furnished with an opinion of counsel (which opinion shall be in form, substance and scope customary for opinions of counsel in comparable transactions) to the effect that the shares to be sold or transferred may be sold or transferred pursuant to an exemption from such registration or (iii) such shares are sold or transferred pursuant to Rule 144 under the Act (or a successor rule) ("**Rule 144**") or (iv) such shares are transferred to an "**affiliate**" (as defined in Rule 144) of Borrower who agrees to sell or otherwise transfer the shares only in accordance with this Section 2.5 and who is an accredited investor (as defined in Rule 501(a) of the 1933 Act). Except as otherwise provided (and subject to the removal provisions set forth below), until such time as the Common Shares issuable upon conversion of this Note have been registered under the Act or otherwise may be sold pursuant to Rule 144 without any restriction as to the number of securities as of a particular date that can then be immediately sold, each certificate for Common Shares issuable upon conversion of this Note that has not been so included in an effective registration statement or that has not been sold pursuant to an effective registration statement or an exemption that permits removal of the legend, shall bear a legend substantially in the following form, as appropriate:

NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE EXERCISABLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL (WHICH COUNSEL SHALL BE SELECTED BY THE HOLDER AND REASONABLY ACCEPTABLE TO THE COMPANY), IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.

The legend set forth above shall be removed and Borrower shall issue to the Holder a new certificate therefore free of any transfer legend if (i) Borrower or its transfer agent shall have received an opinion of counsel, in form, substance and scope customary for opinions of counsel in comparable transactions, to the effect that a public sale or transfer of such Common Shares may be made without registration under the Act, which opinion shall be accepted by Borrower (which acceptance shall be subject to and conditioned on any requirements, if any, of its transfer agent, the exchange on which Borrower is then trading or other applicable laws, rules or regulations) so that the sale or transfer is effected or (ii) in the case of the Common Shares issuable upon conversion of this Note, such security is registered for sale by the Holder under an effective registration statement filed under the Act or otherwise may be sold pursuant to Rule 144 without any restriction as to the number of securities as of a particular date that can then be immediately sold.

2.6 Status as Shareholder. Upon submission of a Notice of Conversion by a Holder, (i) the shares covered thereby shall be deemed converted into Common Shares and (ii) the Holder's rights as a Holder of such converted portion of this Note shall cease and terminate, excepting only the right to receive certificates for such Common Shares and to any remedies provided herein or otherwise available at law or in equity to such Holder because of a failure by Borrower to comply with the terms of this Note. Notwithstanding the foregoing, if a Holder has not received certificates for all Common Shares prior to the thirtieth (30^{th}) day after the expiration of the Deadline with respect to a conversion of any portion of this Note for any reason, then (unless the Holder otherwise elects to retain its status as a holder of Common Shares by so notifying Borrower) the Holder shall regain the rights of a Holder of this Note with respect to such unconverted portions of this Note and Borrower shall, as soon as practicable, return such unconverted Note to the Holder or, if the Note has not been surrendered, adjust its records to reflect that such portion of this Note has not been converted. In all cases, the Holder shall retain all of its rights and remedies for Borrower's failure to convert this Note.

ARTICLE III. CERTAIN COVENANTS AND POST CLOSING OBLIGATIONS

3.1 Use of Proceeds. Borrower agrees to use the proceeds of this Note solely for the following purposes: (i) to pursue an underwritten public offering of the Common Shares, (ii) to pursue acquisitions, (iii) for the payment of accounts payable, (iv) for the payment of employee salaries, and (v) for general working capital.

3.2 Registration Rights. Borrower shall be required to register the Registrable Securities owned by the Holder, if requested by the Holder, pursuant to Section 5.3 of the Purchase Agreement. As used herein, Registrable Securities shall mean the shares issuable upon Conversion of the Note.

ARTICLE IV. EVENTS OF DEFAULT

4.1 It shall be considered an event of default if any of the following events listed in this Article IV (each, an "**Event of Default**") shall occur:

4.1.1 Failure to Pay Principal or Interest. The Borrower fails to pay the principal hereof or interest thereon when due on this Note and upon written demand from the Holder, whether at maturity, upon acceleration or otherwise. A thirty (30) day cure period shall apply for failure to make a payment when due.

4.1.2 Failure to Reserve Shares. (a) Borrower fails to reserve a sufficient amount of Common Shares as required under the terms of this Note (including the requirements of Section 2.3), fails to issue Common Shares to the Holder (or announces or threatens in writing that it will not honor its obligation to do so) upon exercise by the Holder of the conversion rights of the Holder in accordance with the terms of this Note, fails to transfer or cause its transfer agent to transfer (issue) (electronically or in certificated form) Common Shares issued to the Holder upon conversion of or otherwise pursuant to this Note as and when required by this Note, Borrower directs its transfer agent not to transfer or delays, impairs, and/or hinders its transfer agent in transferring (or issuing) (electronically or in certificated form) Common Shares to be issued to the Holder upon conversion of or otherwise pursuant to this Note as and when required by this Note, and any such failure shall continue uncured (or any written announcement, statement or threat not to honor its obligations shall not be rescinded in writing) for thirty (30) days after the Holder shall have delivered a Notice of Conversion.

4.1.3 Breach of Covenants. Borrower, or the relevant related party, as the case may be, breaches any material covenant, post-closing obligation or other material term or condition contained in this Note, or in the related Purchase Agreement (together, the "**Transaction Documents**") and breach continues for a period of thirty (30) days after Holder provides written notice to Borrower of such breach.

4.1.4 Receiver or Trustee. Borrower or any subsidiary of Borrower shall make an assignment for the benefit of creditors, or apply for or consent to the appointment of a receiver or trustee for it or for a substantial part of its property or business, or such a receiver or trustee shall otherwise be appointed.

4.1.5 Bankruptcy. Bankruptcy, insolvency, reorganization or liquidation proceedings or other proceedings, voluntary or involuntary, for relief under any bankruptcy law or any law for the relief of debtors shall be instituted by or against Borrower or any subsidiary of Borrower. With respect to any such proceedings that are involuntary, Borrower shall have a sixty (60) day cure period in which to have such involuntary proceedings dismissed.

4.1.6 Cessation of Operations. Any cessation of operations by the Borrower or the Borrower admits it is otherwise generally unable to pay its debts as such debts become due, provided, however, that any disclosure of the Borrower's ability to continue as a "going concern" shall not be an admission that the Borrower cannot pay its debts as they become due.

4.1.7 Failure to Execute Transaction Documents or Complete the Transaction. The failure of the Borrower to execute any of the Transaction Documents or to complete the transaction for the full Principal Amount of the Note, as contemplated by the Purchase Agreement.

4.1.8 Illegality. Any court of competent jurisdiction issues an order declaring this Note, any of the other Transaction Documents or any provision hereunder or thereunder to be illegal, as long as such declaration was not the result of an act of negligence by the Holder, exclusive of the execution of the Transaction Documents or the transactions and acts contemplated herein.

4.2 Remedies Upon Default.

(a) Upon the occurrence of any Event of Default specified in this Article IV, in addition to and without limitation of other remedies set forth herein in this Note, (i) interest shall accrue on all amounts due under this Note at the Default Interest rate until payment in full of such amounts, including following the entry of a judgment in favor of Holder; and (ii) this Note shall become immediately due and payable upon written demand of Holder, and the Borrower shall pay to the Holder, an amount equal to the Principal Amount then outstanding plus accrued and unpaid interest through the date of the Event of Default, and Default Interest through the date of full repayment. In addition, the Holder shall be entitled to exercise all other rights and remedies available at law or in equity. Notwithstanding the foregoing, the rights of the Holder solely with respect to the acceleration remedy described above in Section in 4.2(a)(ii), shall be waived upon the curing of any Event of Default.

ARTICLE V. MISCELLANEOUS

5.1 Failure or Indulgence Waiver. Failure or delay on the part of the Holder in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof. All rights and remedies existing hereunder are cumulative to, and not exclusive of, any rights or remedies otherwise available.

5.2 Notices. All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, shall be (i) personally served, (ii) deposited in the mail, registered or certified, return receipt requested, postage prepaid, (iii) delivered by reputable air courier service with charges prepaid, or (iv) transmitted by hand delivery, telegram, facsimile, or electronic mail addressed as set forth below or to such other address as such party shall have specified most recently by written notice. Any notice or other communication required or permitted to be given hereunder shall be deemed effective (a) upon hand delivery, upon electronic mail delivery, or delivery by facsimile, with accurate confirmation generated by the transmitting facsimile machine, at the address or number designated below (if delivered on a business day during normal business hours where such notice is to be received), or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received) or (b) on the second business day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur. The addresses for such communications shall be:

If to the Borrower, to:

Neuraxis, Inc.
829 S Adams St
Versailles, IN 47042
Attn: Brian Carrico
e-mail: bcarrico@neuraxis.com
Cc: jhollingsworth@btlaw.com
Cc: jlucosky@lucbro.com

If to the Holder:
429 W 4th Ave
Anchorage, AK 99501
Attn: Michele and Michael Robuck
e-mail: Michele@alaskamint.com

5.3 Amendments. This Note and any provision hereof may only be amended by an instrument in writing signed by the Borrower and the Holder. The term "**Note**" and all reference thereto, as used throughout this instrument, shall mean this instrument as originally executed, or if later amended or supplemented, then as so amended or supplemented.

5.4 Assignability. This Note shall be binding upon the Borrower and its successors and assigns, and shall inure to be the benefit of the Holder and its successors and assigns. Each transferee of this Note must be an "accredited investor" (as defined in Rule 501(a) of the 1933 Act).

5.5 Withholding Tax. In the event that there is any withholding tax due on any obligation of the Borrower, the obligation to pay such withholding tax shall be divided equally by Borrower and Holder, and Borrower may deduct half of any such withholding tax from amounts due to Holder upon providing Holder a confirmation of such withholding tax payment.

5.6 Governing Law. This Note shall be governed by and construed in accordance with the laws of the State of Delaware without regard to principles of conflicts of laws. Any action brought by either party against the other concerning the transactions contemplated by this Note shall be brought only in the state and/or federal courts located in Delaware. The parties to this Note hereby irrevocably waive any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon *forum non conveniens*. **EACH PARTY IRREVOCABLY WAIVE ANY RIGHT IT MAY HAVE, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS NOTE OR ANY TRANSACTIONS CONTEMPLATED HEREBY**.

5.7 Prepayment. Unless an Event of Default shall occur, Borrower shall have the right at any time, upon thirty (30) days' notice to the Holder (the "**Prepayment Notice**"), to prepay the Note by making a payment to Lender equal to 100% multiplied by the sum of (i) the outstanding Principal Amount, (ii) all accrued and unpaid interest, and (iii) any other amounts due under the Note (the "**Prepayment Amount**"). The Prepayment Notice must be received by Holder no later than thirty (30) days prior to the date that Borrower proposes to remit the Prepayment Amount.

5.8 Usury. Notwithstanding any provision to the contrary contained in this Note, it is expressly agreed and provided that the total liability of the Borrower under this Note for payments which under Delaware law are in the nature of interest shall not exceed the maximum lawful rate authorized under applicable law (the "**Maximum Rate**"), and, without limiting the foregoing, in no event shall any rate of interest or default interest, or both of them, when aggregated with any other sums which under Delaware law in the nature of interest that the Borrower may be obligated to pay under this Note exceed such Maximum Rate. It is agreed that if the maximum contract rate of interest allowed by Delaware law and applicable to this Note is increased or decreased by statute or any official governmental action subsequent to the date hereof, the new maximum contract rate of interest allowed by law will be the Maximum Rate applicable to this Note from the effective date thereof forward, unless such application is precluded by applicable law. If under any circumstances whatsoever, interest in excess of the Maximum Rate is paid by the Borrower to the Holder with respect to indebtedness evidenced by this Note, such excess shall be applied by the Holder to the unpaid principal balance of any such indebtedness or be refunded to the Borrower, the manner of handling such excess to be at the Holder's election.

5.9 Opportunity to Consult with Counsel. Each party represents and acknowledges that it has been provided with the opportunity to discuss and review the terms of this Note and the other Transaction Documents with its respective counsel before signing it and that it is freely and voluntarily signing the Transaction Documents in exchange for the benefits provided herein. Each party further represents and acknowledges that it has been provided a reasonable period of time within which to review the terms of the Transaction Documents.

5.10 Integration. This Note, along with the other Transaction Documents, constitute the entire agreement between the Parties and supersedes all prior negotiations, discussions, representations, or proposals, whether oral or written, unless expressly incorporated herein, related to the subject matter of the Agreement. Unless expressly provided otherwise herein, this Note may not be modified unless in writing signed by the duly authorized representatives of the Borrower and the Holder. If any provision or part thereof is found to be invalid, the remaining provisions will remain in full force and effect.

[signature page to follow]

IN WITNESS WHEREOF, Borrower has caused this Note to be signed in its name by its duly authorized officer on the date first written above.

NEURAXIS, INC.

By: */s/ Brian Carrico*
Name: Brian Carrico
Title: President and Chief Executive Officer

Exhibit 10.7

SECURITIES PURCHASE AGREEMENT

This Securities Purchase Agreement (the "**Agreement**") is made as of December 19, 2022, by and among Neuraxis, Inc., a Delaware corporation (the "**Company**") and each purchaser identified on the signature pages hereto (each, including its successors and assigns, a "**Purchaser**" and collectively, the "**Purchasers**").

Recital

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

B. Each Purchaser desires to purchase from the Company, and the Company desires to issue and sell to each Purchaser, upon the terms and conditions set forth in this Agreement, an Unsecured Convertible Promissory Note of the Company, issued by the Company to the Purchasers hereunder, in the form attached hereto as Exhibit A (the "**Notes**"), upon the terms and subject to the limitations and conditions set forth in such Notes;

C. The Principal Amount of the Notes, shall be in the aggregate amount of up to One Million, Six Hundred Sixty Six Thousand, Six Hundred Sixty-Six and 66/100 Dollars ($1,666,666.66) (the "**Principal Amount**") and shall carry an original issue discount of ten percent (10%), or in the aggregate, up to One Hundred Sixty Six Thousand, Six Hundred Sixty-Six and 66/100 Dollars ($166,666.66) (the "**OID**"), to cover the Purchasers' accounting fees, due diligence fees, monitoring, and/or other transactional costs incurred in connection with the purchase and sale of the Notes, which is included in the principal balance of the Notes. Thus, the purchase price of the Notes shall be computed by subtracting the OID from the Principal Amount (as defined in the Notes), and shall equal in the aggregate, up to One Million Five Hundred Thousand Dollars ($1,500,000) (the "**Purchase Price**").

Agreement

Now, Therefore, in consideration of the foregoing, and the representations, warranties, covenants and conditions set forth below, the Company and the Purchaser, intending to be legally bound, hereby agree as follows:

1. Amount and Terms of the Note

1.1 Purchase of the Note. Subject to the terms of this Agreement, for consideration equal to the amount specified below each Purchaser's name on the signature page of this Agreement and next to the heading "Subscription Amount" (the "**Consideration**"), to be paid upon the Closing Dates (as defined below), the Purchasers agree to subscribe for and purchase from the Company on the Closing Dates, and the Company agrees to issue and sell to the Purchasers, the Notes. The OID shall be earned upon each Closing (defined below), on a pro rata basis of the amount of each Closing out of the total Purchase Price.

1.2 Form of Payment. At each Closing, the Purchaser shall pay the Consideration as set forth in Section 1.1.

2. Closing and Delivery

2.1 Initial Closing. The initial closing of the sale of the Notes in return for the Consideration paid by each Purchaser (the "**Initial Closing**") will take place remotely via the exchange of documents and signatures on the date of this Agreement, or at such other time and place as the Company and the Purchasers purchasing a majority-in-interest of the aggregate principal amount of the Notes to be sold at the Initial Closing agree upon orally or in writing. At the Initial Closing, each Purchaser will deliver the Consideration to the Company and the Company will deliver to each Purchaser one or more executed Notes in return for the respective Consideration provided to the Company.

2.2 Subsequent Closings. In any subsequent closing (each a "**Subsequent Closing**") (the Initial Closing and any Subsequent Closings shall be referred to as a "**Closing**"), the Company may sell additional Notes subject to the terms of this Agreement to any purchaser as it will select; provided that the aggregate principal amount of Notes issued pursuant to this Agreement does not exceed $1,666,666.66. Any subsequent purchasers of Notes will become parties to, and will be entitled to receive Notes in accordance with, this Agreement. Each Subsequent Closing will take place remotely via the exchange of documents and signatures or at such locations and at such times as will be mutually agreed upon orally or in writing by the Company and such purchasers of additional Notes. Subject to the satisfaction (or written waiver) of the conditions thereto set forth in Section 6 and Section 7, the date and time of the Closings (the "**Closing Dates**") shall be 4:00 PM, Eastern Time on the date that this Agreement is executed by all parties, or such other mutually agreed upon time, at such location as may be agreed to by the parties (including via exchange of electronic signatures).

3. Representations and Warranties of the Company

The Company hereby makes the following representations and warranties as of the date hereof and as of the Closing Date to the Purchasers:

3.1 Organization and Qualification. The Company is a corporation duly organized and validly existing under the laws of its jurisdiction of incorporation. The Company has the requisite corporate power to own and operate its properties and assets and to carry on its business as now conducted. The Company is duly qualified and is authorized to do business in all jurisdictions in which the nature of its activities and of its properties makes such qualification necessary, except where the failure to be so qualified would not have or reasonably be expected to result in a material adverse effect on the results of operations, assets, business or financial condition of Company taken as a whole (a "**Material Adverse Effect**").

3.2 Corporate Power. The Company has all requisite corporate power to execute and deliver this Agreement, to issue the Note and any other instruments, documents and agreements being entered into at the Closing (each a "**Subscription Document**" and collectively, the "**Subscription Documents**") and to carry out and perform its obligations under the terms of the Subscription Documents.

3.3 Authorization. All corporate action on the part of the Company, its directors and its stockholders necessary for the authorization of the Subscription Documents and the execution, delivery and performance of all obligations of the Company under the Subscription Documents, including, but not limited to, (i) the issuance and delivery of the Note and the securities issuable upon conversion of the Note (collectively, the "**Underlying Securities**"), and (ii) the reservation of shares pursuant to the Notes, have been taken or will be taken prior to the issuance of such Underlying Securities. The Subscription Documents, when executed and delivered by the Company, shall constitute valid and binding obligations of the Company enforceable in accordance with their terms, subject to laws of general application relating to bankruptcy, insolvency, the relief of debtors and, with respect to rights to indemnity, subject to federal and state securities laws.

3.4 Offering. Assuming the accuracy of the representations and warranties of the Purchasers contained in Section 4, the offer, issue, and sale of Notes or the Underlying Securities (collectively, the "**Securities**") are and will be exempt from the registration and prospectus delivery requirements of the Securities Act, and have been registered or qualified (or are exempt from registration and qualification) under the registration, permit, or qualification requirements of all applicable state securities laws. No "bad actor" disqualifying event described in Rule 506(d)(1)(i)-(viii) of the Securities Act (a "**Disqualification Event**") is applicable to the Company or, to the Company's knowledge, any person listed in the first paragraph of Rule 506(d)(1) of the Securities Act, except for a Disqualification Event as to which Rule 506(d)(2)(ii–iv) or (d)(3), is applicable.

3.5 Litigation. There is no action, suit, inquiry, notice of violation, proceeding or investigation pending or, to the knowledge of the Company, threatened against or affecting the Company before or by any court, arbitrator, governmental or administrative agency or regulatory authority (federal, state, county, local or foreign) (collectively, an "**Action**") which could, if there were an unfavorable decision, have or reasonably be expected to result in a Material Adverse Effect. To the knowledge of the Company, none of the Company's officers or directors is subject of any Action involving a claim of violation of or liability under federal or state securities laws or a claim of breach of fiduciary duty.

4. Representations and Warranties of the Purchasers

4.1 Purchase for Own Account; Investment Purpose. Each Purchaser represents that it is acquiring the Note for its own account. Each Purchaser further represents that it is acquiring the Securities for investment only and not with a view towards, or for resale in connection with, the public sale or distribution thereof, except pursuant to sales registered under or exempt from the registration requirements of the Securities Act; provided, however, that by making the representations herein, the Purchasers do not agree, or make any representation or warranty, to hold any of the Securities for any minimum or other specific term and reserves the right to dispose of the Securities at any time in accordance with or pursuant to an effective registration statement covering such Securities or an available exemption under the Securities Act. The Purchasers do not presently have any agreement or understanding, directly or indirectly, with any person to distribute any of the Securities.

4.2 Information and Sophistication. Without lessening or obviating the representations and warranties of the Company set forth in Section 3, each Purchaser hereby: (a) acknowledges that it has received all the information it has requested from the Company and it considers necessary or appropriate for deciding whether to acquire the Note, (b) represents that it has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of the Note and to obtain any additional information necessary to verify the accuracy of the information given each Purchaser and confirms its awareness that the Company needs to actively restart its business activities, and (c) further represents that it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risk of this investment.

4.3 Ability to Bear Economic Risk. Each Purchaser acknowledges that investment in the Note involves a high degree of risk, and represents that it is able, without materially impairing its financial condition, to hold the Note for an indefinite period of time and to suffer a complete loss of its investment.

4.4 Accredited Investor Status. Each Purchaser is an "accredited investor" as such term is defined in Rule 501 under the Act. Each Purchaser has accurately completed and executed the accredited investor questionnaire set forth on Exhibit B attached hereto (the "**Accredited Investor Questionnaire**").

4.5 Existence; Authorization. Each Purchaser, if an entity, is duly organized, validly existing and in good standing under the laws of the state of its organization, having full power and authority to own its properties and to carry on its business as conducted. The principal place of business of each Purchaser is as shown on the Accredited Investor Questionnaire. Each Purchaser has the requisite power and authority to deliver this Agreement, perform its obligations set forth herein, and consummate the transactions contemplated hereby. Each Purchaser has duly executed and delivered this Agreement and has obtained the necessary authorization to execute and deliver this Agreement and to perform his, her or its obligations herein and to consummate the transactions contemplated hereby. This Agreement, assuming the due execution and delivery hereof by the Company, is a legal, valid and binding obligation of the Purchasers, and enforceable against the Purchasers in accordance with its terms.

4.6 No Regulatory Approval. Each Purchaser understands that no state or federal authority has scrutinized this Agreement or the Note offered pursuant hereto, has made any finding or determination relating to the fairness for investment in the Note, or has recommended or endorsed the Note, and that the Note has not been registered or qualified under the Act or any state securities laws, in reliance upon exemptions from registration thereunder. The Note may not, in whole or in part, be resold, transferred, assigned or otherwise disposed of unless it is registered under the Act or an exemption from registration is available, and unless the proposed disposition is in compliance with the restrictions on transferability under federal and state securities laws.

4.7 Purchaser Received Independent Advice. Each Purchaser confirms that the Purchaser has been advised to consult with the Purchaser's independent attorney regarding legal matters concerning the Company and to consult with independent tax advisers regarding the tax consequences of investing in the Company. Each Purchaser acknowledges that Purchaser understands that any anticipated United States federal or state income tax benefits may not be available and, further, may be adversely affected through adoption of new laws or regulations or amendments to existing laws or regulations. Each Purchaser acknowledges and agrees that the Company is providing no warranty or assurance regarding the ultimate availability of any tax benefits to the Purchaser by reason of the subscription.

4.8 Legends. Each Purchaser understands that until such time as the Note and upon the conversion of the Note in accordance with its terms, the Underlying Securities, have been registered under the Securities Act or may be sold pursuant to Rule 144, Rule 144A under the Securities Act or Regulation S without any restriction as to the number of securities as of a particular date that can then be immediately sold, the Securities may bear a restrictive legend in substantially the following form (and a stop- transfer order may be placed against transfer of the certificates for such Securities):

> **NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE CONVERTIBLE OR EXERCISABLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL (WHICH COUNSEL SHALL BE SELECTED BY THE PURCHASER), IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144, RULE 144A OR REGULATION S UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.**

5. Further Agreements; Post-Closing Covenants

5.1 Use of Proceeds. Company agrees to use the proceeds solely as provided for in the Note.

5.2 Usury. Notwithstanding any provision to the contrary contained in the Note, it is expressly agreed and provided that the total liability of the Company under the Note for payments which under Delaware law are in the nature of interest shall not exceed the maximum lawful rate authorized under applicable law (the "**Maximum Rate**"), and, without limiting the foregoing, in no event shall any rate of interest or default interest, or both of them, when aggregated with any other sums which under Delaware law in the nature of interest that the Company may be obligated to pay under the Note exceed such Maximum Rate. It is agreed that if the maximum contract rate of interest allowed by Delaware law and applicable to the Note is increased or decreased by statute or any official governmental action subsequent to the date hereof, the new maximum contract rate of interest allowed by law will be the Maximum Rate applicable to the Note from the effective date thereof forward, unless such application is precluded by applicable law. If under any circumstances whatsoever, interest in excess of the Maximum Rate is paid by the Company to the Purchasers with respect to indebtedness evidenced by the Notes, such excess shall be applied by the Purchasers to the unpaid principal balance of any such indebtedness or be refunded to the Company, the manner of handling such excess to be at the Purchaser's election.

5.3 Registration Rights.

(a) Piggy-Back Registration.

(i) Company may give the Purchasers written notice of each filing by Company with the SEC, of a registration statement (other than that certain Draft Registration Statement on Form S-1 submitted September 27, 2022, as amended, as well as any public filing thereof and subsequent amendment thereto and a registration statement on Form S-4 or Form S-8 or on any successor forms thereto) (in each case, referred to hereinafter as a "**Registration**"). If requested by the Purchasers in writing within 20 days after receipt of any such notice, Company shall, at Company's sole expense (other than the underwriting discounts, if any, payable in respect of the shares sold by the Purchasers), register or otherwise include all or, at Purchasers' option, any portion of the Securities, concurrently with the registration of such other securities, all to the extent requisite to permit the public offering and sale of the Securities through the securities exchange, if any, on which the shares of common stock of the Company is being sold or on the over-the-counter market, and will use its commercially reasonable efforts through its officers, directors, auditors, and counsel to cause such registration statement or offering statement to become effective or qualified (as applicable) as promptly as practicable, provided however, that Purchasers shall agree to a lock-up of no more than 180 days if all other shareholders who own 1% or more of the Company do the same and if such lock-up is required by the underwriters in such offering.

(ii) In the event of a Registration pursuant to these provisions, Company shall use its reasonable commercial efforts to cause the Securities so registered to be registered or qualified for sale under the securities or blue sky laws of such jurisdictions as the Purchasers may reasonably request; provided, however, that Company shall not be required to qualify to do business in any state by reason of this section in which it is not otherwise required to qualify to do business.

(iii) Notwithstanding the registration obligations described in this Section 5.3(a), if the Company has engaged an underwriter for a public, registered offering, and the underwriter does not allow the Securities to be included in a Registration to be filed in connection with such offering, then the Company shall use reasonable commercial efforts to convince the underwriter to include the Securities, as required above, and if such efforts are unsuccessful, then the non-inclusion of the Securities in such Registration shall not be deemed an event of default.

5.4 Confidentiality. Each Purchaser agrees that it will keep confidential and will not disclose, divulge, or use for any purpose (other than to monitor its investment in the Company) the terms and conditions of this Agreement or any confidential information obtained from the Company pursuant to the terms of this Agreement (including notice of Company's intention to file a registration statement), unless such confidential information (a) is known or becomes known to the public in general (other than as a result of a breach of this Section 5.4 by the Purchasers), (b) is or has been independently developed or conceived by the Purchaser without use of the Company's confidential information, or (c) is or has been made known or disclosed to the Purchaser by a third party without a breach of any obligation of confidentiality such third party may have to the Company; provided, however, that the Purchasers may disclose confidential information as may otherwise be required by law, provided that to the extent legally permissible the Purchasers notifies the Company at least five (5) business days in advance of such disclosure and takes reasonable steps to minimize the extent of any such required disclosure.

5.5 Further Assurances. Each Purchaser agrees and covenants that at any time and from time to time it will execute and deliver to the Company such further instruments and documents and take such further action as the Company may reasonably require within three (3) business days of any such request in order to carry out the full intent and purpose of this Agreement and to comply with state or federal securities laws or other regulatory approvals.

6. Conditions to the Company's Obligation to Sell

The obligation of the Company hereunder to issue and sell the Notes to each of the Purchasers at the Closing is subject to the satisfaction, at or before the Closing Date, of each of the following conditions thereto, provided that these conditions are for the Company's sole benefit and may be waived by the Company at any time in its sole discretion:

(a) The Purchaser shall have executed this Agreement and delivered the same to the Company.

(b) The Purchaser shall have delivered the Consideration in accordance with Section 1.2.

(c) The representations and warranties of the Purchaser shall be true and correct in all material respects as of the date when made and as each Closing Date, as though made at that time (except for representations and warranties that speak as of a specific date), and the Purchaser shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by the Purchaser at or prior to each Closing Date.

(d) No litigation, statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by or in any court or governmental authority of competent jurisdiction or any self-regulatory organization having authority over the matters contemplated hereby which prohibits the consummation of any of the transactions contemplated by this Agreement.

7. Conditions to The Purchasers' Obligation to Purchase

The obligation of the Purchasers hereunder to purchase the Notes, on the Closing Date, is subject to the satisfaction, at or before the Closing Date, of each of the following conditions, provided that these conditions are for the Purchasers' sole benefit and may be waived by the Purchasers at any time in its sole discretion:

(a) The Company shall have executed this Agreement and delivered the same to the Purchaser.

(b) The Company shall have delivered to the Purchaser the duly executed Notes in such denominations as the Purchasers shall request and in accordance with Section 1.2.

(c) The representations and warranties of the Company shall be true and correct in all material respects as of the date when made and as of each Closing Date, as though made at such time (except for representations and warranties that speak as of a specific date) and the Company shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by the Company at or prior to each Closing Date.

(d) No litigation, statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by or in any court or governmental authority of competent jurisdiction or any self-regulatory organization having authority over the matters contemplated hereby which prohibits the consummation of any of the transactions contemplated by this Agreement.

8. Miscellaneous

8.1 Binding Agreement. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties. Nothing in this Agreement, expressed or implied, is intended to confer upon any third party any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

8.2 Governing Law; Consent to Jurisdiction. This Agreement shall be governed by and construed under the laws of the State of Delaware, without giving effect to conflicts of laws principles. Each party to this Agreement hereby irrevocably submits to the non-exclusive jurisdiction of the state and federal courts sitting in Delaware for the adjudication of any dispute hereunder or in connection with any transaction contemplated hereby, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper.

8.3 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

8.4 Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

8.5 Notices. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient, if not, then on the next business day, (c) five days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the Company and to the Purchasers at the addresses set forth on the signature page to this Agreement or at such other addresses as the Company or Purchasers may designate by 10 days' advance written notice to the other parties hereto.

8.6 Modification; Waiver. No modification or waiver of any provision of this Agreement or consent to departure therefrom shall be effective only upon the written consent of the Company and the Required Holders. Any provision of the Note may be amended or waived by the written consent of the Company and the Required Holders. For purposes of this Agreement, the term "**Required Holders**" shall mean holders of at least a majority of the aggregate Principal Amount of Notes issued.

8.7 Expenses. The Company and the Purchasers shall each bear its respective expenses and legal fees incurred with respect to this Agreement and the transactions contemplated herein.

8.8 Delays or Omissions. It is agreed that no delay or omission to exercise any right, power or remedy accruing to any party to this Agreement, upon any breach or default of any other party under the Subscription Documents shall impair any such right, power or remedy, nor shall it be construed to be a waiver of any such breach or default, or any acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. It is further agreed that any waiver, permit, consent or approval of any kind or character by the non-breaching party of any breach or default by any other party under this Agreement, or any waiver thereby of any provisions or conditions of this Agreement must be in writing and shall be effective only to the extent specifically set forth in writing and that all remedies, either under this Agreement, or by law or otherwise afforded to the non-breaching party, shall be cumulative and not alternative.

8.9 Entire Agreement. This Agreement and the Exhibits hereto constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and no party shall be liable or bound to any other party in any manner by any representations, warranties, covenants and agreements except as specifically set forth herein.

[Signature page follows]

In Witness Whereof, the parties have executed this **Securities Purchase Agreement** as of the date(s) written below.

COMPANY:

Neuraxis, Inc.

By: */s/ Brian Carrico*
Name: Brian Carrico
Title: President and Chief Executive Officer

Date: 12/23/2022

Address: 829 S Adams St.
Versailles, IN 47042

[*Securities Purchase Agreement – Signature page of Company; Signature Page of Purchaser Follows*]

SIGNATURE PAGE
TO
SECURITIES PURCHASE AGREEMENT

In Witness Whereof, the undersigned have executed this **Securities Purchase Agreement** as of the date written below.

PURCHASER:

Rogan O'Donnell
(Print Legal Name of Purchaser)

/s/ Rogan O'Donnell
(Signature of Purchaser)

Date: January 2, 2023

Address: 103 West Side Drive
Verona Island ME 04416

Email: Roganodonnell@gmail.com

Phone: 609 577 5129

Subscription Amount: $50,000

Principal Amount: $55,555.55 **(*Subscription Amount ÷ 0.9*)**

ACCEPTANCE: The Company hereby accepts the subscription as set forth above on the terms and conditions contained in this Agreement.

Neuraxis, Inc.

By: */s/ Brian Carrico*
Name: Brian Carrico
Title: President and Chief Executive Officer

[*Securities Purchase Agreement – Signature page of Purchaser*]

SIGNATURE PAGE
TO
SECURITIES PURCHASE AGREEMENT

EXHIBIT A

FORM OF CONVERTIBLE PROMISSORY NOTE

(SEE ATTACHED)

EXHIBIT B

ACCREDITED INVESTOR QUESTIONNAIRE

(SEE ATTACHED)

THIS NOTE HAS BEEN ISSUED WITH "ORIGINAL ISSUE DISCOUNT" FOR U.S. FEDERAL INCOME TAX PURPOSES. THE ISSUER WILL MAKE AVAILABLE TO ANY HOLDER OF THIS NOTE: (1) THE ISSUE PRICE AND ISSUE DATE OF THE NOTE, (2) THE AMOUNT OF ORIGINAL ISSUE DISCOUNT ON THE NOTE, (3) THE YIELD TO MATURITY OF THE NOTE, AND (4) ANY OTHER INFORMATION REQUIRED TO BE MADE AVAILABLE BY U.S. TREASURY REGULATIONS UPON RECEIVING A WRITTEN OR ELECTRONIC REQUEST FOR SUCH INFORMATION AT THE FOLLOWING ADDRESS: 829 S ADAMS ST, VERSAILLES, IN 47042.

NEITHER THE ISSUANCE NOR SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE CONVERTIBLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL (WHICH COUNSEL SHALL BE SELECTED BY THE HOLDER AND REASONABLY ACCEPTABLE TO THE COMPANY), IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.

Principal Amount: $55,555.55 **Issue Date: December 19, 2022**
Purchase Price: $50,000
Original Issue Discount: $5,555.55

UNSECURED CONVERTIBLE PROMISSORY NOTE

For value received, NEURAXIS, INC., a Delaware corporation ("**Neuraxis**" or the "**Borrower**"), hereby promises to pay to the order of Rogan O'Donnell, or registered assigns (the "**Holder**") the principal sum of Fifty-Five Thousand, Five Hundred Fifty Five and 55/100 Dollars ($55,555.55) (the "**Principal Amount**"), together with interest on the Principal Amount, on the dates set forth below or upon acceleration or otherwise, as set forth herein (or as may be amended, extended, renewed and refinanced, collectively, this "**Note**"). The "**Interest Rate**" shall accrue at a rate equal to twelve percent (12%) per annum.

The consideration to the Borrower for this Note is Fifty Thousand and 00/100 Dollars ($50,000) (the "**Consideration**") to be paid upon the issuance of this Note by Holder (the "**Closing**").

The maturity date ("**Maturity Date**") shall be the earlier of (i) twelve (12) months from the Issue Date or (ii) the date upon which the Borrower completes a Registered Public Offering of shares of the Company. The principal sum, as well as interest and other fees shall be due and payable in accordance with the payment terms set forth in Article I. Subject to Section 5.7, this Note may not be prepaid in whole or in part except as otherwise explicitly set forth herein.

Any amount of principal, interest, other amounts due hereunder or penalties on this Note, which is not paid by the due date as specified herein, shall bear interest at the lesser of the rate of fifteen percent (15%) per annum or the maximum legal amount permitted by law ("**Default Interest Rate**"), from the due date thereof until the same is paid in full, including following the entry of a judgment in favor of Holder ("**Default Interest**").

Except as provided for in Section 1.2, all payments of principal and interest due hereunder (to the extent not converted into Borrower's common stock (the "**Common Shares**")) shall be paid by automatic debit, wire transfer, check or in coin or currency which, at the time or times of payment, is the legal tender for public and private debts in the United States of America and shall be made at such place as Holder or the legal holder or holders of the Note may from time to time appoint in a payment invoice or otherwise in writing, and in the absence of such appointment, then at the offices of Holder at such address as the Holder shall hereafter give to the Borrower by written notice made in accordance with the provisions of this Note. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest, then to any late charges, and then to principal. Whenever any amount expressed to be due by the terms of this Note is due on any day which is not a business day, the same shall instead be due on the next succeeding day which is a business day and, in the case of any interest payment date which is not the date on which this Note is paid in full, interest shall continue to accrue during such extension. As used in this Note, the term "**business day**" shall mean any day other than a Saturday, Sunday or a day on which commercial banks in the city of New York, New York are authorized or required by law or executive order to remain closed.

This Note carries an original issue discount of ten percent (10%) of the Principal Amount (the "**OID**"), to cover the Holder's accounting fees, due diligence fees, monitoring, and/or other transactional costs incurred in connection with the purchase and sale of the Note, which is included in the principal balance of this Note. Thus, the purchase price of this Note shall be computed as follows: the Principal Amount *minus* the OID.

This Note is issued by the Borrower to the Holder pursuant to the terms of that certain Securities Purchase Agreement even date herewith (the "**Purchase Agreement**"), terms of which are incorporated by reference and made part of this Note. Each capitalized term used herein, and not otherwise defined, shall have the meaning ascribed thereto in the Purchase Agreement. As used herein, the term "Trading Day" means any day that the Common Shares are listed for trading or quotation on the OTC, or any other exchanges or electronic quotation systems on which the Common Shares are then traded.

This Note is a general unsecured obligation of the Company. This Note is subordinated in right of payment to all current and future indebtedness of the Company for borrowed money (whether or not such indebtedness is secured) (the "**Senior Debt**"). The Company hereby agrees, and by accepting this Note, the Holder hereby acknowledges and agrees, that so long as any Senior Debt is outstanding, upon notice from the holders of such Senior Debt (the "**Senior Creditors**") to the Company that an event of default, or any event which the giving of notice or the passage of time or both would constitute an event of default, has occurred under the terms of the Senior Debt (a "**Default Notice**"), the Company will not make, and the Holder will not receive or retain, any payment under this Note. Nothing in this paragraph will preclude or prohibit the Holder from receiving and retaining any payment hereunder unless and until the Holder has received a Default Notice (which will be effective until waived in writing by the Senior Creditors) or from converting this Note or any amounts due hereunder into Common Shares

In addition to the terms above, the following terms shall also apply to this Note:

ARTICLE I. PAYMENTS

1.1 Principal Payments. The Principal Amount and any accrued interest thereon shall be due and payable on the Maturity Date.

1.2 PIK Interest. At the option of the Borrower, the Borrower may, upon not less than five Business Days' written notice to the Lead Investor prior to the date on which interest is due (the "**Interest Date**"), pay such interest (i) in kind or (ii) partly in cash and partly as interest paid in kind ("**PIK Interest**"). PIK Interest shall be capitalized, compounded and added to the unpaid principal amount of the Note on the Interest Date. Amounts representing the PIK Interest shall be treated as Principal Amount for purposes of this Note. The obligation of the Borrower to pay all such PIK Interest so added shall be automatically evidenced by the Note issued to the Holder (without modification or reissuance thereof).

1.3 Other Payment Obligations. All payments, fees, penalties, and other charges, if any, due under this Note shall be payable pursuant to the terms contained herein, but in any case, shall be payable no later than the Maturity Date.

ARTICLE II. CONVERSION RIGHTS

2.1 Conversion Right. The Holder shall have the right at any time on or after the Maturity Date, at the Holder's option to convert all or any part of the outstanding and unpaid principal amount and accrued and unpaid interest of this Note into fully paid and non-assessable Common Shares of Borrower or other securities into which such Common Shares shall hereafter be changed or reclassified (each, a "**Conversion Share**") at the conversion price (the "**Conversion Price**") determined as provided herein (a "**Conversion**"); provided, however, that in no event shall the Holder be entitled to convert any portion of this Note in excess of that portion of this Note upon conversion of which the sum of (1) the number of Common Shares beneficially owned by the Holder and its affiliates (other than Common Shares which may be deemed beneficially owned through the ownership of the unconverted portion of the Note or the unexercised or unconverted portion of any other security of Borrower subject to a limitation on conversion or exercise analogous to the limitations contained herein, and, if applicable, net of any shares that may be deemed to be owned by any person not affiliated with the Holder who has purchased a portion of the Note from the Holder) and (2) the number of Common Shares issuable upon the conversion of the portion of this Note with respect to which the determination of this proviso is being made, would result in beneficial ownership by the Holder and its affiliates of more than 4.99% of the outstanding Common Shares. For purposes of the proviso to the immediately preceding sentence, beneficial ownership shall be determined in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and Regulations 13D-G thereunder, except as otherwise provided in clause (1) of such proviso, provided, further, however, that the limitations on conversion may be waived (up to a maximum of 9.99%) by the Holder upon, at the election of the Holder, not less than 61 days' prior notice to Borrower, and the provisions of the conversion limitation shall continue to apply until such 61st day (or such later date, as determined by the Holder, as may be specified in such notice of waiver). The number of Common Shares to be issued upon each conversion of this Note shall be determined by dividing the Conversion Amount (as defined below) by the applicable Conversion Price then in effect on the date specified in the notice of conversion, in a form reasonably acceptable to Borrower (the "**Notice of Conversion**"), delivered to Borrower by the Holder in accordance with Section 2.4; provided that the Notice of Conversion is submitted by facsimile or e-mail (or by other means resulting in, or reasonably expected to result in, notice) to Borrower before 6:00 p.m., New York, New York time on such conversion date (the "**Conversion Date**"). The term "**Conversion Amount**" means, with respect to any conversion of this Note, the sum of: (1) the principal amount of this Note to be converted in such conversion; plus (2) accrued and unpaid interest.

2.2 Conversion Price.

(a) Conversion Price. The Conversion Price shall be the higher of (i) $4.72 or (ii) the price per share of Common Shares issued pursuant to the next registered public offering of shares of the Company made prior to the conversion of any portion of this Note.

(b) Fixed Conversion Price Adjustments.

(1) Common Share Distributions and Splits. If Borrower, at any time while this Note is outstanding: subdivides outstanding Common Shares into a larger (or smaller) number of shares, then the Fixed Conversion Price shall be multiplied by a fraction of which the numerator shall be the number of Common Shares (excluding any treasury shares of Borrower) outstanding immediately before such event and of which the denominator shall be the number of Common Shares outstanding immediately after such event.

(2) Fundamental Transaction. If, at any time while this Note is outstanding, (i) Borrower effects any merger or consolidation of Borrower with or into another person, (ii) Borrower effects any sale of all or substantially all of its assets in one transaction or a series of related transactions, (iii) any tender offer or exchange offer (whether by Borrower or another person) is completed pursuant to which holders of Common Shares are permitted to tender or exchange their shares for other securities, cash or property, or (iv) Borrower effects any reclassification of the Common Shares or any compulsory share exchange pursuant to which the Common Shares are effectively converted into or exchanged for other securities, cash or property (in any such case, a "**Fundamental Transaction**"), then, upon any subsequent conversion of this Note, the Holder shall have the right to receive, for each Conversion Share that would have been issuable upon such conversion immediately prior to the occurrence of such Fundamental Transaction, the same kind and amount of securities, cash or property as it would have been entitled to receive upon the occurrence of such Fundamental Transaction if it had been, immediately prior to such Fundamental Transaction, the holder of 1 Common Share (the "**Alternate Consideration**"). For purposes of any such conversion, the determination of the Fixed Conversion Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of 1 Common Share in such Fundamental Transaction, and Borrower shall apportion the Fixed Conversion Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration.

2.3 Authorized Shares. Borrower covenants that during the period the conversion right exists, Borrower will reserve from its authorized and unissued Common Shares a sufficient number of shares, to provide for the issuance of Common Shares upon the full conversion of this Note. Borrower represents that upon issuance, such shares will be duly and validly issued, fully paid and non-assessable. In addition, if Borrower shall issue any securities or make any change to its capital structure which would change the number of Common Shares into which the Note shall be convertible at the then current Conversion Price, Borrower shall at the same time make proper provision so that thereafter there shall be a sufficient number of Common Shares authorized and reserved, for conversion of the outstanding Note, including but not limited to authorizing additional shares or effectuating a reverse split.

2.4 Method of Conversion.

(a) Mechanics of Conversion. Subject to Section 2.1, this Note may be converted by the Holder in whole or in part, at any time on or subsequent to the Maturity Date, by (A) submitting to Borrower a Notice of Conversion (by facsimile, e-mail or other reasonable means of communication dispatched on the Conversion Date prior to 7:00 p.m., New York, New York time) and (B) subject to Section 2.4(b), surrendering this Note at the principal office of Borrower.

(b) Surrender of Note Upon Conversion. Notwithstanding anything to the contrary set forth herein, upon conversion of this Note in accordance with the terms hereof, the Holder shall not be required to physically surrender this Note to Borrower unless the entire unpaid principal amount of this Note is so converted. The Holder and Borrower shall maintain records showing the principal amount so converted and the dates of such conversions or shall use such other method, reasonably satisfactory to the Holder and Borrower, so as not to require physical surrender of this Note upon each such conversion. In the event of any dispute or discrepancy, such records of Borrower shall, *prima facie,* be controlling and determinative in the absence of manifest error. The Holder and any assignee, by acceptance of this Note, acknowledge and agree that, by reason of the provisions of this paragraph, following conversion of a portion of this Note, the unpaid and unconverted principal amount of this Note represented by this Note may be less than the amount stated on the face hereof.

(c) Payment of Taxes. Borrower shall not be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of Common Shares or other securities or property on conversion of this Note in a name other than that of the Holder (or in street name), and Borrower shall not be required to issue or deliver any such shares or other securities or property unless and until the person or persons (other than the Holder or the custodian in whose street name such shares are to be held for the Holder's account) requesting the issuance thereof shall have paid to Borrower the amount of any such tax or shall have established to the satisfaction of Borrower that such tax has been paid.

(d) Delivery of Common Shares Upon Conversion. Upon receipt by Borrower from the Holder of an e-mail (or other reasonable means of communication) of a Notice of Conversion meeting the requirements for conversion as provided in this Section 2.4, Borrower shall issue and deliver to or cause to be issued and delivered to or upon the order of the Holder certificates for Common Shares issuable upon such conversion by the end of the next business day after such receipt (the "**Deadline**") (and, solely in the case of conversion of the entire unpaid principal amount hereof, surrender of this Note) in accordance with the terms hereof.

(e) Obligation of Borrower to Deliver Common Shares. Upon receipt by Borrower of a Notice of Conversion, the Holder shall be deemed to be the holder of record of the Common Shares issuable upon such conversion, the outstanding principal amount and the amount of accrued and unpaid interest on this Note shall be reduced to reflect such conversion, and, unless Borrower defaults on its obligations under this Article II, all rights with respect to the portion of this Note being so converted shall forthwith terminate except the right to receive the Common Shares or other securities, cash or other assets, as herein provided, on such conversion. The Conversion Date specified in the Notice of Conversion shall be the Conversion Date so long as the Notice of Conversion is received by Borrower before 7:00 p.m., New York, New York time, on such date.

(f) Delivery of Common Shares by Electronic Transfer. If the shares of the Company are publicly traded, in lieu of delivering physical certificates representing the Common Shares issuable upon conversion, provided Borrower is participating in the Depository Trust Company ("**DTC**") Fast Automated Securities Transfer ("**FAST**") program, upon request of the Holder and its compliance with the provisions contained in Section 2.1 and in this Section 2.4, Borrower shall use its best efforts to cause its transfer agent to electronically transmit the Common Shares issuable upon conversion to the Holder by crediting the account of Holder's Prime Broker with DTC through its Deposit Withdrawal Agent Commission ("**DWAC**") system.

2.5 Concerning the Common Shares. The Common Shares issuable upon conversion of this Note may not be sold or transferred except in accordance with the Certificate of Incorporation and any applicable shareholders' agreement of the Borrower then in place and unless (i) such shares are sold pursuant to an effective registration statement under the Act or (ii) Borrower or its transfer agent shall have been furnished with an opinion of counsel (which opinion shall be in form, substance and scope customary for opinions of counsel in comparable transactions) to the effect that the shares to be sold or transferred may be sold or transferred pursuant to an exemption from such registration or (iii) such shares are sold or transferred pursuant to Rule 144 under the Act (or a successor rule) ("**Rule 144**") or (iv) such shares are transferred to an "**affiliate**" (as defined in Rule 144) of Borrower who agrees to sell or otherwise transfer the shares only in accordance with this Section 2.5 and who is an accredited investor (as defined in Rule 501(a) of the 1933 Act). Except as otherwise provided (and subject to the removal provisions set forth below), until such time as the Common Shares issuable upon conversion of this Note have been registered under the Act or otherwise may be sold pursuant to Rule 144 without any restriction as to the number of securities as of a particular date that can then be immediately sold, each certificate for Common Shares issuable upon conversion of this Note that has not been so included in an effective registration statement or that has not been sold pursuant to an effective registration statement or an exemption that permits removal of the legend, shall bear a legend substantially in the following form, as appropriate:

> **NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE EXERCISABLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL (WHICH COUNSEL SHALL BE SELECTED BY THE HOLDER AND REASONABLY ACCEPTABLE TO THE COMPANY), IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.**

The legend set forth above shall be removed and Borrower shall issue to the Holder a new certificate therefore free of any transfer legend if (i) Borrower or its transfer agent shall have received an opinion of counsel, in form, substance and scope customary for opinions of counsel in comparable transactions, to the effect that a public sale or transfer of such Common Shares may be made without registration under the Act, which opinion shall be accepted by Borrower (which acceptance shall be subject to and conditioned on any requirements, if any, of its transfer agent, the exchange on which Borrower is then trading or other applicable laws, rules or regulations) so that the sale or transfer is effected or (ii) in the case of the Common Shares issuable upon conversion of this Note, such security is registered for sale by the Holder under an effective registration statement filed under the Act or otherwise may be sold pursuant to Rule 144 without any restriction as to the number of securities as of a particular date that can then be immediately sold.

2.6 Status as Shareholder. Upon submission of a Notice of Conversion by a Holder, (i) the shares covered thereby shall be deemed converted into Common Shares and (ii) the Holder's rights as a Holder of such converted portion of this Note shall cease and terminate, excepting only the right to receive certificates for such Common Shares and to any remedies provided herein or otherwise available at law or in equity to such Holder because of a failure by Borrower to comply with the terms of this Note. Notwithstanding the foregoing, if a Holder has not received certificates for all Common Shares prior to the thirtieth (30^{th}) day after the expiration of the Deadline with respect to a conversion of any portion of this Note for any reason, then (unless the Holder otherwise elects to retain its status as a holder of Common Shares by so notifying Borrower) the Holder shall regain the rights of a Holder of this Note with respect to such unconverted portions of this Note and Borrower shall, as soon as practicable, return such unconverted Note to the Holder or, if the Note has not been surrendered, adjust its records to reflect that such portion of this Note has not been converted. In all cases, the Holder shall retain all of its rights and remedies for Borrower's failure to convert this Note.

ARTICLE III. CERTAIN COVENANTS AND POST CLOSING OBLIGATIONS

3.1 Use of Proceeds. Borrower agrees to use the proceeds of this Note solely for the following purposes: (i) to pursue an underwritten public offering of the Common Shares, (ii) to pursue acquisitions, (iii) for the payment of accounts payable, (iv) for the payment of employee salaries, and (v) for general working capital.

3.2 Registration Rights. Borrower shall be required to register the Registrable Securities owned by the Holder, if requested by the Holder, pursuant to Section 5.3 of the Purchase Agreement. As used herein, Registrable Securities shall mean the shares issuable upon Conversion of the Note.

ARTICLE IV. EVENTS OF DEFAULT

4.1 It shall be considered an event of default if any of the following events listed in this Article IV (each, an "**Event of Default**") shall occur:

4.1.1 Failure to Pay Principal or Interest. The Borrower fails to pay the principal hereof or interest thereon when due on this Note and upon written demand from the Holder, whether at maturity, upon acceleration or otherwise. A thirty (30) day cure period shall apply for failure to make a payment when due.

4.1.2 Failure to Reserve Shares. (a) Borrower fails to reserve a sufficient amount of Common Shares as required under the terms of this Note (including the requirements of Section 2.3), fails to issue Common Shares to the Holder (or announces or threatens in writing that it will not honor its obligation to do so) upon exercise by the Holder of the conversion rights of the Holder in accordance with the terms of this Note, fails to transfer or cause its transfer agent to transfer (issue) (electronically or in certificated form) Common Shares issued to the Holder upon conversion of or otherwise pursuant to this Note as and when required by this Note, Borrower directs its transfer agent not to transfer or delays, impairs, and/or hinders its transfer agent in transferring (or issuing) (electronically or in certificated form) Common Shares to be issued to the Holder upon conversion of or otherwise pursuant to this Note as and when required by this Note, and any such failure shall continue uncured (or any written announcement, statement or threat not to honor its obligations shall not be rescinded in writing) for thirty (30) days after the Holder shall have delivered a Notice of Conversion.

4.1.3 Breach of Covenants. Borrower, or the relevant related party, as the case may be, breaches any material covenant, post-closing obligation or other material term or condition contained in this Note, or in the related Purchase Agreement (together, the "**Transaction Documents**") and breach continues for a period of thirty (30) days after Holder provides written notice to Borrower of such breach.

4.1.4 Receiver or Trustee. Borrower or any subsidiary of Borrower shall make an assignment for the benefit of creditors, or apply for or consent to the appointment of a receiver or trustee for it or for a substantial part of its property or business, or such a receiver or trustee shall otherwise be appointed.

4.1.5 Bankruptcy. Bankruptcy, insolvency, reorganization or liquidation proceedings or other proceedings, voluntary or involuntary, for relief under any bankruptcy law or any law for the relief of debtors shall be instituted by or against Borrower or any subsidiary of Borrower. With respect to any such proceedings that are involuntary, Borrower shall have a sixty (60) day cure period in which to have such involuntary proceedings dismissed.

4.1.6 Cessation of Operations. Any cessation of operations by the Borrower or the Borrower admits it is otherwise generally unable to pay its debts as such debts become due, provided, however, that any disclosure of the Borrower's ability to continue as a "going concern" shall not be an admission that the Borrower cannot pay its debts as they become due.

4.1.7 Failure to Execute Transaction Documents or Complete the Transaction. The failure of the Borrower to execute any of the Transaction Documents or to complete the transaction for the full Principal Amount of the Note, as contemplated by the Purchase Agreement.

4.1.8 Illegality. Any court of competent jurisdiction issues an order declaring this Note, any of the other Transaction Documents or any provision hereunder or thereunder to be illegal, as long as such declaration was not the result of an act of negligence by the Holder, exclusive of the execution of the Transaction Documents or the transactions and acts contemplated herein.

4.2 Remedies Upon Default.

(a) Upon the occurrence of any Event of Default specified in this Article IV, in addition to and without limitation of other remedies set forth herein in this Note, (i) interest shall accrue on all amounts due under this Note at the Default Interest rate until payment in full of such amounts, including following the entry of a judgment in favor of Holder; and (ii) this Note shall become immediately due and payable upon written demand of Holder, and the Borrower shall pay to the Holder, an amount equal to the Principal Amount then outstanding plus accrued and unpaid interest through the date of the Event of Default, and Default Interest through the date of full repayment. In addition, the Holder shall be entitled to exercise all other rights and remedies available at law or in equity. Notwithstanding the foregoing, the rights of the Holder solely with respect to the acceleration remedy described above in Section in 4.2(a)(ii), shall be waived upon the curing of any Event of Default.

ARTICLE V. MISCELLANEOUS

5.1 Failure or Indulgence Waiver. Failure or delay on the part of the Holder in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof. All rights and remedies existing hereunder are cumulative to, and not exclusive of, any rights or remedies otherwise available.

5.2 Notices. All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, shall be (i) personally served, (ii) deposited in the mail, registered or certified, return receipt requested, postage prepaid, (iii) delivered by reputable air courier service with charges prepaid, or (iv) transmitted by hand delivery, telegram, facsimile, or electronic mail addressed as set forth below or to such other address as such party shall have specified most recently by written notice. Any notice or other communication required or permitted to be given hereunder shall be deemed effective (a) upon hand delivery, upon electronic mail delivery, or delivery by facsimile, with accurate confirmation generated by the transmitting facsimile machine, at the address or number designated below (if delivered on a business day during normal business hours where such notice is to be received), or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received) or (b) on the second business day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur. The addresses for such communications shall be:

If to the Borrower, to:

Neuraxis, Inc.
829 S Adams St
Versailles, IN 47042
Attn: Brian Carrico
e-mail: bcarrico@neuraxis.com
Cc: jhollingsworth@btlaw.com
Cc: jlucosky@lucbro.com

If to the Holder:
Rogan O'Donnell
103 West Side Drive
Verona Island ME 04416
Attn: Rogan O'Donnell
e-mail: Roganodonnell@gmail.com

5.3 Amendments. This Note and any provision hereof may only be amended by an instrument in writing signed by the Borrower and the Holder. The term "**Note**" and all reference thereto, as used throughout this instrument, shall mean this instrument as originally executed, or if later amended or supplemented, then as so amended or supplemented.

5.4 Assignability. This Note shall be binding upon the Borrower and its successors and assigns, and shall inure to be the benefit of the Holder and its successors and assigns. Each transferee of this Note must be an "accredited investor" (as defined in Rule 501(a) of the 1933 Act).

5.5 Withholding Tax. In the event that there is any withholding tax due on any obligation of the Borrower, the obligation to pay such withholding tax shall be divided equally by Borrower and Holder, and Borrower may deduct half of any such withholding tax from amounts due to Holder upon providing Holder a confirmation of such withholding tax payment.

5.6 Governing Law. This Note shall be governed by and construed in accordance with the laws of the State of Delaware without regard to principles of conflicts of laws. Any action brought by either party against the other concerning the transactions contemplated by this Note shall be brought only in the state and/or federal courts located in Delaware. The parties to this Note hereby irrevocably waive any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon *forum non conveniens*. **EACH PARTY IRREVOCABLY WAIVE ANY RIGHT IT MAY HAVE, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS NOTE OR ANY TRANSACTIONS CONTEMPLATED HEREBY**.

5.7 Prepayment. Unless an Event of Default shall occur, Borrower shall have the right at any time, upon thirty (30) days' notice to the Holder (the "**Prepayment Notice**"), to prepay the Note by making a payment to Lender equal to 100% multiplied by the sum of (i) the outstanding Principal Amount, (ii) all accrued and unpaid interest, and (iii) any other amounts due under the Note (the "**Prepayment Amount**"). The Prepayment Notice must be received by Holder no later than thirty (30) days prior to the date that Borrower proposes to remit the Prepayment Amount.

5.8 Usury. Notwithstanding any provision to the contrary contained in this Note, it is expressly agreed and provided that the total liability of the Borrower under this Note for payments which under Delaware law are in the nature of interest shall not exceed the maximum lawful rate authorized under applicable law (the "**Maximum Rate**"), and, without limiting the foregoing, in no event shall any rate of interest or default interest, or both of them, when aggregated with any other sums which under Delaware law in the nature of interest that the Borrower may be obligated to pay under this Note exceed such Maximum Rate. It is agreed that if the maximum contract rate of interest allowed by Delaware law and applicable to this Note is increased or decreased by statute or any official governmental action subsequent to the date hereof, the new maximum contract rate of interest allowed by law will be the Maximum Rate applicable to this Note from the effective date thereof forward, unless such application is precluded by applicable law. If under any circumstances whatsoever, interest in excess of the Maximum Rate is paid by the Borrower to the Holder with respect to indebtedness evidenced by this Note, such excess shall be applied by the Holder to the unpaid principal balance of any such indebtedness or be refunded to the Borrower, the manner of handling such excess to be at the Holder's election.

5.9 Opportunity to Consult with Counsel. Each party represents and acknowledges that it has been provided with the opportunity to discuss and review the terms of this Note and the other Transaction Documents with its respective counsel before signing it and that it is freely and voluntarily signing the Transaction Documents in exchange for the benefits provided herein. Each party further represents and acknowledges that it has been provided a reasonable period of time within which to review the terms of the Transaction Documents.

5.10 Integration. This Note, along with the other Transaction Documents, constitute the entire agreement between the Parties and supersedes all prior negotiations, discussions, representations, or proposals, whether oral or written, unless expressly incorporated herein, related to the subject matter of the Agreement. Unless expressly provided otherwise herein, this Note may not be modified unless in writing signed by the duly authorized representatives of the Borrower and the Holder. If any provision or part thereof is found to be invalid, the remaining provisions will remain in full force and effect.

[signature page to follow]

IN WITNESS WHEREOF, Borrower has caused this Note to be signed in its name by its duly authorized officer on the date first written above.

NEURAXIS, INC.

By: */s/ Brian Carrico*
Name: Brian Carrico
Title: President and Chief Executive Officer

Exhibit 10.9

SECURITIES PURCHASE AGREEMENT

This Securities Purchase Agreement (the "**Agreement**") is made as of December 19, 2022, by and among Neuraxis, Inc., a Delaware corporation (the "**Company**") and each purchaser identified on the signature pages hereto (each, including its successors and assigns, a "**Purchaser**" and collectively, the "**Purchasers**").

Recital

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

B. Each Purchaser desires to purchase from the Company, and the Company desires to issue and sell to each Purchaser, upon the terms and conditions set forth in this Agreement, an Unsecured Convertible Promissory Note of the Company, issued by the Company to the Purchasers hereunder, in the form attached hereto as Exhibit A (the "**Notes**"), upon the terms and subject to the limitations and conditions set forth in such Notes;

C. The Principal Amount of the Notes, shall be in the aggregate amount of up to One Million, Six Hundred Sixty Six Thousand, Six Hundred Sixty-Six and 66/100 Dollars ($1,666,666.66) (the "**Principal Amount**") and shall carry an original issue discount of ten percent (10%), or in the aggregate, up to One Hundred Sixty Six Thousand, Six Hundred Sixty-Six and 66/100 Dollars ($166,666.66) (the "**OID**"), to cover the Purchasers' accounting fees, due diligence fees, monitoring, and/or other transactional costs incurred in connection with the purchase and sale of the Notes, which is included in the principal balance of the Notes. Thus, the purchase price of the Notes shall be computed by subtracting the OID from the Principal Amount (as defined in the Notes), and shall equal in the aggregate, up to One Million Five Hundred Thousand Dollars ($1,500,000) (the "**Purchase Price**").

Agreement

Now, Therefore, in consideration of the foregoing, and the representations, warranties, covenants and conditions set forth below, the Company and the Purchaser, intending to be legally bound, hereby agree as follows:

1. Amount and Terms of the Note

1.1 Purchase of the Note. Subject to the terms of this Agreement, for consideration equal to the amount specified below each Purchaser's name on the signature page of this Agreement and next to the heading "Subscription Amount" (the "**Consideration**"), to be paid upon the Closing Dates (as defined below), the Purchasers agree to subscribe for and purchase from the Company on the Closing Dates, and the Company agrees to issue and sell to the Purchasers, the Notes. The OID shall be earned upon each Closing (defined below), on a pro rata basis of the amount of each Closing out of the total Purchase Price.

1.2 Form of Payment. At each Closing, the Purchaser shall pay the Consideration as set forth in Section 1.1.

2. Closing and Delivery

2.1 Initial Closing. The initial closing of the sale of the Notes in return for the Consideration paid by each Purchaser (the "**Initial Closing**") will take place remotely via the exchange of documents and signatures on the date of this Agreement, or at such other time and place as the Company and the Purchasers purchasing a majority-in-interest of the aggregate principal amount of the Notes to be sold at the Initial Closing agree upon orally or in writing. At the Initial Closing, each Purchaser will deliver the Consideration to the Company and the Company will deliver to each Purchaser one or more executed Notes in return for the respective Consideration provided to the Company.

2.2 Subsequent Closings. In any subsequent closing (each a "**Subsequent Closing**") (the Initial Closing and any Subsequent Closings shall be referred to as a "**Closing**"), the Company may sell additional Notes subject to the terms of this Agreement to any purchaser as it will select; provided that the aggregate principal amount of Notes issued pursuant to this Agreement does not exceed $1,666,666.66. Any subsequent purchasers of Notes will become parties to, and will be entitled to receive Notes in accordance with, this Agreement. Each Subsequent Closing will take place remotely via the exchange of documents and signatures or at such locations and at such times as will be mutually agreed upon orally or in writing by the Company and such purchasers of additional Notes. Subject to the satisfaction (or written waiver) of the conditions thereto set forth in Section 6 and Section 7, the date and time of the Closings (the "**Closing Dates**") shall be 4:00 PM, Eastern Time on the date that this Agreement is executed by all parties, or such other mutually agreed upon time, at such location as may be agreed to by the parties (including via exchange of electronic signatures).

3. Representations and Warranties of the Company

The Company hereby makes the following representations and warranties as of the date hereof and as of the Closing Date to the Purchasers:

3.1 Organization and Qualification. The Company is a corporation duly organized and validly existing under the laws of its jurisdiction of incorporation. The Company has the requisite corporate power to own and operate its properties and assets and to carry on its business as now conducted. The Company is duly qualified and is authorized to do business in all jurisdictions in which the nature of its activities and of its properties makes such qualification necessary, except where the failure to be so qualified would not have or reasonably be expected to result in a material adverse effect on the results of operations, assets, business or financial condition of Company taken as a whole (a "**Material Adverse Effect**").

3.2 Corporate Power. The Company has all requisite corporate power to execute and deliver this Agreement, to issue the Note and any other instruments, documents and agreements being entered into at the Closing (each a "**Subscription Document**" and collectively, the "**Subscription Documents**") and to carry out and perform its obligations under the terms of the Subscription Documents.

3.3 Authorization. All corporate action on the part of the Company, its directors and its stockholders necessary for the authorization of the Subscription Documents and the execution, delivery and performance of all obligations of the Company under the Subscription Documents, including, but not limited to, (i) the issuance and delivery of the Note and the securities issuable upon conversion of the Note (collectively, the "**Underlying Securities**"), and (ii) the reservation of shares pursuant to the Notes, have been taken or will be taken prior to the issuance of such Underlying Securities. The Subscription Documents, when executed and delivered by the Company, shall constitute valid and binding obligations of the Company enforceable in accordance with their terms, subject to laws of general application relating to bankruptcy, insolvency, the relief of debtors and, with respect to rights to indemnity, subject to federal and state securities laws.

3.4 Offering. Assuming the accuracy of the representations and warranties of the Purchasers contained in Section 4, the offer, issue, and sale of Notes or the Underlying Securities (collectively, the "**Securities**") are and will be exempt from the registration and prospectus delivery requirements of the Securities Act, and have been registered or qualified (or are exempt from registration and qualification) under the registration, permit, or qualification requirements of all applicable state securities laws. No "bad actor" disqualifying event described in Rule 506(d)(1)(i)-(viii) of the Securities Act (a "**Disqualification Event**") is applicable to the Company or, to the Company's knowledge, any person listed in the first paragraph of Rule 506(d)(1) of the Securities Act, except for a Disqualification Event as to which Rule 506(d)(2)(ii–iv) or (d)(3), is applicable.

3.5 Litigation. There is no action, suit, inquiry, notice of violation, proceeding or investigation pending or, to the knowledge of the Company, threatened against or affecting the Company before or by any court, arbitrator, governmental or administrative agency or regulatory authority (federal, state, county, local or foreign) (collectively, an "**Action**") which could, if there were an unfavorable decision, have or reasonably be expected to result in a Material Adverse Effect. To the knowledge of the Company, none of the Company's officers or directors is subject of any Action involving a claim of violation of or liability under federal or state securities laws or a claim of breach of fiduciary duty.

4. Representations and Warranties of the Purchasers

4.1 Purchase for Own Account; Investment Purpose. Each Purchaser represents that it is acquiring the Note for its own account. Each Purchaser further represents that it is acquiring the Securities for investment only and not with a view towards, or for resale in connection with, the public sale or distribution thereof, except pursuant to sales registered under or exempt from the registration requirements of the Securities Act; provided, however, that by making the representations herein, the Purchasers do not agree, or make any representation or warranty, to hold any of the Securities for any minimum or other specific term and reserves the right to dispose of the Securities at any time in accordance with or pursuant to an effective registration statement covering such Securities or an available exemption under the Securities Act. The Purchasers do not presently have any agreement or understanding, directly or indirectly, with any person to distribute any of the Securities.

4.2 Information and Sophistication. Without lessening or obviating the representations and warranties of the Company set forth in Section 3, each Purchaser hereby: (a) acknowledges that it has received all the information it has requested from the Company and it considers necessary or appropriate for deciding whether to acquire the Note, (b) represents that it has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of the Note and to obtain any additional information necessary to verify the accuracy of the information given each Purchaser and confirms its awareness that the Company needs to actively restart its business activities, and (c) further represents that it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risk of this investment.

4.3 Ability to Bear Economic Risk. Each Purchaser acknowledges that investment in the Note involves a high degree of risk, and represents that it is able, without materially impairing its financial condition, to hold the Note for an indefinite period of time and to suffer a complete loss of its investment.

4.4 Accredited Investor Status. Each Purchaser is an "accredited investor" as such term is defined in Rule 501 under the Act. Each Purchaser has accurately completed and executed the accredited investor questionnaire set forth on Exhibit B attached hereto (the "**Accredited Investor Questionnaire**").

4.5 Existence; Authorization. Each Purchaser, if an entity, is duly organized, validly existing and in good standing under the laws of the state of its organization, having full power and authority to own its properties and to carry on its business as conducted. The principal place of business of each Purchaser is as shown on the Accredited Investor Questionnaire. Each Purchaser has the requisite power and authority to deliver this Agreement, perform its obligations set forth herein, and consummate the transactions contemplated hereby. Each Purchaser has duly executed and delivered this Agreement and has obtained the necessary authorization to execute and deliver this Agreement and to perform his, her or its obligations herein and to consummate the transactions contemplated hereby. This Agreement, assuming the due execution and delivery hereof by the Company, is a legal, valid and binding obligation of the Purchasers, and enforceable against the Purchasers in accordance with its terms.

4.6 No Regulatory Approval. Each Purchaser understands that no state or federal authority has scrutinized this Agreement or the Note offered pursuant hereto, has made any finding or determination relating to the fairness for investment in the Note, or has recommended or endorsed the Note, and that the Note has not been registered or qualified under the Act or any state securities laws, in reliance upon exemptions from registration thereunder. The Note may not, in whole or in part, be resold, transferred, assigned or otherwise disposed of unless it is registered under the Act or an exemption from registration is available, and unless the proposed disposition is in compliance with the restrictions on transferability under federal and state securities laws.

4.7 Purchaser Received Independent Advice. Each Purchaser confirms that the Purchaser has been advised to consult with the Purchaser's independent attorney regarding legal matters concerning the Company and to consult with independent tax advisers regarding the tax consequences of investing in the Company. Each Purchaser acknowledges that Purchaser understands that any anticipated United States federal or state income tax benefits may not be available and, further, may be adversely affected through adoption of new laws or regulations or amendments to existing laws or regulations. Each Purchaser acknowledges and agrees that the Company is providing no warranty or assurance regarding the ultimate availability of any tax benefits to the Purchaser by reason of the subscription.

4.8 Legends. Each Purchaser understands that until such time as the Note and upon the conversion of the Note in accordance with its terms, the Underlying Securities, have been registered under the Securities Act or may be sold pursuant to Rule 144, Rule 144A under the Securities Act or Regulation S without any restriction as to the number of securities as of a particular date that can then be immediately sold, the Securities may bear a restrictive legend in substantially the following form (and a stop- transfer order may be placed against transfer of the certificates for such Securities):

> **NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE CONVERTIBLE OR EXERCISABLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL (WHICH COUNSEL SHALL BE SELECTED BY THE PURCHASER), IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144, RULE 144A OR REGULATION S UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.**

5. Further Agreements; Post-Closing Covenants

5.1 Use of Proceeds. Company agrees to use the proceeds solely as provided for in the Note.

5.2 Usury. Notwithstanding any provision to the contrary contained in the Note, it is expressly agreed and provided that the total liability of the Company under the Note for payments which under Delaware law are in the nature of interest shall not exceed the maximum lawful rate authorized under applicable law (the "**Maximum Rate**"), and, without limiting the foregoing, in no event shall any rate of interest or default interest, or both of them, when aggregated with any other sums which under Delaware law in the nature of interest that the Company may be obligated to pay under the Note exceed such Maximum Rate. It is agreed that if the maximum contract rate of interest allowed by Delaware law and applicable to the Note is increased or decreased by statute or any official governmental action subsequent to the date hereof, the new maximum contract rate of interest allowed by law will be the Maximum Rate applicable to the Note from the effective date thereof forward, unless such application is precluded by applicable law. If under any circumstances whatsoever, interest in excess of the Maximum Rate is paid by the Company to the Purchasers with respect to indebtedness evidenced by the Notes, such excess shall be applied by the Purchasers to the unpaid principal balance of any such indebtedness or be refunded to the Company, the manner of handling such excess to be at the Purchaser's election.

5.3 Registration Rights.

(a) Piggy-Back Registration.

(i) Company may give the Purchasers written notice of each filing by Company with the SEC, of a registration statement (other than that certain Draft Registration Statement on Form S-1 submitted September 27, 2022, as amended, as well as any public filing thereof and subsequent amendment thereto and a registration statement on Form S-4 or Form S-8 or on any successor forms thereto) (in each case, referred to hereinafter as a "**Registration**"). If requested by the Purchasers in writing within 20 days after receipt of any such notice, Company shall, at Company's sole expense (other than the underwriting discounts, if any, payable in respect of the shares sold by the Purchasers), register or otherwise include all or, at Purchasers' option, any portion of the Securities, concurrently with the registration of such other securities, all to the extent requisite to permit the public offering and sale of the Securities through the securities exchange, if any, on which the shares of common stock of the Company is being sold or on the over-the-counter market, and will use its commercially reasonable efforts through its officers, directors, auditors, and counsel to cause such registration statement or offering statement to become effective or qualified (as applicable) as promptly as practicable, provided however, that Purchasers shall agree to a lock-up of no more than 180 days if all other shareholders who own 1% or more of the Company do the same and if such lock-up is required by the underwriters in such offering.

(ii) In the event of a Registration pursuant to these provisions, Company shall use its reasonable commercial efforts to cause the Securities so registered to be registered or qualified for sale under the securities or blue sky laws of such jurisdictions as the Purchasers may reasonably request; provided, however, that Company shall not be required to qualify to do business in any state by reason of this section in which it is not otherwise required to qualify to do business.

(iii) Notwithstanding the registration obligations described in this Section 5.3(a), if the Company has engaged an underwriter for a public, registered offering, and the underwriter does not allow the Securities to be included in a Registration to be filed in connection with such offering, then the Company shall use reasonable commercial efforts to convince the underwriter to include the Securities, as required above, and if such efforts are unsuccessful, then the non-inclusion of the Securities in such Registration shall not be deemed an event of default.

5.4 Confidentiality. Each Purchaser agrees that it will keep confidential and will not disclose, divulge, or use for any purpose (other than to monitor its investment in the Company) the terms and conditions of this Agreement or any confidential information obtained from the Company pursuant to the terms of this Agreement (including notice of Company's intention to file a registration statement), unless such confidential information (a) is known or becomes known to the public in general (other than as a result of a breach of this Section 5.4 by the Purchasers), (b) is or has been independently developed or conceived by the Purchaser without use of the Company's confidential information, or (c) is or has been made known or disclosed to the Purchaser by a third party without a breach of any obligation of confidentiality such third party may have to the Company; provided, however, that the Purchasers may disclose confidential information as may otherwise be required by law, provided that to the extent legally permissible the Purchasers notifies the Company at least five (5) business days in advance of such disclosure and takes reasonable steps to minimize the extent of any such required disclosure.

5.5 Further Assurances. Each Purchaser agrees and covenants that at any time and from time to time it will execute and deliver to the Company such further instruments and documents and take such further action as the Company may reasonably require within three (3) business days of any such request in order to carry out the full intent and purpose of this Agreement and to comply with state or federal securities laws or other regulatory approvals.

6. CONDITIONS TO THE COMPANY'S OBLIGATION TO SELL

The obligation of the Company hereunder to issue and sell the Notes to each of the Purchasers at the Closing is subject to the satisfaction, at or before the Closing Date, of each of the following conditions thereto, provided that these conditions are for the Company's sole benefit and may be waived by the Company at any time in its sole discretion:

(a) The Purchaser shall have executed this Agreement and delivered the same to the Company.

(b) The Purchaser shall have delivered the Consideration in accordance with Section 1.2.

(c) The representations and warranties of the Purchaser shall be true and correct in all material respects as of the date when made and as each Closing Date, as though made at that time (except for representations and warranties that speak as of a specific date), and the Purchaser shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by the Purchaser at or prior to each Closing Date.

(d) No litigation, statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by or in any court or governmental authority of competent jurisdiction or any self-regulatory organization having authority over the matters contemplated hereby which prohibits the consummation of any of the transactions contemplated by this Agreement.

7. Conditions to The Purchasers' Obligation to Purchase

The obligation of the Purchasers hereunder to purchase the Notes, on the Closing Date, is subject to the satisfaction, at or before the Closing Date, of each of the following conditions, provided that these conditions are for the Purchasers' sole benefit and may be waived by the Purchasers at any time in its sole discretion:

(a) The Company shall have executed this Agreement and delivered the same to the Purchaser.

(b) The Company shall have delivered to the Purchaser the duly executed Notes in such denominations as the Purchasers shall request and in accordance with Section 1.2.

(c) The representations and warranties of the Company shall be true and correct in all material respects as of the date when made and as of each Closing Date, as though made at such time (except for representations and warranties that speak as of a specific date) and the Company shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by the Company at or prior to each Closing Date.

(d) No litigation, statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by or in any court or governmental authority of competent jurisdiction or any self-regulatory organization having authority over the matters contemplated hereby which prohibits the consummation of any of the transactions contemplated by this Agreement.

8. Miscellaneous

8.1 Binding Agreement. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties. Nothing in this Agreement, expressed or implied, is intended to confer upon any third party any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

8.2 Governing Law; Consent to Jurisdiction. This Agreement shall be governed by and construed under the laws of the State of Delaware, without giving effect to conflicts of laws principles. Each party to this Agreement hereby irrevocably submits to the non-exclusive jurisdiction of the state and federal courts sitting in Delaware for the adjudication of any dispute hereunder or in connection with any transaction contemplated hereby, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper.

8.3 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

8.4 Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

8.5 Notices. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient, if not, then on the next business day, (c) five days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the Company and to the Purchasers at the addresses set forth on the signature page to this Agreement or at such other addresses as the Company or Purchasers may designate by 10 days' advance written notice to the other parties hereto.

8.6 Modification; Waiver. No modification or waiver of any provision of this Agreement or consent to departure therefrom shall be effective only upon the written consent of the Company and the Required Holders. Any provision of the Note may be amended or waived by the written consent of the Company and the Required Holders. For purposes of this Agreement, the term "**Required Holders**" shall mean holders of at least a majority of the aggregate Principal Amount of Notes issued.

8.7 Expenses. The Company and the Purchasers shall each bear its respective expenses and legal fees incurred with respect to this Agreement and the transactions contemplated herein.

8.8 Delays or Omissions. It is agreed that no delay or omission to exercise any right, power or remedy accruing to any party to this Agreement, upon any breach or default of any other party under the Subscription Documents shall impair any such right, power or remedy, nor shall it be construed to be a waiver of any such breach or default, or any acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. It is further agreed that any waiver, permit, consent or approval of any kind or character by the non-breaching party of any breach or default by any other party under this Agreement, or any waiver thereby of any provisions or conditions of this Agreement must be in writing and shall be effective only to the extent specifically set forth in writing and that all remedies, either under this Agreement, or by law or otherwise afforded to the non-breaching party, shall be cumulative and not alternative.

8.9 Entire Agreement. This Agreement and the Exhibits hereto constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and no party shall be liable or bound to any other party in any manner by any representations, warranties, covenants and agreements except as specifically set forth herein.

[Signature page follows]

In Witness Whereof, the parties have executed this **Securities Purchase Agreement** as of the date(s) written below.

COMPANY:

Neuraxis, Inc.

By: */s/ Brian Carrico*
Name: Brian Carrico
Title: President and Chief Executive Officer

Date: 12/19/2022

Address: 829 S Adams St.
Versailles, IN 47042

[*Securities Purchase Agreement – Signature page of Company; Signature Page of Purchaser Follows*]

In Witness Whereof, the undersigned have executed this **Securities Purchase Agreement** as of the date written below.

PURCHASER:

Todd Maxwell
(Print Legal Name of Purchaser)

/s/ Todd Maxwell
(Signature of Purchaser)

Date: 12/22/22

Address: 36851 Lansbury Lane,
Farmington, MI 48335

Email: trmaxwell12@gmail.com

Phone: 586 419-7955

Subscription Amount: $50,000

Principal Amount: $55,555.55 **(*Subscription Amount ÷ 0.9*)**

ACCEPTANCE: The Company hereby accepts the subscription as set forth above on the terms and conditions contained in this Agreement.

Neuraxis, Inc.

By: */s/ Brian Carrico*
Name: Brian Carrico
Title: President and Chief Executive Officer

[*Securities Purchase Agreement – Signature page of Purchaser*]

EXHIBIT A

FORM OF CONVERTIBLE PROMISSORY NOTE

(SEE ATTACHED)

EXHIBIT B

ACCREDITED INVESTOR QUESTIONNAIRE

(SEE ATTACHED)

THIS NOTE HAS BEEN ISSUED WITH "ORIGINAL ISSUE DISCOUNT" FOR U.S. FEDERAL INCOME TAX PURPOSES. THE ISSUER WILL MAKE AVAILABLE TO ANY HOLDER OF THIS NOTE: (1) THE ISSUE PRICE AND ISSUE DATE OF THE NOTE, (2) THE AMOUNT OF ORIGINAL ISSUE DISCOUNT ON THE NOTE, (3) THE YIELD TO MATURITY OF THE NOTE, AND (4) ANY OTHER INFORMATION REQUIRED TO BE MADE AVAILABLE BY U.S. TREASURY REGULATIONS UPON RECEIVING A WRITTEN OR ELECTRONIC REQUEST FOR SUCH INFORMATION AT THE FOLLOWING ADDRESS: 829 S ADAMS ST, VERSAILLES, IN 47042.

NEITHER THE ISSUANCE NOR SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE CONVERTIBLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL (WHICH COUNSEL SHALL BE SELECTED BY THE HOLDER AND REASONABLY ACCEPTABLE TO THE COMPANY), IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.

Principal Amount: $55,555.55 **Issue Date: December 19, 2022**
Purchase Price: $50,000
Original Issue Discount: $5,555.55

UNSECURED CONVERTIBLE PROMISSORY NOTE

For value received, NEURAXIS, INC., a Delaware corporation ("**Neuraxis**" or the "**Borrower**"), hereby promises to pay to the order of Todd Maxwell, or registered assigns (the "**Holder**") the principal sum of Fifty-Five Thousand, Five Hundred Fifty Five and 55/100 Dollars ($55,555.55) (the "**Principal Amount**"), together with interest on the Principal Amount, on the dates set forth below or upon acceleration or otherwise, as set forth herein (or as may be amended, extended, renewed and refinanced, collectively, this "**Note**"). The "**Interest Rate**" shall accrue at a rate equal to twelve percent (12%) per annum.

The consideration to the Borrower for this Note is Fifty Thousand and 00/100 Dollars ($50,000) (the "**Consideration**") to be paid upon the issuance of this Note by Holder (the "**Closing**").

The maturity date ("**Maturity Date**") shall be the earlier of (i) twelve (12) months from the Issue Date or (ii) the date upon which the Borrower completes a Registered Public Offering of shares of the Company. The principal sum, as well as interest and other fees shall be due and payable in accordance with the payment terms set forth in Article I. Subject to Section 5.7, this Note may not be prepaid in whole or in part except as otherwise explicitly set forth herein.

Any amount of principal, interest, other amounts due hereunder or penalties on this Note, which is not paid by the due date as specified herein, shall bear interest at the lesser of the rate of fifteen percent (15%) per annum or the maximum legal amount permitted by law ("**Default Interest Rate**"), from the due date thereof until the same is paid in full, including following the entry of a judgment in favor of Holder ("**Default Interest**").

Except as provided for in Section 1.2, all payments of principal and interest due hereunder (to the extent not converted into Borrower's common stock (the "**Common Shares**")) shall be paid by automatic debit, wire transfer, check or in coin or currency which, at the time or times of payment, is the legal tender for public and private debts in the United States of America and shall be made at such place as Holder or the legal holder or holders of the Note may from time to time appoint in a payment invoice or otherwise in writing, and in the absence of such appointment, then at the offices of Holder at such address as the Holder shall hereafter give to the Borrower by written notice made in accordance with the provisions of this Note. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest, then to any late charges, and then to principal. Whenever any amount expressed to be due by the terms of this Note is due on any day which is not a business day, the same shall instead be due on the next succeeding day which is a business day and, in the case of any interest payment date which is not the date on which this Note is paid in full, interest shall continue to accrue during such extension. As used in this Note, the term "**business day**" shall mean any day other than a Saturday, Sunday or a day on which commercial banks in the city of New York, New York are authorized or required by law or executive order to remain closed.

This Note carries an original issue discount of ten percent (10%) of the Principal Amount (the "**OID**"), to cover the Holder's accounting fees, due diligence fees, monitoring, and/or other transactional costs incurred in connection with the purchase and sale of the Note, which is included in the principal balance of this Note. Thus, the purchase price of this Note shall be computed as follows: the Principal Amount *minus* the OID.

This Note is issued by the Borrower to the Holder pursuant to the terms of that certain Securities Purchase Agreement even date herewith (the "**Purchase Agreement**"), terms of which are incorporated by reference and made part of this Note. Each capitalized term used herein, and not otherwise defined, shall have the meaning ascribed thereto in the Purchase Agreement. As used herein, the term "Trading Day" means any day that the Common Shares are listed for trading or quotation on the OTC, or any other exchanges or electronic quotation systems on which the Common Shares are then traded.

This Note is a general unsecured obligation of the Company. This Note is subordinated in right of payment to all current and future indebtedness of the Company for borrowed money (whether or not such indebtedness is secured) (the "**Senior Debt**"). The Company hereby agrees, and by accepting this Note, the Holder hereby acknowledges and agrees, that so long as any Senior Debt is outstanding, upon notice from the holders of such Senior Debt (the "**Senior Creditors**") to the Company that an event of default, or any event which the giving of notice or the passage of time or both would constitute an event of default, has occurred under the terms of the Senior Debt (a "**Default Notice**"), the Company will not make, and the Holder will not receive or retain, any payment under this Note. Nothing in this paragraph will preclude or prohibit the Holder from receiving and retaining any payment hereunder unless and until the Holder has received a Default Notice (which will be effective until waived in writing by the Senior Creditors) or from converting this Note or any amounts due hereunder into Common Shares

In addition to the terms above, the following terms shall also apply to this Note:

ARTICLE I. PAYMENTS

1.1 Principal Payments. The Principal Amount and any accrued interest thereon shall be due and payable on the Maturity Date.

1.2 PIK Interest. At the option of the Borrower, the Borrower may, upon not less than five Business Days' written notice to the Lead Investor prior to the date on which interest is due (the "**Interest Date**"), pay such interest (i) in kind or (ii) partly in cash and partly as interest paid in kind ("**PIK Interest**"). PIK Interest shall be capitalized, compounded and added to the unpaid principal amount of the Note on the Interest Date. Amounts representing the PIK Interest shall be treated as Principal Amount for purposes of this Note. The obligation of the Borrower to pay all such PIK Interest so added shall be automatically evidenced by the Note issued to the Holder (without modification or reissuance thereof).

1.3 Other Payment Obligations. All payments, fees, penalties, and other charges, if any, due under this Note shall be payable pursuant to the terms contained herein, but in any case, shall be payable no later than the Maturity Date.

ARTICLE II. CONVERSION RIGHTS

2.1 Conversion Right. The Holder shall have the right at any time on or after the Maturity Date, at the Holder's option to convert all or any part of the outstanding and unpaid principal amount and accrued and unpaid interest of this Note into fully paid and non-assessable Common Shares of Borrower or other securities into which such Common Shares shall hereafter be changed or reclassified (each, a "**Conversion Share**") at the conversion price (the "**Conversion Price**") determined as provided herein (a "**Conversion**"); provided, however, that in no event shall the Holder be entitled to convert any portion of this Note in excess of that portion of this Note upon conversion of which the sum of (1) the number of Common Shares beneficially owned by the Holder and its affiliates (other than Common Shares which may be deemed beneficially owned through the ownership of the unconverted portion of the Note or the unexercised or unconverted portion of any other security of Borrower subject to a limitation on conversion or exercise analogous to the limitations contained herein, and, if applicable, net of any shares that may be deemed to be owned by any person not affiliated with the Holder who has purchased a portion of the Note from the Holder) and (2) the number of Common Shares issuable upon the conversion of the portion of this Note with respect to which the determination of this proviso is being made, would result in beneficial ownership by the Holder and its affiliates of more than 4.99% of the outstanding Common Shares. For purposes of the proviso to the immediately preceding sentence, beneficial ownership shall be determined in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and Regulations 13D-G thereunder, except as otherwise provided in clause (1) of such proviso, provided, further, however, that the limitations on conversion may be waived (up to a maximum of 9.99%) by the Holder upon, at the election of the Holder, not less than 61 days' prior notice to Borrower, and the provisions of the conversion limitation shall continue to apply until such 61st day (or such later date, as determined by the Holder, as may be specified in such notice of waiver). The number of Common Shares to be issued upon each conversion of this Note shall be determined by dividing the Conversion Amount (as defined below) by the applicable Conversion Price then in effect on the date specified in the notice of conversion, in a form reasonably acceptable to Borrower (the "**Notice of Conversion**"), delivered to Borrower by the Holder in accordance with Section 2.4; provided that the Notice of Conversion is submitted by facsimile or e-mail (or by other means resulting in, or reasonably expected to result in, notice) to Borrower before 6:00 p.m., New York, New York time on such conversion date (the "**Conversion Date**"). The term "**Conversion Amount**" means, with respect to any conversion of this Note, the sum of: (1) the principal amount of this Note to be converted in such conversion; plus (2) accrued and unpaid interest.

2.2 Conversion Price.

(a) Conversion Price. The Conversion Price shall be the higher of (i) $4.72 or (ii) the price per share of Common Shares issued pursuant to the next registered public offering of shares of the Company made prior to the conversion of any portion of this Note.

(b) Fixed Conversion Price Adjustments.

(1) Common Share Distributions and Splits. If Borrower, at any time while this Note is outstanding: subdivides outstanding Common Shares into a larger (or smaller) number of shares, then the Fixed Conversion Price shall be multiplied by a fraction of which the numerator shall be the number of Common Shares (excluding any treasury shares of Borrower) outstanding immediately before such event and of which the denominator shall be the number of Common Shares outstanding immediately after such event.

(2) Fundamental Transaction. If, at any time while this Note is outstanding, (i) Borrower effects any merger or consolidation of Borrower with or into another person, (ii) Borrower effects any sale of all or substantially all of its assets in one transaction or a series of related transactions, (iii) any tender offer or exchange offer (whether by Borrower or another person) is completed pursuant to which holders of Common Shares are permitted to tender or exchange their shares for other securities, cash or property, or (iv) Borrower effects any reclassification of the Common Shares or any compulsory share exchange pursuant to which the Common Shares are effectively converted into or exchanged for other securities, cash or property (in any such case, a "**Fundamental Transaction**"), then, upon any subsequent conversion of this Note, the Holder shall have the right to receive, for each Conversion Share that would have been issuable upon such conversion immediately prior to the occurrence of such Fundamental Transaction, the same kind and amount of securities, cash or property as it would have been entitled to receive upon the occurrence of such Fundamental Transaction if it had been, immediately prior to such Fundamental Transaction, the holder of 1 Common Share (the "**Alternate Consideration**"). For purposes of any such conversion, the determination of the Fixed Conversion Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of 1 Common Share in such Fundamental Transaction, and Borrower shall apportion the Fixed Conversion Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration.

2.3 Authorized Shares. Borrower covenants that during the period the conversion right exists, Borrower will reserve from its authorized and unissued Common Shares a sufficient number of shares, to provide for the issuance of Common Shares upon the full conversion of this Note. Borrower represents that upon issuance, such shares will be duly and validly issued, fully paid and non-assessable. In addition, if Borrower shall issue any securities or make any change to its capital structure which would change the number of Common Shares into which the Note shall be convertible at the then current Conversion Price, Borrower shall at the same time make proper provision so that thereafter there shall be a sufficient number of Common Shares authorized and reserved, for conversion of the outstanding Note, including but not limited to authorizing additional shares or effectuating a reverse split.

2.4 Method of Conversion.

(a) Mechanics of Conversion. Subject to Section 2.1, this Note may be converted by the Holder in whole or in part, at any time on or subsequent to the Maturity Date, by (A) submitting to Borrower a Notice of Conversion (by facsimile, e-mail or other reasonable means of communication dispatched on the Conversion Date prior to 7:00 p.m., New York, New York time) and (B) subject to Section 2.4(b), surrendering this Note at the principal office of Borrower.

(b) Surrender of Note Upon Conversion. Notwithstanding anything to the contrary set forth herein, upon conversion of this Note in accordance with the terms hereof, the Holder shall not be required to physically surrender this Note to Borrower unless the entire unpaid principal amount of this Note is so converted. The Holder and Borrower shall maintain records showing the principal amount so converted and the dates of such conversions or shall use such other method, reasonably satisfactory to the Holder and Borrower, so as not to require physical surrender of this Note upon each such conversion. In the event of any dispute or discrepancy, such records of Borrower shall, *prima facie,* be controlling and determinative in the absence of manifest error. The Holder and any assignee, by acceptance of this Note, acknowledge and agree that, by reason of the provisions of this paragraph, following conversion of a portion of this Note, the unpaid and unconverted principal amount of this Note represented by this Note may be less than the amount stated on the face hereof.

(c) Payment of Taxes. Borrower shall not be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of Common Shares or other securities or property on conversion of this Note in a name other than that of the Holder (or in street name), and Borrower shall not be required to issue or deliver any such shares or other securities or property unless and until the person or persons (other than the Holder or the custodian in whose street name such shares are to be held for the Holder's account) requesting the issuance thereof shall have paid to Borrower the amount of any such tax or shall have established to the satisfaction of Borrower that such tax has been paid.

(d) Delivery of Common Shares Upon Conversion. Upon receipt by Borrower from the Holder of an e-mail (or other reasonable means of communication) of a Notice of Conversion meeting the requirements for conversion as provided in this Section 2.4, Borrower shall issue and deliver to or cause to be issued and delivered to or upon the order of the Holder certificates for Common Shares issuable upon such conversion by the end of the next business day after such receipt (the "**Deadline**") (and, solely in the case of conversion of the entire unpaid principal amount hereof, surrender of this Note) in accordance with the terms hereof.

(e) Obligation of Borrower to Deliver Common Shares. Upon receipt by Borrower of a Notice of Conversion, the Holder shall be deemed to be the holder of record of the Common Shares issuable upon such conversion, the outstanding principal amount and the amount of accrued and unpaid interest on this Note shall be reduced to reflect such conversion, and, unless Borrower defaults on its obligations under this Article II, all rights with respect to the portion of this Note being so converted shall forthwith terminate except the right to receive the Common Shares or other securities, cash or other assets, as herein provided, on such conversion. The Conversion Date specified in the Notice of Conversion shall be the Conversion Date so long as the Notice of Conversion is received by Borrower before 7:00 p.m., New York, New York time, on such date.

(f) Delivery of Common Shares by Electronic Transfer. If the shares of the Company are publicly traded, in lieu of delivering physical certificates representing the Common Shares issuable upon conversion, provided Borrower is participating in the Depository Trust Company ("**DTC**") Fast Automated Securities Transfer ("**FAST**") program, upon request of the Holder and its compliance with the provisions contained in Section 2.1 and in this Section 2.4, Borrower shall use its best efforts to cause its transfer agent to electronically transmit the Common Shares issuable upon conversion to the Holder by crediting the account of Holder's Prime Broker with DTC through its Deposit Withdrawal Agent Commission ("**DWAC**") system.

2.5 Concerning the Common Shares. The Common Shares issuable upon conversion of this Note may not be sold or transferred except in accordance with the Certificate of Incorporation and any applicable shareholders' agreement of the Borrower then in place and unless (i) such shares are sold pursuant to an effective registration statement under the Act or (ii) Borrower or its transfer agent shall have been furnished with an opinion of counsel (which opinion shall be in form, substance and scope customary for opinions of counsel in comparable transactions) to the effect that the shares to be sold or transferred may be sold or transferred pursuant to an exemption from such registration or (iii) such shares are sold or transferred pursuant to Rule 144 under the Act (or a successor rule) ("**Rule 144**") or (iv) such shares are transferred to an "**affiliate**" (as defined in Rule 144) of Borrower who agrees to sell or otherwise transfer the shares only in accordance with this Section 2.5 and who is an accredited investor (as defined in Rule 501(a) of the 1933 Act). Except as otherwise provided (and subject to the removal provisions set forth below), until such time as the Common Shares issuable upon conversion of this Note have been registered under the Act or otherwise may be sold pursuant to Rule 144 without any restriction as to the number of securities as of a particular date that can then be immediately sold, each certificate for Common Shares issuable upon conversion of this Note that has not been so included in an effective registration statement or that has not been sold pursuant to an effective registration statement or an exemption that permits removal of the legend, shall bear a legend substantially in the following form, as appropriate:

NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE EXERCISABLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL (WHICH COUNSEL SHALL BE SELECTED BY THE HOLDER AND REASONABLY ACCEPTABLE TO THE COMPANY), IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.

The legend set forth above shall be removed and Borrower shall issue to the Holder a new certificate therefore free of any transfer legend if (i) Borrower or its transfer agent shall have received an opinion of counsel, in form, substance and scope customary for opinions of counsel in comparable transactions, to the effect that a public sale or transfer of such Common Shares may be made without registration under the Act, which opinion shall be accepted by Borrower (which acceptance shall be subject to and conditioned on any requirements, if any, of its transfer agent, the exchange on which Borrower is then trading or other applicable laws, rules or regulations) so that the sale or transfer is effected or (ii) in the case of the Common Shares issuable upon conversion of this Note, such security is registered for sale by the Holder under an effective registration statement filed under the Act or otherwise may be sold pursuant to Rule 144 without any restriction as to the number of securities as of a particular date that can then be immediately sold.

2.6 Status as Shareholder. Upon submission of a Notice of Conversion by a Holder, (i) the shares covered thereby shall be deemed converted into Common Shares and (ii) the Holder's rights as a Holder of such converted portion of this Note shall cease and terminate, excepting only the right to receive certificates for such Common Shares and to any remedies provided herein or otherwise available at law or in equity to such Holder because of a failure by Borrower to comply with the terms of this Note. Notwithstanding the foregoing, if a Holder has not received certificates for all Common Shares prior to the thirtieth (30^{th}) day after the expiration of the Deadline with respect to a conversion of any portion of this Note for any reason, then (unless the Holder otherwise elects to retain its status as a holder of Common Shares by so notifying Borrower) the Holder shall regain the rights of a Holder of this Note with respect to such unconverted portions of this Note and Borrower shall, as soon as practicable, return such unconverted Note to the Holder or, if the Note has not been surrendered, adjust its records to reflect that such portion of this Note has not been converted. In all cases, the Holder shall retain all of its rights and remedies for Borrower's failure to convert this Note.

ARTICLE III. CERTAIN COVENANTS AND POST CLOSING OBLIGATIONS

3.1 Use of Proceeds. Borrower agrees to use the proceeds of this Note solely for the following purposes: (i) to pursue an underwritten public offering of the Common Shares, (ii) to pursue acquisitions, (iii) for the payment of accounts payable, (iv) for the payment of employee salaries, and (v) for general working capital.

3.2 Registration Rights. Borrower shall be required to register the Registrable Securities owned by the Holder, if requested by the Holder, pursuant to Section 5.3 of the Purchase Agreement. As used herein, Registrable Securities shall mean the shares issuable upon Conversion of the Note.

ARTICLE IV. EVENTS OF DEFAULT

4.1 It shall be considered an event of default if any of the following events listed in this Article IV (each, an "**Event of Default**") shall occur:

4.1.1 Failure to Pay Principal or Interest. The Borrower fails to pay the principal hereof or interest thereon when due on this Note and upon written demand from the Holder, whether at maturity, upon acceleration or otherwise. A thirty (30) day cure period shall apply for failure to make a payment when due.

4.1.2 Failure to Reserve Shares. (a) Borrower fails to reserve a sufficient amount of Common Shares as required under the terms of this Note (including the requirements of Section 2.3), fails to issue Common Shares to the Holder (or announces or threatens in writing that it will not honor its obligation to do so) upon exercise by the Holder of the conversion rights of the Holder in accordance with the terms of this Note, fails to transfer or cause its transfer agent to transfer (issue) (electronically or in certificated form) Common Shares issued to the Holder upon conversion of or otherwise pursuant to this Note as and when required by this Note, Borrower directs its transfer agent not to transfer or delays, impairs, and/or hinders its transfer agent in transferring (or issuing) (electronically or in certificated form) Common Shares to be issued to the Holder upon conversion of or otherwise pursuant to this Note as and when required by this Note, and any such failure shall continue uncured (or any written announcement, statement or threat not to honor its obligations shall not be rescinded in writing) for thirty (30) days after the Holder shall have delivered a Notice of Conversion.

4.1.3 Breach of Covenants. Borrower, or the relevant related party, as the case may be, breaches any material covenant, post-closing obligation or other material term or condition contained in this Note, or in the related Purchase Agreement (together, the "**Transaction Documents**") and breach continues for a period of thirty (30) days after Holder provides written notice to Borrower of such breach.

4.1.4 Receiver or Trustee. Borrower or any subsidiary of Borrower shall make an assignment for the benefit of creditors, or apply for or consent to the appointment of a receiver or trustee for it or for a substantial part of its property or business, or such a receiver or trustee shall otherwise be appointed.

4.1.5 Bankruptcy. Bankruptcy, insolvency, reorganization or liquidation proceedings or other proceedings, voluntary or involuntary, for relief under any bankruptcy law or any law for the relief of debtors shall be instituted by or against Borrower or any subsidiary of Borrower. With respect to any such proceedings that are involuntary, Borrower shall have a sixty (60) day cure period in which to have such involuntary proceedings dismissed.

4.1.6 Cessation of Operations. Any cessation of operations by the Borrower or the Borrower admits it is otherwise generally unable to pay its debts as such debts become due, provided, however, that any disclosure of the Borrower's ability to continue as a "going concern" shall not be an admission that the Borrower cannot pay its debts as they become due.

4.1.7 Failure to Execute Transaction Documents or Complete the Transaction. The failure of the Borrower to execute any of the Transaction Documents or to complete the transaction for the full Principal Amount of the Note, as contemplated by the Purchase Agreement.

4.1.8 Illegality. Any court of competent jurisdiction issues an order declaring this Note, any of the other Transaction Documents or any provision hereunder or thereunder to be illegal, as long as such declaration was not the result of an act of negligence by the Holder, exclusive of the execution of the Transaction Documents or the transactions and acts contemplated herein.

4.2 Remedies Upon Default.

(a) Upon the occurrence of any Event of Default specified in this Article IV, in addition to and without limitation of other remedies set forth herein in this Note, (i) interest shall accrue on all amounts due under this Note at the Default Interest rate until payment in full of such amounts, including following the entry of a judgment in favor of Holder; and (ii) this Note shall become immediately due and payable upon written demand of Holder, and the Borrower shall pay to the Holder, an amount equal to the Principal Amount then outstanding plus accrued and unpaid interest through the date of the Event of Default, and Default Interest through the date of full repayment. In addition, the Holder shall be entitled to exercise all other rights and remedies available at law or in equity. Notwithstanding the foregoing, the rights of the Holder solely with respect to the acceleration remedy described above in Section in 4.2(a)(ii), shall be waived upon the curing of any Event of Default.

ARTICLE V. MISCELLANEOUS

5.1 Failure or Indulgence Waiver. Failure or delay on the part of the Holder in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof. All rights and remedies existing hereunder are cumulative to, and not exclusive of, any rights or remedies otherwise available.

5.2 Notices. All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, shall be (i) personally served, (ii) deposited in the mail, registered or certified, return receipt requested, postage prepaid, (iii) delivered by reputable air courier service with charges prepaid, or (iv) transmitted by hand delivery, telegram, facsimile, or electronic mail addressed as set forth below or to such other address as such party shall have specified most recently by written notice. Any notice or other communication required or permitted to be given hereunder shall be deemed effective (a) upon hand delivery, upon electronic mail delivery, or delivery by facsimile, with accurate confirmation generated by the transmitting facsimile machine, at the address or number designated below (if delivered on a business day during normal business hours where such notice is to be received), or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received) or (b) on the second business day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur. The addresses for such communications shall be:

If to the Borrower, to:

Neuraxis, Inc.
829 S Adams St
Versailles, IN 47042
Attn: Brian Carrico
e-mail: bcarrico@neuraxis.com
Cc: jhollingsworth@btlaw.com

Cc: jlucosky@lucbro.com

If to the Holder:

Todd Maxwell
36851 Lansbury Lane
Farmington, MI 48335
Attn: Todd Maxwell
e-mail: trmaxwell12@gmail.com

5.3 mendments. This Note and any provision hereof may only be amended by an instrument in writing signed by the Borrower and the Holder. The term "**Note**" and all reference thereto, as used throughout this instrument, shall mean this instrument as originally executed, or if later amended or supplemented, then as so amended or supplemented.

5.4 Assignability. This Note shall be binding upon the Borrower and its successors and assigns, and shall inure to be the benefit of the Holder and its successors and assigns. Each transferee of this Note must be an "accredited investor" (as defined in Rule 501(a) of the 1933 Act).

5.5 Withholding Tax. In the event that there is any withholding tax due on any obligation of the Borrower, the obligation to pay such withholding tax shall be divided equally by Borrower and Holder, and Borrower may deduct half of any such withholding tax from amounts due to Holder upon providing Holder a confirmation of such withholding tax payment.

5.6 Governing Law. This Note shall be governed by and construed in accordance with the laws of the State of Delaware without regard to principles of conflicts of laws. Any action brought by either party against the other concerning the transactions contemplated by this Note shall be brought only in the state and/or federal courts located in Delaware. The parties to this Note hereby irrevocably waive any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon *forum non conveniens*. **EACH PARTY IRREVOCABLY WAIVE ANY RIGHT IT MAY HAVE, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS NOTE OR ANY TRANSACTIONS CONTEMPLATED HEREBY**.

5.7 Prepayment. Unless an Event of Default shall occur, Borrower shall have the right at any time, upon thirty (30) days' notice to the Holder (the "**Prepayment Notice**"), to prepay the Note by making a payment to Lender equal to 100% multiplied by the sum of (i) the outstanding Principal Amount, (ii) all accrued and unpaid interest, and (iii) any other amounts due under the Note (the "**Prepayment Amount**"). The Prepayment Notice must be received by Holder no later than thirty (30) days prior to the date that Borrower proposes to remit the Prepayment Amount.

5.8 Usury. Notwithstanding any provision to the contrary contained in this Note, it is expressly agreed and provided that the total liability of the Borrower under this Note for payments which under Delaware law are in the nature of interest shall not exceed the maximum lawful rate authorized under applicable law (the "**Maximum Rate**"), and, without limiting the foregoing, in no event shall any rate of interest or default interest, or both of them, when aggregated with any other sums which under Delaware law in the nature of interest that the Borrower may be obligated to pay under this Note exceed such Maximum Rate. It is agreed that if the maximum contract rate of interest allowed by Delaware law and applicable to this Note is increased or decreased by statute or any official governmental action subsequent to the date hereof, the new maximum contract rate of interest allowed by law will be the Maximum Rate applicable to this Note from the effective date thereof forward, unless such application is precluded by applicable law. If under any circumstances whatsoever, interest in excess of the Maximum Rate is paid by the Borrower to the Holder with respect to indebtedness evidenced by this Note, such excess shall be applied by the Holder to the unpaid principal balance of any such indebtedness or be refunded to the Borrower, the manner of handling such excess to be at the Holder's election.

5.9 Opportunity to Consult with Counsel. Each party represents and acknowledges that it has been provided with the opportunity to discuss and review the terms of this Note and the other Transaction Documents with its respective counsel before signing it and that it is freely and voluntarily signing the Transaction Documents in exchange for the benefits provided herein. Each party further represents and acknowledges that it has been provided a reasonable period of time within which to review the terms of the Transaction Documents.

5.10 Integration. This Note, along with the other Transaction Documents, constitute the entire agreement between the Parties and supersedes all prior negotiations, discussions, representations, or proposals, whether oral or written, unless expressly incorporated herein, related to the subject matter of the Agreement. Unless expressly provided otherwise herein, this Note may not be modified unless in writing signed by the duly authorized representatives of the Borrower and the Holder. If any provision or part thereof is found to be invalid, the remaining provisions will remain in full force and effect.

[signature page to follow]

IN WITNESS WHEREOF, Borrower has caused this Note to be signed in its name by its duly authorized officer on the date first written above.

NEURAXIS, INC.

By: */s/ Brian Carrico*
Name: Brian Carrico
Title: President and Chief Executive Officer

SIGNATURE PAGE
TO
UNSECURED CONVERTIBLE NOTE

Exhibit 10.11

PLEDGE AND SECURITY AGREEMENT

This PLEDGE AND SECURITY AGREEMENT (the "**Agreement**") is made and entered into on June 3, 2022, by **Neuraxis, Inc.**, a corporation organized under the laws of the State of Indiana (the "**Debtor**"), in favor of **LEONITE FUND I, LP**, a limited partnership organized under the laws of the State of Delaware, and its permitted endorsees, transferees and assigns, in its capacity as collateral agent (in such capacity, the "**Collateral Agent**") for the Purchasers (as defined below), party to the Securities Purchase Agreement, dated as of June 3, 2022 (as amended, restated or otherwise modified from time to time, the "**Securities Purchase Agreement**").

RECITALS

A. **WHEREAS**, the Debtor and each party identified as a "Purchaser" on the signature pages to the Securities Purchase Agreement (each, including its successors and assigns, a "**Purchaser**," and collectively, the "**Purchasers**," and collectively with the Collateral Agent, the "**Secured Party**"), are parties thereto, pursuant to which the Company shall be required to sell, and the Purchasers shall purchase or have the right to purchase, certain Senior Secured Convertible Promissory Notes (as such notes may be amended, restated, replaced or otherwise modified from time to time in accordance with the terms thereof, collectively, the "**Notes**");

B. **WHEREAS**, it is a condition precedent to the Purchasers consummating the transactions contemplated by the Securities Purchase Agreement that the Debtors execute and deliver to the CollateralAgent this Agreement providing for the grant to the Collateral Agent for the benefit of the Secured Partiesof a security interest in the personal property of the Debtors described herein to secure all of the Company'sobligations under the Securities Purchase Agreement and the "Notes" and the other Subscription Documents (defined below); and

C. **WHEREAS**, the Debtor has determined that the execution, delivery and performance of this Agreement directly benefit, and are in the best interest of, the Debtor.

D. **NOW, THEREFORE**, in order to induce the Purchasers to purchase the Notes and otherwise perform their obligations under the Securities Purchase Agreement, the Debtor enters into this Agreement with the Collateral Agent, for the benefit of the Purchasers, as security for Debtor's Obligations (defined below).

AGREEMENT

NOW, THEREFORE, in consideration of their respective promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. **Definitions**. Terms used but not otherwise defined in this Agreement that are defined in Article 9 of the Uniform Commercial Code as adopted in the state of Delaware (the "**UCC**") (such as "**account**," "**adverse claim**," "**chattel paper**," "**deposit account**," "**document**," "**equipment**," "**fixtures**," "**general intangibles**," "**goods**," "**instruments**," "**inventory**," "**investment property**," "**proceeds**," and "**supporting obligations**") shall have the respective meanings given such terms in Article 9 of the UCC, provided however, that terms used herein which are defined in the UCC on the date hereof shall continue to have the same meaning notwithstanding any replacement or amendment of such statute except as the Collateral Agent may otherwise determine. Capitalized terms used in this Agreement and not defined elsewhere herein or in the Securities Purchase Agreement shall have the meanings set forth below:

*"**Collateral**"* means all of the collateral identified on Exhibit A hereto.

*"**Debtor's Books**"* means and includes all of Debtor's books and records in any medium or form, including, but not limited to, all records, ledgers and computer programs, disk or tape files, thumb drives, material stored in the "cloud," printouts and other information indicating, summarizing or evidencing the Collateral.

"***Equity Interests***" means, with respect to any entity, all of the shares of capital stock of (or other ownership or profit interests in) such entity, all of the warrants, options or other rights for the purchase or acquisition from such entity of shares of capital stock of (or other ownership or profit interests in) such entity, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such entity or warrants, rights or options for the purchase or acquisition from such entity of such shares (or such other interests), and all of the other ownership or profit interests in such entity (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

*"**Event of Default**"* has the meaning specified in Section 6 of this Agreement.

*"**Negotiable Collateral**"* means and includes all of Debtor's presently existing and hereafter acquired or arising letters of credit, advices of credit, promissory notes, drafts, instruments, documents, Equity Interests in any entity, leases of personal property and chattel paper, as well as Debtor's Books relating to any of the foregoing.

*"**Obligations**"* means and includes any and all present or future indebtedness or obligations of Debtor owing to the Secured Party under the Note and the other Subscription Documents, as defined herein, including, without limitation, (i) all interest and other payments required thereunder that are not paid when due, and (ii) all of the Secured Party Expenses which Debtor is required to pay or reimburse by this Agreement, by law, or otherwise.

*"**Permitted Liens**"* means (i) statutory liens of landlords and liens of carriers, warehousemen, bailees, mechanics, materialmen and other like liens imposed by law, created in the ordinary course of business and securing amounts not yet due (or which are being contested in good faith, by appropriate proceedings or other appropriate actions which are sufficient to prevent imminent foreclosure of such liens), and with respect to which adequate reserves or other appropriate provisions are being maintained by Debtor in accordance with generally accepted accounting principles ("**GAAP**") , (ii) deposits made (and the liens thereon) in the ordinary course of business of Debtor (including, without limitation, security deposits for leases, indemnity bonds, surety bonds and appeal bonds) in connection with workers' compensation, unemployment insurance and other types of social security benefits or to secure the performance of tenders, bids, contracts (other than for the repayment or guarantee of borrowed money or purchase money obligations), statutory obligations and other similar obligations arising as a result of progress payments under government contracts, (iii) liens for taxes not yet due and payable or which are being contested in good faith and with respect to which adequate reserves are being maintained by Debtor in accordance with GAAP, (iv) purchase money liens relating to the acquisition of equipment, machinery or other goods of Debtor approved in writing by the Collateral Agent (which approval shall not be unreasonably withheld, conditioned or delayed) and (v) liens in favor of the Secured Party under the Subscription Documents.

"***Pledged Equity***" means, with respect to Debtor, 100% of the issued and outstanding Equity Interests of any subsidiary that is directly owned by Debtor, whether now owned or hereafter acquired, in each case together with the certificates (or other agreements or instruments), if any, representing such shares, and all options and other rights, contractual or otherwise, with respect thereto, including, but not limited to, the following:

(1) all Equity Interests representing a dividend thereon, or representing a distribution or return of capital upon or in respect thereof, or resulting from a stock split, revision, reclassification or other exchange therefor, and any subscriptions, warrants, rights or options issued to the holder thereof, or otherwise in respect thereof; and

(2) in the event of any consolidation or merger involving the issuer thereof and in which such issuer is not the surviving entity, all shares of each class of the Equity Interests of the successor entity formed by or resulting from such consolidation or merger, to the extent that such successor entity is a direct subsidiary of Debtor.

The term "Pledged Equity" specifically includes, but is not limited to, all rights of Debtor embodied in or arising out of the Debtor's status as a shareholder or member, consisting of: (a) all economic rights, including without limitation, all rights to share in the profits and losses and all rights to receive distributions of the assets; and (b) all governance rights, including without limitation, all rights to vote, consent to action and otherwise participate in the management.

*"**Secured Party Expenses**"* means and includes (i) all costs or expenses required to be paid by Debtor under this Agreement that are instead paid or advanced by the Secured Party, including without limitation, all taxes, insurance, satisfaction of liens, securities interests, encumbrances or other claims at any time levied or placed on the Collateral, (ii) all reasonable costs and expenses incurred to correct any default or enforce any provision of this Agreement, or in gaining possession of, maintaining, disabling, handling, preserving, storing, shipping, selling, preparing for sale or advertising to sell all or any part of the Collateral, irrespective of whether a sale is consummated, and (iii) all reasonable costs and expenses (including reasonable attorney's fees) incurred by the Secured Party in enforcing or defending this Agreement, irrespective of whether suit is brought.

"*Subscription Documents*" means and includes the Note, Securities Purchase Agreement, this Agreement, and all related documents executed in connection therewith, including, without limitation, any amendments to any of the foregoing.

2. **Construction**. Unless the context of this Agreement clearly requires otherwise, references to the plural include the singular and vice versa, to the part include the whole, "including" is not limiting, and "or" has the inclusive meaning represented by the phrase "and/or." The words "hereof," "herein," "hereby," "hereunder," and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. Section references are to this Agreement, unless otherwise specified.

3. **Creation of Security Interest**. In order to secure Debtor's timely payment of the Obligations and timely performance of each and all of its covenants and obligations under this Agreement, the Subscription Documents, and any other document, instrument or agreement executed by Debtor or delivered by Debtor to the Secured Party in connection with the Obligations, Debtor hereby unconditionally and irrevocably grants, pledges and hypothecates to the Collateral Agent a continuing security interest in and to, a lien upon, assignment of, and right of set-off against, all presently existing and hereafter acquired or arising Collateral. Such security interest shall be a first priority security interest. Such security interest shall attach to all Collateral without further act on the part of the Secured Party or Debtor.

4. **Filings; Further Assurances.**

(a) General. The Collateral Agent is authorized to file a UCC-1 Financing Statement (or its equivalent) with the Secretary of State of the State of Delaware and in any other jurisdictions where the Collateral Agent chooses to file, with respect to the Debtor. Debtor also authorize the filing by the Collateral Agent of such other UCC financing statements, continuation financing statements, fixture filings, filing appropriate notices in international or federal registries including the United States Patent and Trademark Office, security agreements, mortgages, deeds of trust, chattel mortgages, assignments, assignments of rents, motor vehicle lien acknowledgments and other documents as the Collateral Agent may reasonably require in order to perfect, maintain, protect or enforce its security interest in the Collateral or any portion thereof and in order to fully consummate all of the transactions contemplated under this Agreement. Subject to the foregoing, if so requested by the Collateral Agent at any time hereafter, Debtor shall promptly execute and deliver to the Collateral Agent such fixture filings, agreements, security agreements, mortgages, deeds of trust, chattel mortgages, assignments, motor vehicle lien acknowledgments and other documents as the Collateral Agent may reasonably require from such Debtor in order to perfect, maintain, protect or enforce its rights under this Agreement. Debtor shall promptly deliver to the Collateral Agent any and all certificates and instruments constituting the Pledged Equity in suitable form for transfer by delivery and accompanied by duly executed instruments of transfer or assignment in blank. Debtor hereby irrevocably makes, constitutes and appoints the Collateral Agent as such Debtor's true and lawful attorney with power, upon Debtor's failure or refusal to promptly comply with its obligations in this Section 4(a), to sign the name of Debtor on any of the above-described documents or on any other similar documents which need to be executed, recorded or filed in order to perfect, maintain, protect or enforce the Collateral Agent's security interest in the Collateral. Debtor further agrees to enter into such control agreements with the Collateral Agent and such third parties as may be necessary to obtain a first priority security interest in the Collateral, including deposit accounts and Pledged Equity, and agrees to use best efforts to obtain the assent of the third parties to said agreements.

(b) Mortgage. Debtor hereby authorizes Secured Party to obtain a mortgage on any and all of its real estate. Debtor covenants and agrees that it will execute any documents, provide any information and take such other action as is requested by Secured Party to effectuate such mortgage.

(c) Additional Matters. Without limiting the generality of Section 4(a), Debtor will at the reasonable written request of the Collateral Agent, appear in and defend any action or proceeding which is reasonably expected to have a material and adverse effect with respect to such Debtor's title to, or the security interest of the Secured Party in, the Collateral.

5. **Representations, Warranties and Agreements**. Debtor represents, warrants and agrees as follows:

(a) No Other Encumbrances. Debtor has good and marketable title to its Collateral, free and clear of any liens, claims, encumbrances and rights of any kind, except the Liens scheduled pursuant to the Securities Purchase Agreement or as otherwise approved in writing by the Collateral Agent, and has the right to pledge, sell, assign or transfer the Collateral.

(b) Authorization of Pledged Equity. All Pledged Equity is duly authorized and validly issued, is fully paid and, to the extent applicable, nonassessable and is not subject to the preemptive rights of any person.

(c) Security Interest/Priority. This Agreement creates a valid security interest in favor of the Collateral Agent, for the benefit of the Secured Party, in the Collateral of Debtor and, when properly perfected by filing shall constitute a valid and perfected first priority security interest in such Collateral (including all uncertificated Pledged Equity consisting of partnership or limited liability company interests that do not constitute securities), to the extent such security interest can be perfected by filing under the UCC, free and clear of all liens except for liens permitted by the Securities Purchase Agreement. The taking possession by the Collateral Agent of the certificated securities (if any) evidencing the Pledged Equity and all other Instruments constituting Collateral will perfect and establish the first priority of the Secured Party's security interest in all the Pledged Equity evidenced by such certificated securities and such instruments. With respect to any Collateral consisting of a deposit account, investment property, securities entitlement or held in a securities account, upon execution and delivery by the Debtor, the applicable depository bank or securities intermediary and the Collateral Agent of an agreement granting control to the Collateral Agent over such Collateral, the Collateral Agent shall have a valid and perfected first priority security interest in such Collateral.

(d) Consents; Etc. There are no restrictions in any organizational document governing any Pledged Equity or any other document related thereto which would limit or restrict (i) the grant of a security interest pursuant to this Agreement in such Pledged Equity, (ii) the perfection of such security interest or (iii) the exercise of remedies in respect of such perfected security interest in the Pledged Equity as contemplated by this Agreement. Except for (i) the filing or recording of UCC financing statements, (ii) the filing of appropriate notices with the United States Patent and Trademark Office, the United States Copyright Office; with other applicable international registries, federal registries; and with local registries regarding assignments of rents and fixture filings, (iii) obtaining control to perfect the security interests created by this Agreement (to the extent required under Section 4 hereof), (iv) such actions as may be required by laws affecting the offering and sale of securities, and (v) consents, authorizations, filings or other actions which have been obtained or made, no consent or authorization of, filing with, or other act by or in respect of, any arbitrator or governmental authority and no consent of any other person (including, without limitation, any stockholder, member or creditor of Debtor), is required for (A) the grant by Debtor of the security interest in the Collateral granted hereby or for the execution, delivery or performance of this Agreement by Debtor, (B) the perfection of such security interest (to the extent such security interest can be perfected by filing under the UCC, the granting of control (to the extent required, or as provided in Section 4(a) hereof) or by filing an appropriate notice with the United States Patent and Trademark Office, the United States Copyright Office or other applicable registry) or (C) the exercise by the Collateral Agent of the rights and remedies provided for in this Agreement.

(e) Location of Place(s) of Business. All places of business of Debtor, including the identification of the principal place of business of Debtor, and the address(es) at which the Collateral is (are) located, are indicated on Schedule 5(e) hereto. Debtor shall not, without at least thirty (30) days prior written notice to the Collateral Agent, relocate such principal place of business or the Collateral, with no relocation being permitted outside the United States in any event.

(f) Right to Inspect the Collateral. The Collateral Agent shall have the right, during usual business hours of the Debtor and upon reasonable advance notice, to inspect and examine the Collateral. Debtor agrees that any reasonable expenses incurred by the Collateral Agent in connection with this Section 5(f) during the continuance of an Event of Default shall constitute Collateral Agent Expenses.

(g) Negative Covenants. Except for sale of inventory or license of patents, in the ordinary course of business, Debtor shall not (i) sell, lease or otherwise dispose of, relocate or transfer, any of the Collateral, except dispositions of Collateral that is worn out, obsolete or no longer necessary in the business of Debtor, (ii) allow any liens on or grant security interests in the Collateral except the Permitted Liens, (iii) change the Debtor's name or add any new fictitious name without the written consent of the Collateral Agent, or (iv) in the case of patents, permit such Collateral to lapse or become abandoned.

(h) Further Information. Debtor shall promptly supply the Collateral Agent with such information concerning Debtor and Debtor's business as the Collateral Agent may reasonably request from time-to-time hereafter, and shall within five (5) business days of obtaining knowledge thereof, notify the Collateral Agent of any event which constitutes an Event of Default.

(i) Solvency. Debtor is now and shall be at all times hereafter able to pay its debts (including trade debts) as they mature.

(j) Secured Party Expenses. Debtor shall, within fifteen (15) business days of written demand from the Collateral Agent accompanied by adequate documentation of such expenses, reimburse the Collateral Agent for all sums expended by it which constitute Secured Party Expenses and, in the event that Debtor does not pay any Secured Party Expenses payable to a third party within fifteen (15) business days after notice thereof, then the Collateral Agent may immediately and without further notice pay such Secured Party Expenses on Debtor's behalf. All such expenses shall become a part of the Obligations and, at the Collateral Agent's option, will (i) be payable on demand or (ii) be added to the balance of the Note and be payable proportionately with any installment payments that become due during the remaining term of the Note or, (iii) at Collateral Agent's option, may be treated as a balloon payment which will be due and payable at the maturity of the Note. This Agreement shall also secure payment of those amounts.

(k) Commercial Tort Claims. Debtor has no pending commercial tort claim (as a plaintiff) against any individual or entity (a "Commercial Claim"). Debtor shall promptly deliver to the Collateral Agent notice of any Commercial Claim that a Debtor may bring against any individual or entity, together with such information with respect thereto as the Secured Party may reasonably request. Within ten (10) days after a written request by the Collateral Agent, Debtor shall grant the Collateral Agent a security interest in any pending Commercial Claim to the extent such security interest is permitted by applicable law.

(l) Reliance by the Secured Party; Representations Cumulative. Each representation, warranty and agreement contained in this Agreement shall be conclusively presumed to have been relied on by the Secured Party regardless of any investigation made or information possessed by the Secured Party. The representations, warranties and agreements set forth herein shall be cumulative and in addition to any and all other representations, warranties and agreements set forth in the Subscription Documents or any other documents created after the Closing Date and signed by Debtor.

6. **Events of Default**. The occurrence and continuance of any Event of Default under the Note and the Securities Purchase Agreement, after the expiration of any applicable grace or cure period, shall constitute an "**Event of Default**" by Debtor under this Agreement.

7. **Rights and Remedies**.

(a) Rights and Remedies of the Secured Party.

(i) Upon the occurrence and during the continuance of an Event of Default, without notice of election and without demand, the Collateral Agent may cause any one or more of the following to occur, all of which are authorized by Debtor:

(A) The Collateral Agent may make such payments and do such acts as it reasonably considers necessary to protect its security interest in the Collateral. Debtor agrees to promptly assemble and make available the Collateral if the Collateral Agent so requires. Debtor authorizes the Collateral Agent to enter the premises where any of the Collateral is located, take and maintain possession of the Collateral, or any part thereof, and pay, purchase, contest or compromise any encumbrance, claim, right or lien which, in the reasonable opinion of the Collateral Agent, appears to be prior or superior to its security interest in violation of this Agreement, and to pay all reasonable expenses incurred in connection therewith.

(B) The Collateral Agent shall be automatically deemed to be granted a license or other appropriate right to use, without charge or representation or warranty, Debtor's labels, patents, copyrights, rights of use of any name, trade secrets, trade names, trademarks and advertising matter, and any other property of a similar nature, as it pertains to the Collateral, in completing production of, advertising for sale and selling any Collateral.

(C) The Collateral Agent may ship, reclaim, recover, store, finish, maintain, repair, prepare for sale, advertise for sale and sell (in the manner provided for herein) the Collateral.

(D) The Collateral Agent may sell the Collateral at either a public or private sale, or both (which in the case of a private sale of Pledged Equity, shall be to a restricted group of purchasers who will be obligated to agree, among other things, to acquire such securities for their own accounts, for investment and not with a view to the distribution or resale thereof), by way of one or more contracts or transactions, for cash or on terms, in such manner and at such places (including Debtor's premises) as is commercially reasonable (it not being necessary that the Collateral be present at any such sale). In the case of a sale of Pledged Equity, the Collateral Agent shall have no obligation to delay sale of any such securities for the period of time necessary to permit the issuer of such securities to register such securities for public sale under the Securities Act of 1933. Debtor further acknowledges and agrees that any offer to sell any Pledged Equity which has been (i) publicly advertised on a bona fide basis in a newspaper or other publication of general circulation in the financial community of New York, New York (to the extent that such offer may be advertised without prior registration under the Securities Act of 1933), or (ii) made privately in the manner described above shall be deemed to involve a "public sale" under the UCC, notwithstanding that such sale may not constitute a "public offering" under the Securities Act of 1933, and the Collateral Agent may, in such event, bid for the purchase of such securities.

(E) The Collateral Agent shall be entitled to give notice of the disposition of the Collateral as follows: (1) the Collateral Agent shall give Debtor a notice in writing of the time and place of public sale, or, if the sale is a private sale or some other disposition other than a public sale is to be made of the Collateral, the time on or after which the private sale or other disposition is to be made, (2) the notice shall be personally delivered or mailed, postage prepaid, to Debtor at least ten (10) days before the date fixed for the sale, or at least ten (10) days before the date on or after which the private sale or other disposition is to be made, unless the Collateral is perishable or threatens to decline speedily in value, in which case the Collateral Agent shall use commercially reasonable efforts to provide such notice to Debtor as far in advance of such disposition as is practicable.

(F) The Collateral Agent may purchase all or any portion of the Collateral at any public sale by credit bid or other appropriate payment therefor.

(G) To the extent permitted by applicable law, the Collateral Agent shall have the following rights and remedies regarding the appointment of a receiver: (1) the Collateral Agent may have a receiver appointed as a matter of right, (2) the receiver may be an employee of the Collateral Agent and may serve without bond, and (3) all fees of the receiver and his or her attorney shall be Collateral Agent Expenses and become part of the Obligations and shall be payable on demand, with interest at the Rate specified in the Note from the date of expenditure until repaid.

(H) To the extent permitted by applicable law, the Collateral Agent, either itself or through a receiver, may collect the payments, rents, income, dividends, distributions and revenues (together, "Revenue") from the Collateral. The Collateral Agent may at any time, in its reasonable discretion, transfer any Collateral into its own name or that of its nominee(s) and receive the Revenue therefrom and hold the same as security for the Obligations or apply it to payment of the Obligations in such order of preference as the Collateral Agent may determine. Insofar as the Collateral consists of accounts, general intangibles, loans receivable, insurance policies, instruments, chattel paper, choses in action, or similar property, the Collateral Agent may demand, collect, issue receipts for, settle, compromise, adjust, sue for, foreclose, or otherwise realize on the Collateral as the Collateral Agent may determine (in its reasonable discretion), whether or not the Obligations are then due. For these purposes, the Collateral Agent may, on behalf of and in the name of Debtor, (1) receive, open, and dispose of mail addressed to Debtor; (2) change any address to which mail and payments are to be sent; and (3) endorse notes, checks, drafts, money orders, documents of title, instruments and items pertaining to the payment, shipment, or storage of any Collateral. To facilitate collection, the Collateral Agent may notify account debtors and Debtor on any Collateral to make payments directly to the Collateral Agent.

(ii) The Collateral Agent may deduct from the proceeds of any sale of the Collateral all Collateral Agent Expenses incurred in connection with the enforcement and exercise of any of the rights and remedies of the Collateral Agent provided for herein, irrespective of whether suit is commenced. If such deduction does not occur (in the Collateral Agent's reasonable discretion), upon demand, Debtor shall pay all of such Collateral Agent Expenses. Any deficiency which exists after disposition of the Collateral as provided herein will be paid immediately by Debtor, and any excess that exists will be returned, without interest and subject to the rights of third parties, to Debtor by the Collateral Agent; provided, however, that if any excess exists at a time when any of the Obligations remain outstanding, such excess shall instead remain as part of the Collateral and continue to be subject to the security interest in Section 3(a) above until such time as all of the Obligations have been fully satisfied or otherwise terminated.

(iii) Voting and payment Rights in Respect of the Pledged Equity.

(A) So long as no Event of Default shall exist and be continuing, Debtor may (1) exercise any and all voting and other rights pertaining to the Pledged Equity of such Debtor or any part thereof for any purpose not inconsistent with the terms of this Agreement or the Securities Purchase Agreement and (2) receive and retain any and all dividends (other than stock dividends and other dividends constituting Collateral which are addressed hereinabove), principal or interest paid in respect of the Pledged Equity to the extent they are allowed under the Securities Purchase Agreement; and

(B) During the continuance of an Event of Default, (1) all rights of an Debtor to exercise the voting and other consensual rights which it would otherwise be entitled to exercise pursuant to clause (A)(1) above shall cease and all such rights shall thereupon become vested in the Collateral Agent which shall then have the sole right to exercise such voting and other consensual rights, (2) all rights of an Debtor to receive the dividends, principal and interest payments which it would otherwise be authorized to receive and retain pursuant to clause (A)(2) above shall cease and all such rights shall thereupon be vested in the Collateral Agent which shall then have the sole right to receive and hold as Collateral such dividends, principal and interest payments, and (3) all dividends, principal and interest payments which are received by a Debtor contrary to the provisions of clause (B)(2) above shall be received in trust for the benefit of the Collateral Agent, shall be segregated from other property or funds of such Debtor, and shall be forthwith paid over to the Collateral Agent as Collateral in the exact form received, to be held by the Collateral Agent as Collateral and as further collateral security for the Secured Obligations.

(b) Rights and Remedies Cumulative. The rights and remedies of the Collateral Agent under this Agreement and any other agreements and documents delivered or executed in connection with the Obligations shall be cumulative. The Collateral Agent shall also have all other rights and remedies not inconsistent herewith as are provided under applicable law, or in equity. No exercise by the Collateral Agent of any one right or remedy shall be deemed an election.

8. **Additional Waivers**.

(a) The Collateral Agent shall not in any way or manner be liable or responsible for (i) the safekeeping of the Collateral, (ii) any loss or damage thereto occurring or arising in any manner or fashion from any cause, (iii) any diminution in the value thereof or (iv) any act or default of any carrier, warehouseman, bailee, forwarding agency or other person whomsoever, except to the extent that such loss, damage, liability, cost or expense has resulted from the gross negligence or willful misconduct of the Collateral Agent or its affiliates. If the Collateral Agent at any time has possession of any Collateral, whether before or after an Event of Default, the Collateral Agent shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral if the Collateral Agent takes such action for that purpose as Debtor shall request or as the Collateral Agent, in its reasonable discretion, shall deem appropriate under the circumstances, but failure to honor any request by Debtor shall not of itself be deemed to be a failure to exercise reasonable care. The Collateral Agent shall not be required to take any steps necessary to preserve any rights in the Collateral against prior parties, nor to protect, preserve, or maintain any security interest given to secure the Obligations.

(b) The Debtor agrees to defend, protect, indemnify and hold the Collateral Agent and each of the Purchasers and their respective related parties, jointly and severally, harmless from and against any and all claims, damages, losses, liabilities, obligations, penalties, fees, costs and expenses (including, without limitation, reasonable legal fees, costs, expenses, and disbursements of such Person's counsel) to the extent that they arise out of or otherwise result from this Agreement (including, without limitation, enforcement of this Agreement), except claims, losses or liabilities resulting solely and directly from such Person's gross negligence or willful misconduct, as determined by a final judgment of a court of competent jurisdiction.

(c) The Debtor agrees to, upon written demand, pay to the Collateral Agent the amount of any and all costs and expenses, including the reasonable fees, costs, expenses and disbursements of counsel for the Collateral Agent and of any experts and agents (including, without limitation, any collateral trustee which may act as agent of the Collateral Agent), which the Collateral Agent may incur in connection with (i) the preparation, negotiation, execution, delivery, recordation, administration, amendment, waiver or other modification or termination of this Agreement subject to, and to the extent of, Section 5.2 of the Securities Purchase Agreement, (ii) the custody, preservation, use or operation of, or the sale of, collection from, or other realization upon, any Collateral, the exercise or enforcement of any of the rights of the Collateral Agent hereunder, or (iv) the failure by any Debtor to perform or observe any of the provisions hereof.

9. **Notices**. All notices or demands by any party relating to this Agreement shall be made in writing as provided in the Note, and such notices shall be delivered to the addresses indicated therein. Each party shall provide written notice to the other party of any change in address.

10. **Choice of Law**. The validity of this Agreement, its construction, interpretation and enforcement, and the rights of the parties hereunder and concerning the Collateral, shall be determined under, governed by, and construed in accordance with the laws of the state of Delaware as applied to contracts made and to be fully performed in such state, without regard to the conflicts of laws provisions thereof, except to the extent that the validity, perfection or enforcement of a security interest hereunder in respect of any Collateral is governed by the laws of the state of Delaware or some other jurisdiction, in which case such laws shall govern.

11. **Waiver of Jury Trial. THE DEBTOR WAIVES, TO THE EXTENT PERMITTED BY LAW, ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT.**

12. **General Provisions**.

(a) Effectiveness. This Agreement shall be binding and deemed effective against Debtor when executed by Debtor and the Collateral Agent.

(b) Successors and Assigns. This Agreement shall bind and inure to the benefit of the successors and permitted endorsees, transferees and assigns of the Collateral Agent. Debtor shall not assign this Agreement or any rights or obligations hereunder, and any such assignment shall be absolutely void.

(c) Section Headings. Section headings are for convenience only.

(d) Interpretation. No uncertainty or ambiguity herein shall be construed or resolved against the Collateral Agent or Debtor, whether under any rule of construction or otherwise. This Agreement shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of the parties.

(e) Severability of Provisions. Each provision of this Agreement shall be severable from every other provision of this Agreement for the purpose of determining the legal enforceability of any specific provision.

(f) Entire Agreement; Amendments. This Agreement and the agreements and documents referenced herein contain the entire understanding of the parties with respect to the subject matter covered herein and supersede all prior agreements, negotiations and understandings, written or oral, with respect to such subject matter. No provision of this Agreement shall be waived or amended other than by an instrument in writing signed by Debtor and the Collateral Agent.

(g) Good Faith. The parties intend and agree that their respective rights, duties, powers, liabilities and obligations shall be performed, carried out, discharged and exercised reasonably and in good faith.

(h) Waiver and Consent. No delay or omission on the part of the Collateral Agent in exercising any right shall operate as a waiver of such right or any other right. A waiver by the Collateral Agent of a provision of this Agreement or any other agreement between or among the parties shall not prejudice or constitute a waiver of the Collateral Agent's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by the Collateral Agent, nor any course of dealing between the Collateral Agent and Debtor, shall constitute a waiver of any of the Collateral Agent's rights or of any of Debtor's obligations as to any future transactions. Whenever the consent of the Collateral Agent is required under this Agreement, the granting of such consent by the Collateral Agent in any instance shall not constitute continuing consent to subsequent instances where such consent is required, and in all cases such consent may be granted or withheld in the reasonable discretion of the Collateral Agent.

(i) Counterparts. This Agreement may be executed in any number of counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same agreement.

(j) Termination. Upon full satisfaction or other termination of the Obligations (i) the Collateral Agent shall release and return to Debtor all of the Collateral and any and all certificates and other documentation representing or relating to the Collateral and (ii) the security interests provided for under this Agreement shall be terminated and of no further force and effect. At Debtor's expense, the Collateral Agent shall take all actions reasonably requested by Debtor in connection with the foregoing.

(k) Consent of Debtor as Issuers of Pledged Equity. Debtor/issuer of Pledged Equity party to this Agreement hereby acknowledges, consents and agrees to the grant of the security interests in such Pledged Equity pursuant to this Agreement, together with all rights accompanying such security interest as provided by this Agreement and applicable law, notwithstanding any anti-assignment provisions in any operating agreement, limited partnership agreement or similar organizational or governance documents of such issuer.

[*remainder of page intentionally left blank*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized persons on the date first written above.

The Debtor:

Neuraxis, Inc.

By: */s/ Brian Carrico*
Name: Brian Carrico
Title: President and Chief Executive Officer

The Collateral Agent: LEONITE FUND I, LP
By its Manager, Leonite Advisors LLC

By: */s/ Avi Geller*
Name: Avi Geller
Title: Manager

[*signature page to Security Agreement*]

Schedule 5(e)
Addresses of Debtor/Principal Place of Business of Debtor

Neuraxis, Inc.
829 S Adams St.
Versailles, IN 47042

Neuraxis, Inc.
11550 N. Meridian St.
Carmel, IN 46032

EXHIBIT A

COLLATERAL

All of the right, title and interest of Debtor in and to the following property, wherever located and whether now owned by Debtor or hereafter acquired by Debtor:

1. All accounts, chattel paper, contracts, contract rights, accounts receivable, tax refunds, tax credits, Notes receivable, Pledged Equity, documents, choses in action and general intangibles, including, but not limited to, proceeds of inventory and returned goods and proceeds from the sale of goods and services, and all rights, liens, securities, guaranties, remedies and privileges related thereto, including the right of stoppage in transit and rights and property of any kind forming the subject matter of any of the foregoing;

2. All certificates of deposit and all time, savings, demand, or other deposit accounts in the name of Debtor or in which Debtor has any right, title or interest, including but not limited to all sums now or at any time hereafter on deposit, and any renewals, extensions or replacements of and all other property which may from time to time be acquired directly or indirectly using the proceeds of any of the foregoing;

3. All inventory and equipment of every type or description wherever located, including, but not limited to all raw materials, parts, containers, work in process, finished goods, goods in transit, wares, merchandise, furniture, fixtures, hardware, machinery, tools, parts, supplies, automobiles, trucks, other intangible property of whatever kind and wherever located associated with the Debtor's business, tools and goods returned for credit, repossessed, reclaimed or otherwise reacquired by Debtor;

4. All documents of title and other property from time to time received, receivable or otherwise distributed in respect of, exchange or substitution for or addition to any of the foregoing including, but not limited to, any documents of title;

5. All assets of any type or description that may at any time be assigned or delivered to or come into possession of Debtor for any purpose for the account of Debtor or as to which Debtor may have any right, title, interest or power, and property in the possession or custody of or in transit to anyone for the account of Debtor, as well as all proceeds and products thereof and accessions and annexations thereto; and

6. Debtor's tangible and intangible personal property assets, including, but not limited to, all of the following: (i) all accounts, health-care-insurance receivables, cash and currency, chattel paper, deposit accounts, documents, equipment, fixtures, general intangibles, instruments, intellectual property, inventory, investment property, Negotiable Collateral, loans receivable, motor vehicles, Pledged Equity, goods, supporting obligations, Debtor's Books, and such other assets of Debtor as may hereafter arise or Debtor may hereafter acquire or in which the Secured Party may from time-to-time obtain a security interest, and (ii) the proceeds of any of the foregoing, including, but not limited to, proceeds of insurance covering the foregoing or any portion thereof; provided, however, that notwithstanding anything to the contrary contained in this Agreement, the Collateral does not include any "hazardous waste" as that term is defined under 42 U.S.C. section 6903(5), as such section may be from time to time amended, or under any regulations thereunder;

7. Debtors intellectual property including, but not limited to all of the following: (i) all domestic and foreign copyrights, whether registered or unregistered, including, without limitation, all copyright rights (whether now or hereafter arising) in any and all media (whether now or hereafter developed), in and to all original works of authorship fixed in anytangible medium of expression (including computer software and internet website content) now or hereafterowned, acquired, developed or used by any Debtor, all applications, registrations and recordings thereof (including, without limitation, applications, registrations and recordings in the United States Copyright Office or in any similar office or agency of the United States or any other country or any political subdivision thereof), (ii) all licenses, contracts or other agreements, whether written or oral, naming any Debtor as licensee or licensor and providing for the grant of any right to use or sell any works covered by any Copyright, and all reissues, divisions, continuations, continuations in part and extensions or renewals thereof, and (iii) all know-how, information, labels, permits, patents, copyrights, goodwill, trademarks, trade names, licenses and approvals held by Debtor, including all other intangible property of Debtor;

8. The following Patents and Patent Applications:

Patents

- 9839577
- 10010479
- 10322062
- 9662269
- 10413719
- 11331473

Patent Applications

- 16/408004
- 17/040766
- 16/534159
- PCT/US2020/039040
- PCT/US2019/029172

9. All proceeds (including but not limited to insurance proceeds), products of, and accessions and annexations of any of the foregoing.

Exhibit 10.12

EXECUTIVE EMPLOYMENT AGREEMENT

THIS EXECUTIVE EMPLOYMENT AGREEMENT (the "Agreement") is entered into as of **August 9, 2022** (the "Effective Date") by and between NeurAxis, Inc., a Delaware corporation, (the "Company" or "NeurAxis") and Brian Carrico, an individual ("Executive"). Each of the Company and Executive may be referred to herein as a "Party" or collectively as the "Parties").

RECITALS

WHEREAS, the Company has offered Executive, and Executive has accepted the position of President and Chief Executive Officer;

WHEREAS the Parties agree it is in the Company's best interest that Executive serve as the Company's President and Chief Executive Officer;

WHEREAS, by virtue of his position with the Company, Executive will gain knowledge of, and access to, certain valuable, confidential, and proprietary business and technical information with respect to the operations, clients, products, and services of the Company;

WHEREAS the Company desires to protect against unfair competition and the unauthorized disclosure of its valuable, confidential, and proprietary business and technical information; and

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

AGREEMENT

1. Employment. The Company shall employ Executive upon the terms and conditions set forth in this Agreement for the period beginning on October 1, 2022 (the "Start Date") and ending as provided in Section 2 hereof (the "Employment Period").

2. Term. The Employment Period shall be for five (5) years from the Start Date unless Executive's employment is terminated earlier in accordance with Sections 5 or 6 of this Agreement (the "Initial Term"). The Initial Term shall automatically be renewed for consecutive one (1) year terms at the end of the Initial Term and every one (1) year term thereafter unless either Party sends notice to the other Party, not more than one hundred eighty (180) days and not less than ninety (90) days before the end of the then existing term of employment, of such Party's desire to terminate the Agreement at the end of the then existing term (an "Expiration"), in which case this Agreement will terminate at the end of the then existing term unless the Parties agree in writing to an earlier termination date in accordance with the terms herein. For the avoidance of doubt, Expiration does not necessarily mean Executive's employment terminates, and in the event of Expiration without employment termination, Executive will not be entitled to payments and benefits set forth in Section 5(b) of this Agreement. For purposes of clarity, any employment termination event prior to Expiration is governed by this Agreement.

3. Position and Duties.

(a) During his employment, Executive shall serve as President and Chief Executive Officer of the Company and shall have the normal and reasonable duties, responsibilities and authority commensurate with such position as determined by the Company's Board of Directors (the "Board").

(b) Executive shall report to the Board. Executive shall devote Executive's reasonable best efforts and Executive's full business time and attention to the business and affairs of the Company. Executive shall perform Executive's duties and responsibilities to the best of Executive's abilities in a reasonably diligent, trustworthy, businesslike, and efficient manner. Notwithstanding the foregoing, Executive may manage personal and family investments, engage in community, charitable, professional and educational activities, and, with the prior written consent of the Board, serve on the board of directors (or comparable governing body), and any board committees, of for-profit businesses that do not compete with the Company, provided that such activities do not interfere with the performance of Executive's duties for the Company.

4. Compensation and Benefits.

(a) Base Salary. Executive's annualized base salary shall be $330,000 (the "Base Salary"), which shall be payable in accordance with the Company's general payroll practices, including those related to taxes and withholdings.

(b) Non-Discretionary Adjustments to Base Salary. The Base Salary shall be increased on January 1 of each year by not less than three percent (3%) per annum.

(c) Discretionary Adjustments to Annual Compensation. The Board or any committee duly authorized by the Board shall perform an annual review of the compensation provided to the President and/or CEOs of other medical device companies and shall consider upward adjustments or enhancements to Executive's compensation, including additional adjustments to the Base Salary and Bonuses (as hereinafter defined), based on the findings of the annual review, the performance of the Company, the performance of the Executive, or any other factor. Except for the terms provided in Section 4(b) herein, the Board shall retain sole discretion to determine if Executive's annual compensation shall be increased. As used in this Agreement, "Bonus" shall mean any form of non-severance compensation that is service and performance-based, and that the Company provides or awards to Executive that is not included in the definition of Base Salary, and would not be deemed "wages" or "base pay" under applicable state law, or that is not provided or awarded pursuant to Sections 4(f)–(g) herein.

(d) Special One-Time Incentive Payment. To reward past service and incentivize Executive to remain with the Company for future service, a special one-time incentive payment of $494,732 shall be paid promptly in a single lump sum to Executive within two and one-half months after the later of the Start Date or the Effective Date, and such special one-time incentive payment will be subject to taxes and withholdings.

(e) Benefits. Executive shall be provided the opportunity to participate in any employee benefit plan the Company makes available to any other officer, director, or employee of the Company, including but not limited to health insurance, 401(k) plans, and life insurance, subject to the terms of those plans as in effect from time to time. In no event does this Agreement require the Company to maintain any particular employee benefit plan, and in no event will Executive be entitled to participate in any severance or separation pay plan, program, policy, or arrangement of the Company, as in effect from time to time, as this Agreement contains all the terms governing Executive's separation from the Company as well as any compensation or benefit due to Executive as a result of any such separation; provided, however, that if Executive remains employed by the Company after Expiration of this Agreement, and if a subsequent agreement is not entered into by the Company or any affiliate and Executive, then subject to the terms of any severance or separation pay plan or policy, Executive may participate in such plan or policy on employment termination.

(f) D & O Insurance. The Company shall secure and pay all premiums and other expenses associated with a directors and officers liability policy for Executive's benefit in an amount the Company reasonably deems sufficient considering, among other things, the Company's size and industry and Executive's duties.

(g) Expenses. The Company shall reimburse Executive for all reasonable expenses incurred by Executive in the course of performing Executive's duties under this Agreement, the Company's Bylaws, or at the direction or with the approval of the Board, provided such expenses are consistent with any written policy the Company put into effect prior to Executive incurring the expense(s). The Company shall also reimburse Executive for reasonable home office expenses including without limitation the purchase and maintenance of a home computer with linkup facilities to the Company, a home facsimile, printer, scanner, telephone, laptop computer, and mobile phone, together with any charges to setup, install, maintain, or use any of the foregoing.

(h) Special Deferred Bonus.

(i) Subject to the terms and conditions set forth in this Section 4(h), Executive shall be entitled to payment of a special deferred bonus (the "Deferred Bonus") in an amount equal to (i) the aggregate of the strike price or exercise price of all Stock Options, as defined hereinafter (the "Aggregate Strike Price") plus (ii) a tax gross-up payment on the Aggregate Strike Price reasonably calculated by the Company at the highest marginal rates so that after payment of all ordinary income taxes on such Aggregate Strike Price, there remains an amount sufficient to pay such ordinary income taxes (the "Gross-Up Payment"). "Stock Options" as used in this Agreement shall mean the 640,000 unexercised options to purchase stock or shares of the Company or its predecessors-in-interest held by Executive as of the Effective Date.

(ii) Subject to Section 4(h)(iii) herein, the Deferred Bonus shall be paid in substantially equal twenty percent (20%) installments (collectively, the "Annual Deferred Bonus Payments" and each an "Annual Deferred Bonus Payment") on January 2nd (or if such date falls on a weekend day or holiday, then on the last business day of the year) on each of 2024, 2025, 2026, 2027, and 2028 (collectively, the "Scheduled Payment Dates" and each a "Scheduled Payment Date") subject to withholding for taxes and other applicable deductions.

(iii) As a condition of the payment of each Annual Deferred Bonus Payment, Executive must, on or before the Scheduled Payment Date, exercise at least 128,000 of the Stock Options. For each Stock Option exercise during the years of Stock Option exercise set forth above, the corresponding Annual Deferred Bonus Payment, payable net of taxes withheld and applicable deductions, shall be used to offset the total strike price of the exercised Stock Options (if payment of the Annual Deferred Bonus Payment and exercise of the Stock Option are in the same year), which shall comprise payment of the applicable Annual Deferred Bonus Payment as compensation to Executive for the year of Stock Option exercise. Since the Stock Options are non-qualified stock options, on exercise, Executive understands that he will be liable for any taxes that may result should the fair market value exceed the strike price of the underlying stock at the time of exercise and accordingly, Executive will make arrangements for such tax liability to be paid, whether through the cash out of sufficient shares, withholding of other compensation due to him from the Company, or otherwise.

(iv) If Executive is terminated without Cause or he terminates his employment for any reason, (including in any event death or Disability), the remaining unpaid balance of the Deferred Bonus shall be paid to Executive in substantially equal installments on the remaining Scheduled Payment Dates, provided he exercises his vested Stock Options as scheduled prior to the Scheduled Payment Dates, and provided further that such exercise will not be permitted after expiration of the applicable Stock Option, and upon such expiration, any corresponding Deferred Bonus payment will be forfeited. If Executive's employment is terminated by the Company for Cause, then he will forfeit the balance of his Deferred Bonus that remains unpaid, whether or not vested.

(v) On a "Change in Control" (as defined below), Executive will fully vest in the unvested portion of his Deferred Bonus, and the remaining unpaid balance of the Deferred Bonus will be paid to Executive in a single lump sum within thirty (30) calendar days after a Change in Control, subject to withholding for taxes and applicable deductions. For purposes of this Agreement, "Change in Control" means the consummation of a transaction that constitutes a "change in the ownership" of the Company or a "change in the ownership of a substantial portion of the assets" of the Company within the meaning of Treasury Regulation Section 1.409A-3(i)(5)(v) or (vii), respectively.

(i) Vacation. Executive shall receive 20 days of paid time off ("PTO") per calendar year. Executive shall have sole discretion over when he uses any accrued PTO, provided Executive either provides reasonable advance notice of his absence or otherwise takes steps Executive believes are appropriate to ensure his absence does not materially and detrimentally impact Company operations or deprive the Company of opportunities of which Executive is aware. Should Executive accrue but not use some or all PTO during a calendar year, such PTO shall carry forward if permitted in accordance with the Company's PTO policy. If under the Company's PTO policy, accrued and unused PTO is paid to terminated employees, Executive's accrued and unused PTO payout will be at a rate of 1/260 of Executive's Base Salary at the time of termination.

5. Termination of Employment.

(a) Termination by the Company For Cause. Executive's employment with the Company may be terminated at any time by the Company for Cause (as defined herein). Upon such termination for Cause, the Company will only pay to Executive: (i) any unpaid Base Salary that has been earned at the time of such termination, (ii) reimbursement of any expenses properly incurred prior to the Executive's termination date; and (iii) accrued and unused PTO, if any, in accordance with the Company's PTO policy in effect on Executive's termination date (collectively, the "Accrued Compensation"). The Parties agree and acknowledge that if Executive is terminated for Cause, he will not be entitled to or owed any other compensation or benefits not listed in this Section 5(a) under this Agreement or otherwise. For purposes of this Agreement, "Cause" means Executive's:

(i) conviction for a crime involving violence, fraud, dishonesty, or financial impropriety;

(ii) willful engagement in misconduct or malfeasance in connection with Executive's employment with the Company;

(iii) willful failure to abide by a reasonable and express direction of the Board (which is not reasonably cured);

(iv) willful commission of a material breach of this Agreement (which is not reasonably cured); or

(v) intentional misrepresentation or concealment of a material fact to the Company or the Company's legal counsel, independent certified public accountants, or financial advisors, or to the public in any press release, public interview, or filing with any governmental agency.

Should the Parties disagree as to the Company's decision to terminate Executive's employment For Cause under this Section 5(a), Executive shall have the right to submit the dispute to binding arbitration within sixty (60) days of the termination date by serving a notice of arbitration on the Company. Such arbitration shall be conducted in Marion County, Indiana in accordance with the Employment Arbitration Rules of the American Arbitration Association in effect at the time of such dispute. If and when Executive serves on the Company a notice to initiate arbitration, the arbitration shall become mandatory and binding on the Parties. Nothing in this Section 5(a) prejudices the Parties rights to seek judicial relief or to submit to arbitration or mediation should Executive decline or fail initiate arbitration within sixty (60) days of the termination date, nor does it affect or prejudice the Parties rights arising out of or under any other part of this Agreement.

(b) Termination by the Company Without Cause. Executive's employment may also be terminated without Cause by the Company at any time. Upon Executive's termination without Cause by the Company, the Company shall:

(i) Pay Executive the Accrued Compensation (as defined in Section 5(a) herein); and

(ii) Pay a "Severance Payment" (as defined hereinafter in this Section 5(b)).

The amount of the "Severance Payment" shall be determined as follows:

(iii) If termination occurs during the Initial Term, the Severance Payment shall be the amount equal to the greater of (a) three (3) times Executive's Base Salary as of the termination date; and (b) three (3) times the total amount of Executive's Bonus payments the Company paid Executive over the one (1) year prior to the termination date. All amounts due under this Section 5(b)(iii) shall be paid in substantially equal monthly installments over the course of the three (3) years following the termination date;

(iv) If termination occurs after the Initial Term, the Severance Payment shall be the amount equal to the greater of (a) one and one half (1.5) times Executive's Base Salary as of the termination date; and (b) one and one half (1.5) times the total amount of Executive's Bonus payments the Company paid Executive over the one (1) year prior to the termination date. All amounts due under this Section 5(b)(iv) shall be paid in substantially equal monthly installments over the course of eighteen (18) months following the termination date;

(v) Payment of Executive's monthly COBRA premiums (which will be subject to taxes and applicable withholdings) for continuation of health coverage for eighteen (18) months post termination subject to Section 5(d) of this Agreement and Section 409A of the Internal Revenue Code ("Section 409A"), provided COBRA is applicable, and if COBRA is not applicable, payment of an amount (which will be subject to taxes and applicable withholdings) in substantially equal installments over eighteen (18) months that the Company reasonably determines is sufficient for Executive to pay the premiums on a health insurance plan reasonably equivalent to the Company group health plan Executive was enrolled in immediately preceding his termination date;

(vi) Payment of the unpaid balance of the Deferred Bonus in accordance with Section 4(h)(iv) above; and

(vii) The Severance Payment will be subject to withholding for taxes and other applicable deductions.

The Parties agree and acknowledge that Executive will not be entitled to or owed any other compensation or benefits not listed in this Section 5(b) under this Agreement or otherwise if he is terminated without Cause, or, as set forth below, if he terminates for Good Reason.

(c) Voluntary Termination by Executive or a termination for Good Reason.

(i) Executive may terminate his employment at any time without Good Reason, as hereinafter defined, upon not less than thirty (30) days' prior written notice to the Company; provided, that the Company may accelerate the Executive's employment termination date to the date on which the Executive gives the Company notice of termination or on any date between such dates, and such termination shall not be deemed a termination without Cause by the Company or a termination for Good Reason by Executive. In the event of termination by Executive without Good Reason pursuant to this Section 5(c), the Executive shall be paid the Accrued Compensation, and payment of the unpaid balance of the Deferred Bonus in accordance with Section 4(h)(iv) above and the Parties agree and acknowledge that Executive will not be entitled to or owed any other compensation over and above such amounts under this Agreement or otherwise. If Executive terminates his employment for Good Reason (defined herein), he shall receive the same benefits and payments to which he would be entitled upon termination of his employment by the Company without Cause under Section 5(b).

(ii) For purposes of this Agreement, Executive shall have "Good Reason" to voluntarily terminate his employment with the Company if, without Executive's express prior written consent, the Company materially (a) reduces Executive's Base Salary, unless such reduction is *pari passu* with reductions made to the compensation of all other Company executives; or (b) diminishes Executive's title, duties, or responsibilities; provided, however, that if any of the conditions in the foregoing clauses (a) or (b) exists, the Executive must provide notice to the Company no more than ninety (90) calendar days following the initial existence of the condition and his intention to terminate his employment for Good Reason. Upon such notice, the Company shall have a period of thirty (30) calendar days during which it may remedy the condition.

(d) General Release and Commencement of Payments. All amounts payable pursuant to this Section 5 (other than the Accrued Compensation) shall be conditioned upon the execution by Executive of a severance agreement that will include a general release of claims against the Company and its representatives as well as other obligations, provided the Company delivers such severance agreement to Executive within a reasonable time following termination. This severance agreement must be executed by Executive and delivered to the Company and become effective and non-revocable within sixty (60) calendar days following the date of termination. The payments set forth in Section 5(b) or 5(c), as applicable, shall commence on the first payroll date following the date that is sixty (60) calendar days following the date of termination, at which time Executive will receive a payment in an amount equal to the cumulative amount to which Executive would otherwise have been entitled had such payments commenced immediately following his date of employment termination.

6. Death or Disability. If Executive's employment is terminated as a result of death or Disability, Executive or Executive's representatives or beneficiaries, as applicable, shall be entitled to receive the Accrued Compensation and payment of the unpaid balance of the Deferred Bonus in accordance with Section 4(h)(iv) above. The Executive shall also be entitled to any extended continuation of coverage of health insurance under applicable law, and conversion rights of group life insurance benefits if provided by the group life insurance plan, if any, in which he participates. For purposes of this Agreement, "Disability" means if Executive (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees of the Company. In connection therewith, Executive hereby agrees that it is job-related and consistent with business necessity that he submit to any medical examination or examinations as may be reasonably requested by the Company for the purposes of determining the existence or absence of a Disability. The Parties agree that the definition if Disability herein shall only apply to payment of non-qualified deferred compensation and shall not be construed as a determination as to whether Executive is disabled within the meaning of the Americans with Disabilities Act ("ADA"), nor shall it be construed to mean that medical leave of absence for any period of time would be a reasonable accommodation under the ADA. The determination as to whether Executive is disabled under the ADA and what accommodations would be reasonable will be based on the particular facts and circumstances at the time of the disability event.

7. Confidential Information. As used herein, the term "Confidential Information" shall mean all information concerning the Company's (and its related entities' and affiliates) products, processes, services, customers, marketing strategy and business plans that Company disclosed to Executive or known by Executive solely by way of Executive's employment with the Company and that is not known in the Company's trade or industry. To the extent Confidential Information is disclosed in a public or non-confidential context other than as a result of Executive's intentional acts or omissions, such information is no longer protected as Confidential Information under this Agreement. Executive agrees that Executive shall not disclose to any unauthorized person or use for Executive's own account any Confidential Information without the prior written consent of the Company or the Board. Upon the termination of executive's employment with the Company or at any other time as the Company may request, Executive shall deliver to the Company , all memoranda, notes, plans, records, computer tapes and software and other documents and data (and copies thereof) containing any Confidential Information that Executive then possesses or that are under Executive's control. In the performance of his duties, the Executive will have access to confidential or proprietary information with respect to third parties which is subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes (the "Third-Party Information"). Except in the performance of his duties to the Company and/or its affiliates, the Executive shall not, during the Initial Term nor any time thereafter, directly or indirectly for any reason whatsoever, knowingly and intentionally disclose or use any such Third-Party Information without the Company's prior written consent.

8. Non-Solicitation of Employees and Other Representatives. During Executive's employment and for twenty-four (24) months after his separation from that employment for any reason, Executive will not, directly or indirectly encourage, solicit, induce (or attempt to encourage, solicit or induce) any employee or agent of the Company that was employed (or otherwise engaged) at the time of Executive's separation, who: (a) has access to, or possesses, Confidential Information, trade secrets, or other knowledge regarding the Company that could give a Competitor an unfair advantage, or (b) within the preceding two year period, has serviced or established goodwill with the Executive's clients or clients or acquired non-public information about those clients or clients, or (c) was someone Executive had worked with, or supervised in his last two years of employment, to terminate their employment or contractual relationship with the Company (or devote less than full time efforts to the Company's business). Further, Executive agrees that he will not directly or indirectly hire or attempt to hire any individual described in this Section 8 for any competitive position, or other position, with any competitor.

9. Non-Interference. During the term of his employment with the Company and for twenty-four (24) months thereafter, Executive will not request or advise any client of the Company or any person or entity having business dealings with the Company, to withdraw, curtail, or cease such business with the Company.

10. Non-Solicitation of Clients.

(a) During Executive's employment by the Company, Executive shall not, directly or indirectly, have any ownership interest in, work for, advise, manage, act as an agent or consultant for, or have any business connection or business or employment relationship with any entity or person which competes with Company.

In consideration of employment by Company, and in further consideration of the technical training and support services provided by the Company, and the technical, trade secret, and confidential information disclosed by the Company, Executive agrees that for a period of twenty-four (24) months after his separation from employment with Company for any reason, Executive will not, in a "Competitive Capacity" (as defined below) directly or indirectly, for Executive or for another person, proprietorship, partnership, corporation, or trust, or any other entity, as an individual or as an owner, employee, agent, officer, director, trustee, or in any other capacity:

(i) Solicit, divert (or attempt to solicit or divert) or accept Competitive Business from any existing client of the Company;

(ii) Solicit, divert (or attempt to solicit or divert) or accept Competitive Business from any existing client of the Company with whom Executive has had contact (either directly or indirectly) or over which he has had responsibility at any time in the one (1) year preceding his separation;

(iii) Solicit, divert (or attempt to solicit or divert) or accept Competitive Business from any existing client of the Company about whom Executive has obtained Confidential Information or trade secrets;

(iv) Solicit or divert (or attempt to solicit or divert) or accept Competitive Business from any identified prospective client of the Company;

(v) Solicit or divert (or attempt to solicit or divert) or accept Competitive Business from any identified prospective client of the Company with whom Executive had contact (either directly or indirectly) or over which he had responsibility at any time in the one (1) year period preceding his/her separation; or

(vi) Solicit or divert (or attempt to solicit or divert) or accept "Competitive Business" from any identified prospective client of the Company about whom Executive obtained Confidential Information.

(b) Competitive Capacity. For purposes of this Agreement, the term "Competitive Capacity" shall mean: (i) performing tasks or duties similar to those Executive performed in his last year of employment at the Company for a Competitor of the Company; (ii) managing/supervising those who, for a Competitor of the Company, perform tasks or duties similar to those which Executive performed in his last year of employment at the Company; or (iii) performing, on behalf of a Competitor of the Company, tasks or duties in which Executive would utilize any Confidential Information or trade secrets that he learned in the course of his relationship with the Company.

(c) Competitor. For purposes of this Agreement, the term "Competitor" shall mean those entities which are in the same industry as the Company, and which provide products or services that are similar to those provided by the Company during the one (1) year period preceding Executive's separation from employment.

(d) Competitive Business. For purposes if this Agreement, the term "Competitive Business" shall mean the marketing, sale or provision of products or services that directly compete against the products or services: (a) with which Executive was involved during his last year of employment with the Company; or (b) which the Company is developing, producing, marketing, selling or servicing (or plans to develop, produce, market, sell or service) and about which Executive gained any Confidential Information or trade secrets in the course of his employment with the Company.

11. Limited Noncompetition Provisions.

(a) During his employment by the Company, Executive shall not, directly or indirectly, have any ownership interest in, work for, advise, manage, act as an agent or consultant for, or have any business connection or business or employment relationship with any entity or person which competes with the Company.

(b) Moreover, for a period of twenty-four (24) months after his separation from the Company for any reason, Executive shall not:

(i) In or from the United States;

(ii) In or from any state in which the Company provides products or services;

(iii) in or from the geographic area in which the Company conducts business; or

(iv) in or from the geographic area in which he performed services on behalf of the Company or for which he was assigned responsibility, at any time within one (1) year preceding his separation;

directly or indirectly and in a competitive capacity own, manage, finance, operate, control or participate in ownership, management, or operation of, act as an agent, consultant, or be employed with, any business engaged in the design, manufacture, marketing, sale or servicing of any service or product:

- with which Executive was involved during his last year of employment with the Company; or
- which the Company is developing, producing, marketing, selling or servicing (or plans to develop, produce, market, sale or service) and about which Executive gained any Confidential Information in the course of his employment with the Company.

(c) Executive further agrees that for a period of twenty-four (24) months after his separation from the Company for any reason, he shall not directly or indirectly assist in the research and development of products where such research and development would be aided by any Confidential Information that he learned in the course of his relationship with the Company.

12. Enforcement. If, at any time of enforcement of Sections 7, 8, 9, 10, and 11 of this Agreement, a court holds that the restrictions stated herein are unreasonable under circumstances then existing, the Parties hereto agree that the maximum period or scope reasonable under such circumstances shall be substituted for the stated period or scope. Because Executive's services are unique and Executive has access to Confidential Information and because of the burdensome effect of the restrictive covenants herein on Executive's right and ability to find employment outside the Company, among other things, the Parties agree that money damages may be an inadequate remedy for any breach of this Agreement and, therefore, in the event of a breach or threatened breach of this Agreement, the enforcing Party or its successors or assigns may, in addition to other rights and remedies existing in their favor, apply to any court of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce, or prevent any violation of, the provisions hereof (without posting a bond or other security). The Parties further acknowledge and understand that the prevailing Party in any action to enforce the terms of this Agreement is entitled to recover its costs, expenses and attorneys' fees incurred in connection with such enforcement.

13. No Defense for Alleged Breach. The confidentiality, non-solicitation, and limited non-competition provisions of this Agreement shall be construed as independent of any other provision of this Agreement and shall survive the termination or Expiration of this Agreement. The existence of any claim or cause of action by Executive against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of Section 7 of this Agreement.

14. Executive's Representations and Warranties. Executive hereby represents and warrants to the Company that (i) the execution, delivery and performance of this Agreement by Executive does not and will not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which Executive is a party or by which Executive is bound; (ii) Executive is not a party to or bound by any employment agreement, non-compete agreement, or confidentiality agreement with any other person or entity that would be inconsistent with or breached by the execution or performance of this Agreement by Executive; and (iii) upon the execution and delivery of this Agreement by the Company, this Agreement shall be the valid and binding obligation of Executive, enforceable in accordance with its terms. Executive agrees and acknowledges that if the Company determines that he has not met the representations in this Section and/or has breached any such agreement or obligation to another person or entity outlined in this Section, it will be deemed a breach of this Agreement.

15. Company's Representations and Warranties. The Company hereby represents and warrants to Executive that (i) the execution, delivery and performance of this Agreement by the Company does not and will not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which the Company is a party or by which the Company is bound; (ii) the Company is a duly organized and existing corporation under the laws of the State of Delaware; (iv) the Company has secured all the necessary permissions and approvals to enter into and execute this Agreement and be bound by its terms; (v) the Company has had the opportunity to have this Agreement reviewed by a counsel of its choosing; and (vi) upon the execution and delivery of this Agreement by Executive, this Agreement shall be the valid and binding obligation of the Company, enforceable in accordance with its terms. The Company agrees and acknowledges that if Executive determines that the Company has not met the representations in this Section and/or has breached any such agreement or obligation to another person or entity outlined in this Section, it will be deemed a breach of this Agreement by the Company.

16. Assignability. The Parties agree and understand that this Agreement is personal in nature and as such neither Party may not assign this Agreement without the other Party's prior written consent.

17. Survival. Sections 7 through 25 shall survive and continue in full force in accordance with their terms notwithstanding any termination of Executive's employment or Expiration of this Agreement.

18. Notices. Any notice provided for in this Agreement shall be in writing and shall be either personally delivered by nationally recognized overnight courier service, or mailed by certified mail, return receipt requested, to the recipient at the address indicated below.

If to Executive:	Brian Carrico 12980 Featherbell Blvd Carmel, IN 46032
If to the Company:	NeurAxis, Inc. 829 South Adams Street PO Box 397 Versailles, IN 47042

or such other address or to the attention of such person as the recipient Party shall leave specified by prior written notice to the sending Party. Any notice under this Agreement will be deemed to have been given when so delivered or mailed.

19. Severability. The Parties expressly agree that the terms of this Agreement, including but not limited to Sections 1-11, are reasonable, enforceable, and necessary to protect the Parties' interests. In the unlikely event, however, that a court determines that any of the terms, provisions, or covenants contained in this Agreement are not enforceable, the court may limit the application of such term, provision, or covenant, or modify any such term, provision, or covenant and proceed to enforce the Agreement as so limited or modified, with the remaining provisions remaining in full force and effect. The Parties further agree that if any provision is susceptible of two or more constructions, one of which would render the provision unenforceable, then the provision shall be construed to have the meaning that renders it enforceable.

20. Complete Agreement. This Agreement embodies the complete agreement and understanding among the Parties and supersedes and preempts any prior understandings, agreements or representations by or among the Parties, written or oral, which may have related to the subject matter hereof in any way.

21. Counterparts. This Agreement may be executed by facsimile or e-mailed signature pages (including via PDF) in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

22. Choice of Law and Forum. This Agreement shall be governed by and construed in accordance with the laws of the State of Indiana, without giving effect to any choice or conflicts of laws, provisions, or rules that would require the applicable laws of any other jurisdiction. Subject to the limited exceptions defined in Section 5(a) herein, any action seeking to enforce any provision of, or based on any right arising out of, this Agreement shall be brought in the courts of the State of Indiana located in Marion County, or if it has or can acquire jurisdiction, in the United States District Court for the Southern District of Indiana, and each of the Parties consents to the jurisdiction of such courts (and the appropriate appellate courts) in any such action and waives any objection to venue laid therein.

23. Amendment and Waiver. The provisions of this Agreement may be amended or waived only with the prior written consent of the Company and Executive, and no course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effort or enforceability of this Agreement.

24. Golden Parachute Excise Tax.

(a) Calculation of After-Tax Amounts. To the extent that any of the payments and benefits provided for under this Agreement or any other agreement or arrangement between the Company and Executive (collectively, the "Payments") (i) constitute a "parachute payment" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code") and (ii) would be subject to the excise tax imposed by Code Section 4999, then the Payments shall be payable either (1) in full, or (2) as to such lesser amount which would result in no portion of such Payments being subject to excise tax under Code Section 4999; whichever of the foregoing amounts, taking into account the applicable federal, state and local income and other taxes and the excise tax imposed by Section 4999, results in Executive's receipt on an after-tax basis, of the greatest amount of payments and benefits under this Agreement and otherwise, notwithstanding that all or some portion of such payments and benefits may be taxable under Code Section 4999 (the "Greater Payment"); provided, however, that if the Greater Payment is calculated to be payment in full under clause (1), in order to be paid in full to Executive, it must exceed the reduced payment under clause (2) of this paragraph by at least twenty percent (20%), and if it does not so exceed the reduced payment described in clause (2) by at least twenty percent (20%), then the reduced payment of clause (2) that will not trigger the excise tax under Code Section 4999 will apply and be paid to Executive even though clause (1) provides the Greater Payment.

(b) Accounting Firm. Any determination required under this Section 24 shall be made by an independent public accounting firm (the "Accounting Firm") jointly selected by the Company and Executive, and paid for by the Company. The Accounting Firm shall be a nationally recognized United States public accounting firm that has not, during the two (2) years preceding the date of its selection, acted in any way on behalf of the Company or any affiliate thereof. The determination of the Accounting Firm shall be conclusive and binding upon Executive and the Company for all purposes.

(c) Shareholder Approval Exemption. If any Payments would be reduced pursuant to clause (2) of Section 24(a) above, but would not be so reduced if the shareholder approval requirements (if applicable) of Code Section 280G(b)(5) were satisfied, the Company shall use its reasonable best efforts to cause such Payments to be submitted for such approval prior to the event giving rise to such Payments.

25. Notice of Immunity. The law provides that: (i) no person shall be held liable under trade secret law for disclosing a trade secret in confidence to a government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law; or in a filing in a lawsuit or other proceeding, if such filing is made under seal; and (ii) an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to his or her attorney and use it in the court proceeding, if the individual files any document containing the trade secret under seal; and does not disclose it, except pursuant to court order. To the extent Executive suspects a violation of the law, the Executive should report his suspicion to the Board. Nothing in this Section shall be interpreted to prevent Executive from claiming immunity in connection with the disclosure of a trade secret, Confidential Information, or other protected information made under the good faith belief that such disclosure is permitted under applicable law, including any whistleblower or similar laws, notwithstanding the provisions of this Agreement to the contrary.

26. Section 409A.

(a) It is the Parties' intent, that if possible, the payments and benefits provided under this Agreement shall be exempt from the requirements of Section 409A including without limitation, exemptions pursuant to the short term deferral exception to Section 409A or the separation pay exceptions to Section 409A.

(a) Notwithstanding anything herein to the contrary, if Executive is a "specified employee" as of the date of termination as defined in Section 409A of the Code (and any related regulations or other pronouncements thereunder) and the deferral of the commencement of any payments or benefits not otherwise exempt from 409A and otherwise payable hereunder as a result of such termination of employment is necessary in order to prevent any accelerated or additional tax under Section 409A of the Code, then such payments or benefits shall commence to be made on the second regularly scheduled payroll date following the six-month anniversary of the termination date (or the earliest date as is permitted under Section 409A of the Code) (the "Delayed Commencement Date") and to the extent the Company has agreed to pay any part of the benefits, such as COBRA premiums, Executive shall pay the cost of such benefits until the Delayed Commencement Date. Any installment payments that are delayed pursuant to the preceding sentence shall be accumulated and paid in a lump sum on the Delayed Commencement Date, and the remaining installment payments shall be paid in accordance with the schedules provided under this Agreement or otherwise, as applicable. All delayed installment payments shall accrue interest at a rate of 3% per annum running from the date such payments would have been made had they not been delayed.

(b) Notwithstanding anything to the contrary in this Agreement, in-kind benefits and reimbursements provided under this Agreement during any tax year of Executive shall not affect in-kind benefits or reimbursements to be provided in any other tax year of Executive, except for the reimbursement of medical expenses referred to in Section 105(b) of the Code, and are not subject to liquidation or exchange for another benefit. In no event shall Executive be entitled to any reimbursement payments after December 31st of the calendar year following the calendar year in which the expense was incurred. The amount of such expenses eligible for payment or reimbursement in any year will not affect the amount of such expenses eligible for payment or reimbursement in any other year. No benefit or payment will be exchanged or liquidated for another benefit or payment. This paragraph shall only apply to benefits and reimbursements that would result in taxable compensation income to Executive.

(c) The tax treatment of the benefits provided under this Agreement is not warranted or guaranteed. The Company nor any affiliates nor their respective directors, officers, employees or advisers shall be held liable for any taxes, interest, penalties or other monetary amounts owed by the Executive (or any other individual claiming a benefit through the Executive) as a result of this Agreement.

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

COMPANY: NeurAxis, Inc.

By: */s/ Brian Carrico*

EXECUTIVE:

/s/ Brian Carrico
Brian Carrico

Exhibit 10.13

EXECUTIVE EMPLOYMENT AGREEMENT

THIS EXECUTIVE EMPLOYMENT AGREEMENT (the "Agreement") is entered into as of August 17, 2022 (the "Effective Date") by and between NeurAxis, Inc., a Delaware corporation, (the "Company" or "NeurAxis") and Dr. Adrian Miranda, an individual ("Executive"). Each of the Company and Executive may be referred to herein as a "Party" or collectively as the "Parties").

RECITALS

WHEREAS, the Company has offered Executive and Executive has accepted the position of Senior Vice-President of Science and Technology and Chief Medical Officer;

WHEREAS, the Parties agree it is in the Company's best interest that Executive serve as the Company's Senior Vice-President of Science and Technology and Chief Medical Officer;

WHEREAS, by virtue of his position with the Company, Executive will gain knowledge of, and access to, certain valuable, confidential, and proprietary business and technical information with respect to the operations, clients, products, and services of the Company;

WHEREAS, the Company desires to protect against unfair competition and the unauthorized disclosure of its valuable, confidential, and proprietary business and technical information; and

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

AGREEMENT

1. Employment. The Company shall employ Executive upon the terms and conditions set forth in this Agreement for the period beginning on October 1, 2022 (the "Start Date") and ending as provided in Section 2 hereof (the "Employment Period").

2. Term. The Employment Period shall be for two (2) years from the Start Date unless Executive's employment is terminated earlier in accordance with Sections 5 or 6 of this Agreement (the "Initial Term"). The Initial Term shall automatically be renewed for consecutive one (1) year terms at the end of the Initial Term and every one (1) year term thereafter unless either Party sends notice to the other Party, not more than one hundred eighty (180) days and not less than ninety (90) days before the end of the then existing term of employment, of such Party's desire to terminate the Agreement at the end of the then existing term (an "Expiration"), in which case this Agreement will terminate at the end of the then existing term unless the Parties agree in writing to an earlier termination date in accordance with the terms herein. For the avoidance of doubt, Expiration does not necessarily mean Executive's employment terminates, and in the event of Expiration without employment termination, Executive will not be entitled to payments and benefits set forth in Section 5(b) of this Agreement. For purposes of clarity, any employment termination event prior to Expiration is governed by this Agreement.

3. Position and Duties.

(a) During his employment, Executive shall serve as Senior Vice-President of Science and Technology and Chief Medical Officer of the Company and shall have the normal and reasonable duties, responsibilities and authority commensurate with such position as determined by the Company's Board of Directors (the "Board") or any officer or committee duly authorized by the Board.

(b) Executive shall report to the Board and any officer or committee to which the Board delegates oversight responsibility for Executive's position. Executive shall devote Executive's reasonable best efforts and Executive's full business time and attention to the business and affairs of the Company. Executive shall perform Executive's duties and responsibilities to the best of Executive's abilities in a reasonably diligent, trustworthy, businesslike, and efficient manner. Notwithstanding the foregoing, Executive may manage personal and family investments, engage in community, charitable, professional and educational activities, and, with the prior written consent of the Board, serve on the board of directors (or comparable governing body), and any board committees, of for-profit businesses that do not compete with the Company, provided that such activities do not interfere with the performance of Executive's duties for the Company.

4. Compensation and Benefits.

(a) Base Salary. Executive's annualized base salary shall be $300,000 (the "Base Salary"), which shall be payable in accordance with the Company's general payroll practices, including those related to taxes and withholdings.

(b) Intentionally Omitted.

(c) Discretionary Adjustments to Annual Compensation. The Board or any committee duly authorized by the Board shall perform an annual review of the compensation provided to the Senior Vice-Presidents of Science and/or Technology and Chief Medical Officers of other medical device companies and shall consider upward adjustments or enhancements to Executive's compensation, including additional adjustments to the Base Salary and Bonuses (as hereinafter defined), based on the findings of the annual review, the performance of the Company, the performance of the Executive, or any other factor. The Board shall retain sole discretion to determine if Executive's annual compensation shall be increased. As used in this Agreement, "Bonus" shall mean any form of non-severance compensation that is service and performance-based, and that the Company provides or awards to Executive that is not included in the definition of Base Salary, and would not be deemed "wages" or "base pay" under applicable state law, or that is not provided or awarded pursuant to Sections 4(f)–(g) herein.

(d) Special One-Time Incentive Payment. To reward past service, and incentivize Executive to remain with the Company for future service, a special one-time incentive payment of $[_0_____] shall be paid promptly in a single lump sum to Executive within two and one-half months after the later of the Start Date or the Effective Date, and such special one-time incentive payment will be subject to taxes and withholdings.

(e) Benefits. Executive shall be provided the opportunity to participate in any employee benefit plan the Company makes available to any other officer, director, or employee of the Company, including but not limited to health insurance, 401(k) plans, and life insurance, subject to the terms of those plans as in effect from time to time. In no event does this Agreement require the Company to maintain any particular employee benefit plan, and in no event will Executive be entitled to participate in any severance or separation pay plan, program, policy, or arrangement of the Company, as in effect from time to time, as this Agreement contains all the terms governing Executive's separation from the Company as well as any compensation or benefit due to Executive as a result of any such separation; provided, however, that if Executive remains employed by the Company after Expiration of this Agreement, and if a subsequent agreement is not entered into by the Company or any affiliate and Executive, then subject to the terms of any severance or separation pay plan or policy, Executive may participate in such plan or policy on employment termination.

(f) D & O Insurance. The Company shall secure and pay all premiums and other expenses associated with a directors and officers liability policy for Executive's benefit in an amount the Company reasonably deems sufficient considering, among other things, the Company's size and industry and Executive's duties.

(g) Expenses. The Company shall reimburse Executive for all reasonable expenses incurred by Executive in the course of performing Executive's duties under this Agreement, the Company's Bylaws, or at the direction or with the approval of the Board, provided such expenses are consistent with any written policy the Company put into effect prior to Executive incurring the expense(s). The Company shall also reimburse Executive for reasonable home office expenses including without limitation the purchase and maintenance of a home computer with linkup facilities to the Company, a home facsimile, printer, scanner, telephone, laptop computer, and mobile phone, together with any charges to setup, install, maintain, or use any of the foregoing.

(h) Special Deferred Bonus.

(i) Subject to the terms and conditions set forth in this Section 4(h), Executive shall be entitled to payment of a special deferred bonus (the "Deferred Bonus") in an amount equal to (i) the aggregate of the strike price or exercise price of all Stock Options, as defined hereinafter (the "Aggregate Strike Price") plus (ii) a tax gross-up payment on the Aggregate Strike Price reasonably calculated by the Company at the highest marginal rates so that after payment of all ordinary income taxes on such Aggregate Strike Price, there remains an amount sufficient to pay such ordinary income taxes (the "Gross-Up Payment"). "Stock Options" as used in this Agreement shall mean the 674,408 unexercised options to purchase stock or shares of the Company or its predecessors-in-interest held by Executive as of the Effective Date.

(ii) Subject to Section 4(h)(iii) herein, the Deferred Bonus shall be paid in substantially equal twenty percent (20%) installments (collectively, the "Annual Deferred Bonus Payments" and each an "Annual Deferred Bonus Payment") on January 2nd (or if such date falls on a weekend day or holiday, then on the last business day of the year) on each of 2024, 2025, 2026, 2027, and 2028 (collectively, the "Scheduled Payment Dates" and each a "Scheduled Payment Date") subject to withholding for taxes and other applicable deductions.

(iii) As a condition of the payment of each Annual Deferred Bonus Payment, Executive must, on or before the Scheduled Payment Date, exercise at least 134,881 of the Stock Options. For each Stock Option exercise during the years of Stock Option exercise set forth above, the corresponding Annual Deferred Bonus Payment, payable net of taxes withheld and applicable deductions, shall be used to offset the total strike price of the exercised Stock Options (if payment of the Annual Deferred Bonus Payment and exercise of the Stock Option are in the same year), which shall comprise payment of the applicable Annual Deferred Bonus Payment as compensation to Executive for the year of Stock Option exercise. Since the Stock Options are non-qualified stock options, on exercise, Executive understands that he will be liable for any taxes that may result should the fair market value exceed the strike price of the underlying stock at the time of exercise and accordingly, Executive will make arrangements for such tax liability to be paid, whether through the cash out of sufficient shares, withholding of other compensation due to him from the Company, or otherwise.

(iv) If Executive is terminated without Cause or he terminates his employment for any reason, (including in any event death or Disability), the remaining unpaid balance of the Deferred Bonus shall be paid to Executive in substantially equal installments on the remaining Scheduled Payment Dates, provided he exercises his vested Stock Options as scheduled prior to the Scheduled Payment Dates, and provided further that such exercise will not be permitted after expiration of the applicable Stock Option, and upon such expiration, any corresponding Deferred Bonus payment will be forfeited. If Executive's employment is terminated by the Company for Cause, then he will forfeit the balance of his Deferred Bonus that remains unpaid, whether or not vested.

(v) On a "Change in Control" (as defined below), Executive will fully vest in the unvested portion of his Deferred Bonus, and the remaining unpaid balance of the Deferred Bonus will be paid to Executive in a single lump sum within thirty (30) calendar days after a Change in Control, subject to withholding for taxes and applicable deductions. For purposes of this Agreement, "Change in Control" means the consummation of a transaction that constitutes a "change in the ownership" of the Company or a "change in the ownership of a substantial portion of the assets" of the Company within the meaning of Treasury Regulation Section 1.409A-3(i)(5)(v) or (vii), respectively.

(i) Vacation. Executive shall receive 20 days of paid time off ("PTO") per calendar year. Executive shall have sole discretion over when he uses any accrued PTO, provided Executive either provides reasonable advance notice of his absence or otherwise takes steps Executive believes are appropriate to ensure his absence does not materially and detrimentally impact Company operations or deprive the Company of opportunities of which Executive is aware. Should Executive accrue but not use some or all PTO during a calendar year, such PTO shall carry forward if permitted in accordance with the Company's PTO policy. If under the Company's PTO policy, accrued and unused PTO is paid to terminated employees, Executive's accrued and unused PTO payout will be at a rate of 1/260 of Executive's Base Salary at the time of termination.

5. Termination of Employment.

(a) Termination by the Company For Cause. Executive's employment with the Company may be terminated at any time by the Company for Cause (as defined herein). Upon such termination for Cause, the Company will only pay to Executive: (i) any unpaid Base Salary that has been earned at the time of such termination; (ii) reimbursement of any expenses properly incurred prior to the Executive's termination date; and (iii) accrued and unused PTO, if any, in accordance with the Company's PTO policy in effect on Executive's termination date (collectively, the "Accrued Compensation"). The Parties agree and acknowledge that if Executive is terminated for Cause, he will not be entitled to or owed any other compensation or benefits not listed in this Section 5(a) under this Agreement or otherwise. For purposes of this Agreement, "Cause" means Executive's:

(i) conviction for a crime involving violence, fraud, dishonesty, or financial impropriety;

(ii) willful engagement in misconduct or malfeasance in connection with Executive's employment with the Company;

(iii) willful failure to abide by a reasonable and express direction of the Board (which is not reasonably cured);

(iv) willful commission of a material breach of this Agreement (which is not reasonably cured); or

(v) intentional misrepresentation or concealment of a material fact to the Company or the Company's legal counsel, independent certified public accountants, or financial advisors, or to the public in any press release, public interview, or filing with any governmental agency.

Should the Parties disagree as to the Company's decision to terminate Executive's employment For Cause under this Section 5(a), Executive shall have the right to submit the dispute to binding arbitration within sixty (60) days of the termination date by serving a notice of arbitration on the Company. Such arbitration shall be conducted in Marion County, Indiana in accordance with the Employment Arbitration Rules of the American Arbitration Association in effect at the time of such dispute. If and when Executive serves on the Company a notice to initiate arbitration, the arbitration shall become mandatory and binding on the Parties. Nothing in this Section 5(a) prejudices the Parties rights to seek judicial relief or to submit to arbitration or mediation should Executive decline or fail initiate arbitration within sixty (60) days of the termination date, nor does it affect or prejudice the Parties rights arising out of or under any other part of this Agreement.

(b) Termination by the Company Without Cause. Executive's employment may also be terminated without Cause by the Company at any time. Upon Executive's termination without Cause by the Company, the Company shall:

(i) Pay Executive the Accrued Compensation (as defined in Section 5(a) herein); and

(ii) Pay a "Severance Payment" (as defined hereinafter in this Section 5(b)).

The amount of the "Severance Payment" shall be determined as follows:

(iii) If termination occurs during the Initial Term, the Company shall provide Executive with severance compensation in the form of salary continuation at Executive's Base Salary as of the termination date and ending the later of (i) six (6) months or (ii) on the expiration date of the Initial Term. The Company shall pay all amounts due under this Section 5(b)(iii) during the applicable severance period in accordance with the Company's customary payroll practices;

(iv) If termination occurs after the Initial Term, the Severance Payment shall be the amount equal to one half (1/2) of Executive's Base Salary as of the termination date. The Company shall pay all amounts due under this Section 5(b)(iv) in substantially equal monthly installments over the course of six (6) months following the termination date;

(v) If termination occurs during the Initial Term, payment of Executive's monthly COBRA premiums (which will be subject to taxes and applicable withholdings) for continuation of health coverage for eighteen (18) months post termination subject to Section 5(d) of this Agreement and Section 409A of the Internal Revenue Code ("Section 409A"), provided COBRA is applicable, and if COBRA is not applicable, payment of an amount (which will be subject to taxes and applicable withholdings) in substantially equal installments over eighteen (18) months that the Company reasonably determines is sufficient for Executive to pay the premiums on a health insurance plan reasonably equivalent to the Company group health plan Executive was enrolled in immediately preceding his termination date;

(vi) Payment of the unpaid balance of the Deferred Bonus in accordance with Section 4(h)(iv) above; and

(vii) The Severance Payment will be subject to withholding for taxes and other applicable deductions.

The Parties agree and acknowledge that Executive will not be entitled to or owed any other compensation or benefits not listed in this Section 5(b) under this Agreement or otherwise if he is terminated without Cause, or, as set forth below, if he terminates for Good Reason.

(c) Voluntary Termination by Executive or a termination for Good Reason.

(i) Executive may terminate his employment at any time without Good Reason, as hereinafter defined, upon not less than thirty (30) days' prior written notice to the Company; provided, that the Company may accelerate the Executive's employment termination date to the date on which the Executive gives the Company notice of termination or on any date between such dates, and such termination shall not be deemed a termination without Cause by the Company or a termination for Good Reason by Executive. In the event of termination by Executive without Good Reason pursuant to this Section 5(c), the Executive shall be paid the Accrued Compensation, and payment of the unpaid balance of the Deferred Bonus in accordance with Section 4(h)(iv) above and the Parties agree and acknowledge that Executive will not be entitled to or owed any other compensation over and above such amounts under this Agreement or otherwise. If Executive terminates his employment for Good Reason (defined herein), he shall receive the same benefits and payments to which he would be entitled upon termination of his employment by the Company without Cause under Section 5(b).

(ii) For purposes of this Agreement, Executive shall have "Good Reason" to voluntarily terminate his employment with the Company if, without Executive's express prior written consent, the Company materially (a) reduces Executive's Base Salary, unless such reduction is *pari passu* with reductions made to the compensation of all other Company executives; or (b) diminishes Executive's title, duties, or responsibilities; provided, however, that if any of the conditions in the foregoing clauses (a) or (b) exists, the Executive must provide notice to the Company no more than ninety (90) calendar days following the initial existence of the condition and his intention to terminate his employment for Good Reason. Upon such notice, the Company shall have a period of thirty (30) calendar days during which it may remedy the condition.

(d) General Release and Commencement of Payments. All amounts payable pursuant to this Section 5 (other than the Accrued Compensation) shall be conditioned upon the execution by Executive of a severance agreement that will include a general release of claims against the Company and its representatives as well as other obligations, provided the Company delivers such severance agreement to Executive within a reasonable time following termination. This severance agreement must be executed by Executive and delivered to the Company and become effective and non-revocable within sixty (60) calendar days following the date of termination. The payments set forth in Section 5(b) or 5(c), as applicable, shall commence on the first payroll date following the date that is sixty (60) calendar days following the date of termination, at which time Executive will receive a payment in an amount equal to the cumulative amount to which Executive would otherwise have been entitled had such payments commenced immediately following his date of employment termination.

6. Death or Disability. If Executive's employment is terminated as a result of death or Disability, Executive or Executive's representatives or beneficiaries, as applicable, shall be entitled to receive the Accrued Compensation and payment of the unpaid balance of the Deferred Bonus in accordance with Section 4(h)(iv) above. The Executive shall also be entitled to any extended continuation of coverage of health insurance under applicable law, and conversion rights of group life insurance benefits if provided by the group life insurance plan, if any, in which he participates. For purposes of this Agreement, "Disability" means if Executive (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees of the Company. In connection therewith, Executive hereby agrees that it is job-related and consistent with business necessity that he submit to any medical examination or examinations as may be reasonably requested by the Company for the purposes of determining the existence or absence of a Disability. The Parties agree that the definition if Disability herein shall only apply to payment of non-qualified deferred compensation and shall not be construed as a determination as to whether Executive is disabled within the meaning of the Americans with Disabilities Act ("ADA"), nor shall it be construed to mean that medical leave of absence for any period of time would be a reasonable accommodation under the ADA. The determination as to whether Executive is disabled under the ADA and what accommodations would be reasonable will be based on the particular facts and circumstances at the time of the disability event.

7. Confidential Information. As used herein, the term "Confidential Information" shall mean all information concerning the Company's (and its related entities' and affiliates) products, processes, services, customers, marketing strategy and business plans that Company disclosed to Executive or known by Executive solely by way of Executive's employment with the Company and that is not known in the Company's trade or industry. To the extent Confidential Information is disclosed in a public or non-confidential context other than as a result of Executive's intentional acts or omissions, such information is no longer protected as Confidential Information under this Agreement. Executive agrees that Executive shall not disclose to any unauthorized person or use for Executive's own account any Confidential Information without the prior written consent of the Company or the Board. Upon the termination of executive's employment with the Company or at any other time as the Company may request, Executive shall deliver to the Company , all memoranda, notes, plans, records, computer tapes and software and other documents and data (and copies thereof) containing any Confidential Information that Executive then possesses or that are under Executive's control. In the performance of his duties, the Executive will have access to confidential or proprietary information with respect to third parties which is subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes (the "Third-Party Information"). Except in the performance of his duties to the Company and/or its affiliates, the Executive shall not, during the Initial Term nor any time thereafter, directly or indirectly for any reason whatsoever, knowingly and intentionally disclose or use any such Third-Party Information without the Company's prior written consent.

8. Non-Solicitation of Employees and Other Representatives. During Executive's employment and for twenty-four (24) months after his separation from that employment for any reason, Executive will not, directly or indirectly encourage, solicit, induce (or attempt to encourage, solicit or induce) any employee or agent of the Company that was employed (or otherwise engaged) at the time of Executive's separation, who: (a) has access to, or possesses, Confidential Information, trade secrets, or other knowledge regarding the Company that could give a Competitor an unfair advantage, or (b) within the preceding two year period, has serviced or established goodwill with the Executive's clients or clients or acquired non-public information about those clients or clients, or (c) was someone Executive had worked with, or supervised in his last two years of employment, to terminate their employment or contractual relationship with the Company (or devote less than full time efforts to the Company's business). Further, Executive agrees that he will not directly or indirectly hire or attempt to hire any individual described in this Section 8 for any competitive position, or other position, with any competitor.

9. Non-Interference. During the term of his employment with the Company and for twenty-four (24) months thereafter, Executive will not request or advise any client of the Company or any person or entity having business dealings with the Company, to withdraw, curtail, or cease such business with the Company.

10. Non-Solicitation of Clients.

(a) During Executive's employment by the Company, Executive shall not, directly or indirectly, have any ownership interest in, work for, advise, manage, act as an agent or consultant for, or have any business connection or business or employment relationship with any entity or person which competes with Company.

In consideration of employment by Company, and in further consideration of the technical training and support services provided by the Company, and the technical, trade secret, and confidential information disclosed by the Company, Executive agrees that for a period of twenty-four (24) months after his separation from employment with Company for any reason, Executive will not, in a "Competitive Capacity" (as defined below) directly or indirectly, for Executive or for another person, proprietorship, partnership, corporation, or trust, or any other entity, as an individual or as an owner, employee, agent, officer, director, trustee, or in any other capacity:

(i) Solicit, divert (or attempt to solicit or divert) or accept Competitive Business from any existing client of the Company;

(ii) Solicit, divert (or attempt to solicit or divert) or accept Competitive Business from any existing client of the Company with whom Executive has had contact (either directly or indirectly) or over which he has had responsibility at any time in the one (1) year preceding his separation;

(iii) Solicit, divert (or attempt to solicit or divert) or accept Competitive Business from any existing client of the Company about whom Executive has obtained Confidential Information or trade secrets;

(iv) Solicit or divert (or attempt to solicit or divert) or accept Competitive Business from any identified prospective client of the Company;

(v) Solicit or divert (or attempt to solicit or divert) or accept Competitive Business from any identified prospective client of the Company with whom Executive had contact (either directly or indirectly) or over which he had responsibility at any time in the one (1) year period preceding his/her separation; or

(vi) Solicit or divert (or attempt to solicit or divert) or accept "Competitive Business" from any identified prospective client of the Company about whom Executive obtained Confidential Information.

(b) Competitive Capacity. For purposes of this Agreement, the term "Competitive Capacity" shall mean: (i) performing tasks or duties similar to those Executive performed in his last year of employment at the Company for a Competitor of the Company; (ii) managing/supervising those who, for a Competitor of the Company, perform tasks or duties similar to those which Executive performed in his last year of employment at the Company; or (iii) performing, on behalf of a Competitor of the Company, tasks or duties in which Executive would utilize any Confidential Information or trade secrets that he learned in the course of his relationship with the Company.

(c) Competitor. For purposes of this Agreement, the term "Competitor" shall mean those entities which are in the same industry as the Company, and which provide products or services that are similar to those provided by the Company during the one (1) year period preceding Executive's separation from employment.

(d) Competitive Business. For purposes if this Agreement, the term "Competitive Business" shall mean the marketing, sale or provision of products or services that directly compete against the products or services: (a) with which Executive was involved during his last year of employment with the Company; or (b) which the Company is developing, producing, marketing, selling or servicing (or plans to develop, produce, market, sell or service) and about which Executive gained any Confidential Information or trade secrets in the course of his employment with the Company.

11. Limited Noncompetition Provisions.

(a) During his employment by the Company, Executive shall not, directly or indirectly, have any ownership interest in, work for, advise, manage, act as an agent or consultant for, or have any business connection or business or employment relationship with any entity or person which competes with the Company.

(b) Moreover, for a period of twenty-four (24) months after his separation from the Company for any reason, Executive shall not:

(i) In or from the United States;

(ii) In or from any state in which the Company provides products or services;

(iii) in or from the geographic area in which the Company conducts business; or

(iv) in or from the geographic area in which he performed services on behalf of the Company or for which he was assigned responsibility, at any time within one (1) year preceding his separation;

directly or indirectly and in a competitive capacity own, manage, finance, operate, control or participate in ownership, management, or operation of, act as an agent, consultant, or be employed with, any business engaged in the design, manufacture, marketing, sale or servicing of any service or product:

- with which Executive was involved during his last year of employment with the Company; or
- which the Company is developing, producing, marketing, selling or servicing (or plans to develop, produce, market, sale or service) and about which Executive gained any Confidential Information in the course of his employment with the Company.

(c) Executive further agrees that for a period of twenty-four (24) months after his separation from the Company for any reason, he shall not directly or indirectly assist in the research and development of products where such research and development would be aided by any Confidential Information that he learned in the course of his relationship with the Company.

12. Enforcement. If, at any time of enforcement of Sections 7, 8, 9, 10, and 11 of this Agreement, a court holds that the restrictions stated herein are unreasonable under circumstances then existing, the Parties hereto agree that the maximum period or scope reasonable under such circumstances shall be substituted for the stated period or scope. Because Executive's services are unique and Executive has access to Confidential Information and because of the burdensome effect of the restrictive covenants herein on Executive's right and ability to find employment outside the Company, among other things, the Parties agree that money damages may be an inadequate remedy for any breach of this Agreement and, therefore, in the event of a breach or threatened breach of this Agreement, the enforcing Party or its successors or assigns may, in addition to other rights and remedies existing in their favor, apply to any court of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce, or prevent any violation of, the provisions hereof (without posting a bond or other security). The Parties further acknowledge and understand that the prevailing Party in any action to enforce the terms of this Agreement is entitled to recover its costs, expenses and attorneys' fees incurred in connection with such enforcement.

13. No Defense for Alleged Breach. The confidentiality, non-solicitation, and limited non-competition provisions of this Agreement shall be construed as independent of any other provision of this Agreement and shall survive the termination or Expiration of this Agreement. The existence of any claim or cause of action by Executive against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of Section 7 of this Agreement.

14. Executive's Representations and Warranties. Executive hereby represents and warrants to the Company that (i) the execution, delivery and performance of this Agreement by Executive does not and will not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which Executive is a party or by which Executive is bound; (ii) Executive is not a party to or bound by any employment agreement, non-compete agreement, or confidentiality agreement with any other person or entity that would be inconsistent with or breached by the execution or performance of this Agreement by Executive; and (iii) upon the execution and delivery of this Agreement by the Company, this Agreement shall be the valid and binding obligation of Executive, enforceable in accordance with its terms. Executive agrees and acknowledges that if the Company determines that he has not met the representations in this Section and/or has breached any such agreement or obligation to another person or entity outlined in this Section, it will be deemed a breach of this Agreement.

15. Company's Representations and Warranties. The Company hereby represents and warrants to Executive that (i) the execution, delivery and performance of this Agreement by the Company does not and will not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which the Company is a party or by which the Company is bound; (ii) the Company is a duly organized and existing corporation under the laws of the State of Delaware; (iv) the Company has secured all the necessary permissions and approvals to enter into and execute this Agreement and be bound by its terms; (v) the Company has had the opportunity to have this Agreement reviewed by a counsel of its choosing; and (vi) upon the execution and delivery of this Agreement by Executive, this Agreement shall be the valid and binding obligation of the Company, enforceable in accordance with its terms. The Company agrees and acknowledges that if Executive determines that the Company has not met the representations in this Section and/or has breached any such agreement or obligation to another person or entity outlined in this Section, it will be deemed a breach of this Agreement by the Company.

16. Assignability. The Parties agree and understand that this Agreement is personal in nature and as such neither Party may not assign this Agreement without the other Party's prior written consent.

17. Survival. Sections 7 through 25 shall survive and continue in full force in accordance with their terms notwithstanding any termination of Executive's employment or Expiration of this Agreement.

18. Notices. Any notice provided for in this Agreement shall be in writing and shall be either personally delivered by nationally recognized overnight courier service, or mailed by certified mail, return receipt requested, to the recipient at the address indicated below.

If to Executive:	Dr. Adrian Miranda [W250N8535 Watersedge Ct. [Sussex, WI 53089]
If to the Company:	NeurAxis, Inc. 829 South Adams Street PO Box 397 Versailles, IN 47042

or such other address or to the attention of such person as the recipient Party shall leave specified by prior written notice to the sending Party. Any notice under this Agreement will be deemed to have been given when so delivered or mailed.

19. Severability. The Parties expressly agree that the terms of this Agreement, including but not limited to Sections 1-11, are reasonable, enforceable, and necessary to protect the Parties' interests. In the unlikely event, however, that a court determines that any of the terms, provisions, or covenants contained in this Agreement are not enforceable, the court may limit the application of such term, provision, or covenant, or modify any such term, provision, or covenant and proceed to enforce the Agreement as so limited or modified, with the remaining provisions remaining in full force and effect. The Parties further agree that if any provision is susceptible of two or more constructions, one of which would render the provision unenforceable, then the provision shall be construed to have the meaning that renders it enforceable.

20. Complete Agreement. This Agreement embodies the complete agreement and understanding among the Parties and supersedes and preempts any prior understandings, agreements or representations by or among the Parties, written or oral, which may have related to the subject matter hereof in any way.

21. Counterparts. This Agreement may be executed by facsimile or e-mailed signature pages (including via PDF) in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

22. Choice of Law and Forum. This Agreement shall be governed by and construed in accordance with the laws of the State of Indiana, without giving effect to any choice or conflicts of laws, provisions, or rules that would require the applicable laws of any other jurisdiction. Subject to the limited exceptions defined in Section 5(a) herein, any action seeking to enforce any provision of, or based on any right arising out of, this Agreement shall be brought in the courts of the State of Indiana located in Marion County, or if it has or can acquire jurisdiction, in the United States District Court for the Southern District of Indiana, and each of the Parties consents to the jurisdiction of such courts (and the appropriate appellate courts) in any such action and waives any objection to venue laid therein.

23. Amendment and Waiver. The provisions of this Agreement may be amended or waived only with the prior written consent of the Company and Executive, and no course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effort or enforceability of this Agreement.

24. Golden Parachute Excise Tax.

(a) Calculation of After-Tax Amounts. To the extent that any of the payments and benefits provided for under this Agreement or any other agreement or arrangement between the Company and Executive (collectively, the "Payments") (i) constitute a "parachute payment" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code") and (ii) would be subject to the excise tax imposed by Code Section 4999, then the Payments shall be payable either (1) in full, or (2) as to such lesser amount which would result in no portion of such Payments being subject to excise tax under Code Section 4999; whichever of the foregoing amounts, taking into account the applicable federal, state and local income and other taxes and the excise tax imposed by Section 4999, results in Executive's receipt on an after-tax basis, of the greatest amount of payments and benefits under this Agreement and otherwise, notwithstanding that all or some portion of such payments and benefits may be taxable under Code Section 4999 (the "Greater Payment"); provided, however, that if the Greater Payment is calculated to be payment in full under clause (1), in order to be paid in full to Executive, it must exceed the reduced payment under clause (2) of this paragraph by at least twenty percent (20%), and if it does not so exceed the reduced payment described in clause (2) by at least twenty percent (20%), then the reduced payment of clause (2) that will not trigger the excise tax under Code Section 4999 will apply and be paid to Executive even though clause (1) provides the Greater Payment.

(b) Accounting Firm. Any determination required under this Section 24 shall be made by an independent public accounting firm (the "Accounting Firm") jointly selected by the Company and Executive, and paid for by the Company. The Accounting Firm shall be a nationally recognized United States public accounting firm that has not, during the two (2) years preceding the date of its selection, acted in any way on behalf of the Company or any affiliate thereof. The determination of the Accounting Firm shall be conclusive and binding upon Executive and the Company for all purposes.

(c) Shareholder Approval Exemption. If any Payments would be reduced pursuant to clause (2) of Section 24(a) above, but would not be so reduced if the shareholder approval requirements (if applicable) of Code Section 280G(b)(5) were satisfied, the Company shall use its reasonable best efforts to cause such Payments to be submitted for such approval prior to the event giving rise to such Payments.

25. Notice of Immunity. The law provides that: (i) no person shall be held liable under trade secret law for disclosing a trade secret in confidence to a government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law; or in a filing in a lawsuit or other proceeding, if such filing is made under seal; and (ii) an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to his or her attorney and use it in the court proceeding, if the individual files any document containing the trade secret under seal; and does not disclose it, except pursuant to court order. To the extent Executive suspects a violation of the law, the Executive should report his suspicion to the Board. Nothing in this Section shall be interpreted to prevent Executive from claiming immunity in connection with the disclosure of a trade secret, Confidential Information, or other protected information made under the good faith belief that such disclosure is permitted under applicable law, including any whistleblower or similar laws, notwithstanding the provisions of this Agreement to the contrary.

26. Section 409A.

(a) It is the Parties' intent, that if possible, the payments and benefits provided under this Agreement shall be exempt from the requirements of Section 409A including without limitation, exemptions pursuant to the short term deferral exception to Section 409A or the separation pay exceptions to Section 409A.

(a) Notwithstanding anything herein to the contrary, if Executive is a "specified employee" as of the date of termination as defined in Section 409A of the Code (and any related regulations or other pronouncements thereunder) and the deferral of the commencement of any payments or benefits not otherwise exempt from 409A and otherwise payable hereunder as a result of such termination of employment is necessary in order to prevent any accelerated or additional tax under Section 409A of the Code, then such payments or benefits shall commence to be made on the second regularly scheduled payroll date following the six-month anniversary of the termination date (or the earliest date as is permitted under Section 409A of the Code) (the "Delayed Commencement Date") and to the extent the Company has agreed to pay any part of the benefits, such as COBRA premiums, Executive shall pay the cost of such benefits until the Delayed Commencement Date. Any installment payments that are delayed pursuant to the preceding sentence shall be accumulated and paid in a lump sum on the Delayed Commencement Date, and the remaining installment payments shall be paid in accordance with the schedules provided under this Agreement or otherwise, as applicable. All delayed installment payments shall accrue interest at a rate of 3% per annum running from the date such payments would have been made had they not been delayed.

(b) Notwithstanding anything to the contrary in this Agreement, in-kind benefits and reimbursements provided under this Agreement during any tax year of Executive shall not affect in-kind benefits or reimbursements to be provided in any other tax year of Executive, except for the reimbursement of medical expenses referred to in Section 105(b) of the Code, and are not subject to liquidation or exchange for another benefit. In no event shall Executive be entitled to any reimbursement payments after December 31st of the calendar year following the calendar year in which the expense was incurred. The amount of such expenses eligible for payment or reimbursement in any year will not affect the amount of such expenses eligible for payment or reimbursement in any other year. No benefit or payment will be exchanged or liquidated for another benefit or payment. This paragraph shall only apply to benefits and reimbursements that would result in taxable compensation income to Executive.

(c) The tax treatment of the benefits provided under this Agreement is not warranted or guaranteed. The Company nor any affiliates nor their respective directors, officers, employees or advisers shall be held liable for any taxes, interest, penalties or other monetary amounts owed by the Executive (or any other individual claiming a benefit through the Executive) as a result of this Agreement.

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

COMPANY: NeurAxis, Inc.

By: */s/ Brian Carrico*

EXECUTIVE:

/s/ Adrian Miranda

Dr. Adrian Miranda

Exhibit 10.14

EXECUTIVE EMPLOYMENT AGREEMENT

THIS EXECUTIVE EMPLOYMENT AGREEMENT (the "Agreement") is entered into as of **August 9th 2022** (the "Effective Date") by and between NeurAxis, Inc., a Delaware corporation, (the "Company" or "NeurAxis") and Thomas J. Carrico, an individual ("Executive"). Each of the Company and Executive may be referred to herein as a "Party" or collectively as the "Parties").

RECITALS

WHEREAS, the Company has offered Executive and Executive has accepted the position of Chief Regulatory Officer;

WHEREAS, the Parties agree it is in the Company's best interest that Executive serve as the Company's Chief Regulatory Officer;

WHEREAS, by virtue of his position with the Company, Executive will gain knowledge of, and access to, certain valuable, confidential, and proprietary business and technical information with respect to the operations, clients, products, and services of the Company;

WHEREAS, the Company desires to protect against unfair competition and the unauthorized disclosure of its valuable, confidential, and proprietary business and technical information; and

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

AGREEMENT

1. Employment. The Company shall employ Executive upon the terms and conditions set forth in this Agreement for the period beginning on October 1, 2022 (the "Start Date") and ending as provided in Section 2 hereof (the "Employment Period").

2. Term. The Employment Period shall be for two (2) years from the Start Date unless Executive's employment is terminated earlier in accordance with Sections 5 or 6 of this Agreement (the "Initial Term"). The Initial Term shall automatically be renewed for consecutive one (1) year terms at the end of the Initial Term and every one (1) year term thereafter unless either Party sends notice to the other Party, not more than one hundred eighty (180) days and not less than ninety (90) days before the end of the then existing term of employment, of such Party's desire to terminate the Agreement at the end of the then existing term (an "Expiration"), in which case this Agreement will terminate at the end of the then existing term unless the Parties agree in writing to an earlier termination date in accordance with the terms herein. For the avoidance of doubt, Expiration does not necessarily mean Executive's employment terminates, and in the event of Expiration without employment termination, Executive will not be entitled to payments and benefits set forth in Section 5(b) of this Agreement. For purposes of clarity, any employment termination event prior to Expiration is governed by this Agreement.

3. Position and Duties.

(a) During his employment, Executive shall serve as Chief Regulatory Officer of the Company and shall have the normal and reasonable duties, responsibilities and authority commensurate with such position as determined by the Company's Board of Directors (the "Board") or any officer or committee duly authorized by the Board.

(b) Executive shall report to the Board and any officer or committee to which the Board delegates oversight responsibility for Executive's position. Executive shall devote Executive's reasonable best efforts and Executive's full business time and attention to the business and affairs of the Company. Executive shall perform Executive's duties and responsibilities to the best of Executive's abilities in a reasonably diligent, trustworthy, businesslike, and efficient manner. Notwithstanding the foregoing, Executive may manage personal and family investments, engage in community, charitable, professional and educational activities, and, with the prior written consent of the Board, serve on the board of directors (or comparable governing body), and any board committees, of for-profit businesses that do not compete with the Company, provided that such activities do not interfere with the performance of Executive's duties for the Company.

4. Compensation and Benefits.

(a) Base Salary. Executive's annualized base salary shall be $275,000 (the "Base Salary"), which shall be payable in accordance with the Company's general payroll practices, including those related to taxes and withholdings.

(b) Intentionally Omitted.

(c) Discretionary Adjustments to Annual Compensation. The Board or any committee duly authorized by the Board shall perform an annual review of the compensation provided to the Chief Regulatory Officers of other medical device companies and shall consider upward adjustments or enhancements to Executive's compensation, including additional adjustments to the Base Salary and Bonuses (as hereinafter defined), based on the findings of the annual review, the performance of the Company, the performance of the Executive, or any other factor. The Board shall retain sole discretion to determine if Executive's annual compensation shall be increased. As used in this Agreement, "Bonus" shall mean any form of non-severance compensation that is service and performance-based, and that the Company provides or awards to Executive that is not included in the definition of Base Salary, and would not be deemed "wages" or "base pay" under applicable state law, or that is not provided or awarded pursuant to Sections 4(f)–(g) herein.

(d) Special One-Time Incentive Payment. To reward past service, and incentivize Executive to remain with the Company for future service, a special one-time incentive payment of $141,243.17 shall be paid promptly in a single lump sum to Executive within two and one-half months after the later of the Start Date or the Effective Date, and such special one-time incentive payment will be subject to taxes and withholdings.

(e) Benefits. Executive shall be provided the opportunity to participate in any employee benefit plan the Company makes available to any other officer, director, or employee of the Company, including but not limited to health insurance, 401(k) plans, and life insurance, subject to the terms of those plans as in effect from time to time. In no event does this Agreement require the Company to maintain any particular employee benefit plan, and in no event will Executive be entitled to participate in any severance or separation pay plan, program, policy, or arrangement of the Company, as in effect from time to time, as this Agreement contains all the terms governing Executive's separation from the Company as well as any compensation or benefit due to Executive as a result of any such separation; provided, however, that if Executive remains employed by the Company after Expiration of this Agreement, and if a subsequent agreement is not entered into by the Company or any affiliate and Executive, then subject to the terms of any severance or separation pay plan or policy, Executive may participate in such plan or policy on employment termination.

(f) D & O Insurance. The Company shall secure and pay all premiums and other expenses associated with a directors and officers liability policy for Executive's benefit in an amount the Company reasonably deems sufficient considering, among other things, the Company's size and industry and Executive's duties.

(g) Expenses. The Company shall reimburse Executive for all reasonable expenses incurred by Executive in the course of performing Executive's duties under this Agreement, the Company's Bylaws, or at the direction or with the approval of the Board, provided such expenses are consistent with any written policy the Company put into effect prior to Executive incurring the expense(s). The Company shall also reimburse Executive for (i) reasonable home office expenses including without limitation the purchase and maintenance of a home computer with linkup facilities to the Company, a home facsimile, printer, scanner, telephone, laptop computer, and mobile phone, together with any charges to setup, install, maintain, or use any of the foregoing; and (ii) Medicare, Medicare Supplement and prescription drug coverage insurance premiums (which will be subject to taxes and applicable withholdings).

(h) Special Deferred Bonus.

(i) Subject to the terms and conditions set forth in this Section 4(h), Executive shall be entitled to payment of a special deferred bonus (the "Deferred Bonus") in an amount equal to (i) the aggregate of the strike price or exercise price of all Stock Options, as defined hereinafter (the "Aggregate Strike Price") plus (ii) a tax gross-up payment on the Aggregate Strike Price reasonably calculated by the Company at the highest marginal rates so that after payment of all ordinary income taxes on such Aggregate Strike Price, there remains an amount sufficient to pay such ordinary income taxes (the "Gross-Up Payment"). "Stock Options" as used in this Agreement shall mean the 612,472 unexercised options to purchase stock or shares of the Company or its predecessors-in-interest held by Executive as of the Effective Date.

(ii) Subject to Section 4(h)(iii) herein, the Deferred Bonus shall be paid in substantially equal twenty percent (20%) installments (collectively, the "Annual Deferred Bonus Payments" and each an "Annual Deferred Bonus Payment") on January 2nd (or if such date falls on a weekend day or holiday, then on the last business day of the year) on each of 2024, 2025, 2026, 2027, and 2028 (collectively, the "Scheduled Payment Dates" and each a "Scheduled Payment Date") subject to withholding for taxes and other applicable deductions.

(iii) As a condition of the payment of each Annual Deferred Bonus Payment, Executive must, on or before the Scheduled Payment Date, exercise at least 122,494 of the Stock Options. For each Stock Option exercise during the years of Stock Option exercise set forth above, the corresponding Annual Deferred Bonus Payment, payable net of taxes withheld and applicable deductions, shall be used to offset the total strike price of the exercised Stock Options (if payment of the Annual Deferred Bonus Payment and exercise of the Stock Option are in the same year), which shall comprise payment of the applicable Annual Deferred Bonus Payment as compensation to Executive for the year of Stock Option exercise. Since the Stock Options are non-qualified stock options, on exercise, Executive understands that he will be liable for any taxes that may result should the fair market value exceed the strike price of the underlying stock at the time of exercise and accordingly, Executive will make arrangements for such tax liability to be paid, whether through the cash out of sufficient shares, withholding of other compensation due to him from the Company, or otherwise.

(iv) If Executive is terminated without Cause or he terminates his employment for any reason, (including in any event death or Disability), the remaining unpaid balance of the Deferred Bonus shall be paid to Executive or Executive's representatives or beneficiaries, as applicable, in substantially equal installments on the remaining Scheduled Payment Dates, provided he exercises his vested Stock Options as scheduled prior to the Scheduled Payment Dates, and provided further that such exercise will not be permitted after expiration of the applicable Stock Option, and upon such expiration, any corresponding Deferred Bonus payment will be forfeited. If Executive's employment is terminated by the Company for Cause, then he will forfeit the balance of his Deferred Bonus that remains unpaid, whether or not vested.

(v) On a "Change in Control" (as defined below), Executive will fully vest in the unvested portion of his Deferred Bonus, and the remaining unpaid balance of the Deferred Bonus will be paid to Executive in a single lump sum within thirty (30) calendar days after a Change in Control, subject to withholding for taxes and applicable deductions. For purposes of this Agreement, "Change in Control" means the consummation of a transaction that constitutes a "change in the ownership" of the Company or a "change in the ownership of a substantial portion of the assets" of the Company within the meaning of Treasury Regulation Section 1.409A-3(i)(5)(v) or (vii), respectively.

(i) Vacation. Executive shall receive 20 days of paid time off ("PTO") per calendar year. Executive shall have sole discretion over when he uses any accrued PTO, provided Executive either provides reasonable advance notice of his absence or otherwise takes steps Executive believes are appropriate to ensure his absence does not materially and detrimentally impact Company operations or deprive the Company of opportunities of which Executive is aware. Should Executive accrue but not use some or all PTO during a calendar year, such PTO shall carry forward if permitted in accordance with the Company's PTO policy. If under the Company's PTO policy, accrued and unused PTO is paid to terminated employees, Executive's accrued and unused PTO payout will be at a rate of 1/260 of Executive's Base Salary at the time of termination.

5. Termination of Employment.

(a) Termination by the Company For Cause. Executive's employment with the Company may be terminated at any time by the Company for Cause (as defined herein). Upon such termination for Cause, the Company will only pay to Executive: (i) any unpaid Base Salary that has been earned at the time of such termination; (ii) reimbursement of any expenses properly incurred prior to the Executive's termination date; and (iii) accrued and unused PTO, if any, in accordance with the Company's PTO policy in effect on Executive's termination date (collectively, the "Accrued Compensation"). The Parties agree and acknowledge that if Executive is terminated for Cause, he will not be entitled to or owed any other compensation or benefits not listed in this Section 5(a) under this Agreement or otherwise. For purposes of this Agreement, "Cause" means Executive's:

(i) conviction for a crime involving violence, fraud, dishonesty, or financial impropriety;

(ii) willful engagement in misconduct or malfeasance in connection with Executive's employment with the Company;

(iii) willful failure to abide by a reasonable and express direction of the Board (which is not reasonably cured);

(iv) willful commission of a material breach of this Agreement (which is not reasonably cured); or

(v) intentional misrepresentation or concealment of a material fact to the Company or the Company's legal counsel, independent certified public accountants, or financial advisors, or to the public in any press release, public interview, or filing with any governmental agency.

Should the Parties disagree as to the Company's decision to terminate Executive's employment For Cause under this Section 5(a), Executive shall have the right to submit the dispute to binding arbitration within sixty (60) days of the termination date by serving a notice of arbitration on the Company. Such arbitration shall be conducted in Marion County, Indiana in accordance with the Employment Arbitration Rules of the American Arbitration Association in effect at the time of such dispute. If and when Executive serves on the Company a notice to initiate arbitration, the arbitration shall become mandatory and binding on the Parties. Nothing in this Section 5(a) prejudices the Parties rights to seek judicial relief or to submit to arbitration or mediation should Executive decline or fail initiate arbitration within sixty (60) days of the termination date, nor does it affect or prejudice the Parties rights arising out of or under any other part of this Agreement.

(b) Termination by the Company Without Cause. Executive's employment may also be terminated without Cause by the Company at any time. Upon Executive's termination without Cause by the Company, the Company shall:

(i) Pay Executive the Accrued Compensation (as defined in Section 5(a) herein); and

(ii) Pay a "Severance Payment" (as defined hereinafter in this Section 5(b)).

The amount of the "Severance Payment" shall be determined as follows:

(iii) If termination occurs during the Initial Term, the Company shall provide Executive with severance compensation in the form of salary continuation at Executive's Base Salary as of the termination date and ending the later of (i) six (6) months or (ii) on the expiration date of the Initial Term. The Company shall pay all amounts due under this Section 5(b)(iii) during the applicable severance period in accordance with the Company's customary payroll practices;

(iv) If termination occurs after the Initial Term, the Severance Payment shall be the amount equal to one half (1/2) of Executive's Base Salary as of the termination date. The Company shall pay all amounts due under this Section 5(b)(iv) in substantially equal monthly installments over the course of six (6) months following the termination date;

(v) If termination occurs during the Initial Term, reimbursement of Executive's Medicare, Medicare Supplement and prescription drug coverage insurance premiums (which will be subject to taxes and applicable withholdings) for continuation of health coverage for eighteen (18) months post termination subject to Section 5(d) of this Agreement and Section 409A of the Internal Revenue Code ("Section 409A");

(vi) Payment of the unpaid balance of the Deferred Bonus in accordance with Section 4(h)(iv) above; and

(vii) The Severance Payment will be subject to withholding for taxes and other applicable deductions.

The Parties agree and acknowledge that Executive will not be entitled to or owed any other compensation or benefits not listed in this Section 5(b) under this Agreement or otherwise if he is terminated without Cause, or, as set forth below, if he terminates for Good Reason.

(c) Voluntary Termination by Executive or a termination for Good Reason.

(i) Executive may terminate his employment at any time without Good Reason, as hereinafter defined, upon not less than thirty (30) days' prior written notice to the Company; provided, that the Company may accelerate the Executive's employment termination date to the date on which the Executive gives the Company notice of termination or on any date between such dates, and such termination shall not be deemed a termination without Cause by the Company or a termination for Good Reason by Executive. In the event of termination by Executive without Good Reason pursuant to this Section 5(c), the Executive shall be paid the Accrued Compensation, and payment of the unpaid balance of the Deferred Bonus in accordance with Section 4(h)(iv) above and the Parties agree and acknowledge that Executive will not be entitled to or owed any other compensation over and above such amounts under this Agreement or otherwise. If Executive terminates his employment for Good Reason (defined herein), he shall receive the same benefits and payments to which he would be entitled upon termination of his employment by the Company without Cause under Section 5(b).

(ii) For purposes of this Agreement, Executive shall have "Good Reason" to voluntarily terminate his employment with the Company if, without Executive's express prior written consent, the Company materially (a) reduces Executive's Base Salary, unless such reduction is *pari passu* with reductions made to the compensation of all other Company executives; or (b) diminishes Executive's title, duties, or responsibilities; provided, however, that if any of the conditions in the foregoing clauses (a) or (b) exists, the Executive must provide notice to the Company no more than ninety (90) calendar days following the initial existence of the condition and his intention to terminate his employment for Good Reason. Upon such notice, the Company shall have a period of thirty (30) calendar days during which it may remedy the condition.

(d) General Release and Commencement of Payments. All amounts payable pursuant to this Section 5 (other than the Accrued Compensation) shall be conditioned upon the execution by Executive of a severance agreement that will include a general release of claims against the Company and its representatives as well as other obligations, provided the Company delivers such severance agreement to Executive within a reasonable time following termination. This severance agreement must be executed by Executive and delivered to the Company and become effective and non-revocable within sixty (60) calendar days following the date of termination. The payments set forth in Section 5(b) or 5(c), as applicable, shall commence on the first payroll date following the date that is sixty (60) calendar days following the date of termination, at which time Executive will receive a payment in an amount equal to the cumulative amount to which Executive would otherwise have been entitled had such payments commenced immediately following his date of employment termination.

6. Death or Disability. If Executive's employment is terminated as a result of death or Disability, Executive or Executive's representatives or beneficiaries, as applicable, shall be entitled to receive the Accrued Compensation and payment of the unpaid balance of the Deferred Bonus in accordance with Section 4(h)(iv) above. The Executive shall also be entitled to any extended continuation of coverage of health insurance under applicable law, and conversion rights of group life insurance benefits if provided by the group life insurance plan, if any, in which he participates. For purposes of this Agreement, "Disability" means if Executive (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees of the Company. In connection therewith, Executive hereby agrees that it is job-related and consistent with business necessity that he submit to any medical examination or examinations as may be reasonably requested by the Company for the purposes of determining the existence or absence of a Disability. The Parties agree that the definition if Disability herein shall only apply to payment of non-qualified deferred compensation and shall not be construed as a determination as to whether Executive is disabled within the meaning of the Americans with Disabilities Act ("ADA"), nor shall it be construed to mean that medical leave of absence for any period of time would be a reasonable accommodation under the ADA. The determination as to whether Executive is disabled under the ADA and what accommodations would be reasonable will be based on the particular facts and circumstances at the time of the disability event.

7. Confidential Information. As used herein, the term "Confidential Information" shall mean all information concerning the Company's (and its related entities' and affiliates) products, processes, services, customers, marketing strategy and business plans that Company disclosed to Executive or known by Executive solely by way of Executive's employment with the Company and that is not known in the Company's trade or industry. To the extent Confidential Information is disclosed in a public or non-confidential context other than as a result of Executive's intentional acts or omissions, such information is no longer protected as Confidential Information under this Agreement. Executive agrees that Executive shall not disclose to any unauthorized person or use for Executive's own account any Confidential Information without the prior written consent of the Company or the Board. Upon the termination of executive's employment with the Company or at any other time as the Company may request, Executive shall deliver to the Company , all memoranda, notes, plans, records, computer tapes and software and other documents and data (and copies thereof) containing any Confidential Information that Executive then possesses or that are under Executive's control. In the performance of his duties, the Executive will have access to confidential or proprietary information with respect to third parties which is subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes (the "Third-Party Information"). Except in the performance of his duties to the Company and/or its affiliates, the Executive shall not, during the Initial Term nor any time thereafter, directly or indirectly for any reason whatsoever, knowingly and intentionally disclose or use any such Third-Party Information without the Company's prior written consent.

8. Non-Solicitation of Employees and Other Representatives. During Executive's employment and for twenty-four (24) months after his separation from that employment for any reason, Executive will not, directly or indirectly encourage, solicit, induce (or attempt to encourage, solicit or induce) any employee or agent of the Company that was employed (or otherwise engaged) at the time of Executive's separation, who: (a) has access to, or possesses, Confidential Information, trade secrets, or other knowledge regarding the Company that could give a Competitor an unfair advantage, or (b) within the preceding two year period, has serviced or established goodwill with the Executive's clients or clients or acquired non-public information about those clients or clients, or (c) was someone Executive had worked with, or supervised in his last two years of employment, to terminate their employment or contractual relationship with the Company (or devote less than full time efforts to the Company's business). Further, Executive agrees that he will not directly or indirectly hire or attempt to hire any individual described in this Section 8 for any competitive position, or other position, with any competitor.

9. Non-Interference. During the term of his employment with the Company and for twenty-four (24) months thereafter, Executive will not request or advise any client of the Company or any person or entity having business dealings with the Company, to withdraw, curtail, or cease such business with the Company.

10. Non-Solicitation of Clients.

(a) During Executive's employment by the Company, Executive shall not, directly or indirectly, have any ownership interest in, work for, advise, manage, act as an agent or consultant for, or have any business connection or business or employment relationship with any entity or person which competes with Company.

In consideration of employment by Company, and in further consideration of the technical training and support services provided by the Company, and the technical, trade secret, and confidential information disclosed by the Company, Executive agrees that for a period of twenty-four (24) months after his separation from employment with Company for any reason, Executive will not, in a "Competitive Capacity" (as defined below) directly or indirectly, for Executive or for another person, proprietorship, partnership, corporation, or trust, or any other entity, as an individual or as an owner, employee, agent, officer, director, trustee, or in any other capacity:

(i) Solicit, divert (or attempt to solicit or divert) or accept Competitive Business from any existing client of the Company;

(ii) Solicit, divert (or attempt to solicit or divert) or accept Competitive Business from any existing client of the Company with whom Executive has had contact (either directly or indirectly) or over which he has had responsibility at any time in the one (1) year preceding his separation;

(iii) Solicit, divert (or attempt to solicit or divert) or accept Competitive Business from any existing client of the Company about whom Executive has obtained Confidential Information or trade secrets;

(iv) Solicit or divert (or attempt to solicit or divert) or accept Competitive Business from any identified prospective client of the Company;

(v) Solicit or divert (or attempt to solicit or divert) or accept Competitive Business from any identified prospective client of the Company with whom Executive had contact (either directly or indirectly) or over which he had responsibility at any time in the one (1) year period preceding his/her separation; or

(vi) Solicit or divert (or attempt to solicit or divert) or accept "Competitive Business" from any identified prospective client of the Company about whom Executive obtained Confidential Information.

(b) Competitive Capacity. For purposes of this Agreement, the term "Competitive Capacity" shall mean: (i) performing tasks or duties similar to those Executive performed in his last year of employment at the Company for a Competitor of the Company; (ii) managing/supervising those who, for a Competitor of the Company, perform tasks or duties similar to those which Executive performed in his last year of employment at the Company; or (iii) performing, on behalf of a Competitor of the Company, tasks or duties in which Executive would utilize any Confidential Information or trade secrets that he learned in the course of his relationship with the Company.

(c) Competitor. For purposes of this Agreement, the term "Competitor" shall mean those entities which are in the same industry as the Company, and which provide products or services that are similar to those provided by the Company during the one (1) year period preceding Executive's separation from employment.

(d) Competitive Business. For purposes if this Agreement, the term "Competitive Business" shall mean the marketing, sale or provision of products or services that directly compete against the products or services: (a) with which Executive was involved during his last year of employment with the Company; or (b) which the Company is developing, producing, marketing, selling or servicing (or plans to develop, produce, market, sell or service) and about which Executive gained any Confidential Information or trade secrets in the course of his employment with the Company.

11. Limited Noncompetition Provisions.

(a) During his employment by the Company, Executive shall not, directly or indirectly, have any ownership interest in, work for, advise, manage, act as an agent or consultant for, or have any business connection or business or employment relationship with any entity or person which competes with the Company.

(b) Moreover, for a period of twenty-four (24) months after his separation from the Company for any reason, Executive shall not:

(i) In or from the United States;

(ii) In or from any state in which the Company provides products or services;

(iii) in or from the geographic area in which the Company conducts business; or

(iv) in or from the geographic area in which he performed services on behalf of the Company or for which he was assigned responsibility, at any time within one (1) year preceding his separation;

directly or indirectly and in a competitive capacity own, manage, finance, operate, control or participate in ownership, management, or operation of, act as an agent, consultant, or be employed with, any business engaged in the design, manufacture, marketing, sale or servicing of any service or product:

- with which Executive was involved during his last year of employment with the Company; or
- which the Company is developing, producing, marketing, selling or servicing (or plans to develop, produce, market, sale or service) and about which Executive gained any Confidential Information in the course of his employment with the Company.

(c) Executive further agrees that for a period of twenty-four (24) months after his separation from the Company for any reason, he shall not directly or indirectly assist in the research and development of products where such research and development would be aided by any Confidential Information that he learned in the course of his relationship with the Company.

12. Enforcement. If, at any time of enforcement of Sections 7, 8, 9, 10, and 11 of this Agreement, a court holds that the restrictions stated herein are unreasonable under circumstances then existing, the Parties hereto agree that the maximum period or scope reasonable under such circumstances shall be substituted for the stated period or scope. Because Executive's services are unique and Executive has access to Confidential Information and because of the burdensome effect of the restrictive covenants herein on Executive's right and ability to find employment outside the Company, among other things, the Parties agree that money damages may be an inadequate remedy for any breach of this Agreement and, therefore, in the event of a breach or threatened breach of this Agreement, the enforcing Party or its successors or assigns may, in addition to other rights and remedies existing in their favor, apply to any court of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce, or prevent any violation of, the provisions hereof (without posting a bond or other security). The Parties further acknowledge and understand that the prevailing Party in any action to enforce the terms of this Agreement is entitled to recover its costs, expenses and attorneys' fees incurred in connection with such enforcement.

13. No Defense for Alleged Breach. The confidentiality, non-solicitation, and limited non-competition provisions of this Agreement shall be construed as independent of any other provision of this Agreement and shall survive the termination or Expiration of this Agreement. The existence of any claim or cause of action by Executive against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of Section 7 of this Agreement.

14. Executive's Representations and Warranties. Executive hereby represents and warrants to the Company that (i) the execution, delivery and performance of this Agreement by Executive does not and will not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which Executive is a party or by which Executive is bound; (ii) Executive is not a party to or bound by any employment agreement, non-compete agreement, or confidentiality agreement with any other person or entity that would be inconsistent with or breached by the execution or performance of this Agreement by Executive; and (iii) upon the execution and delivery of this Agreement by the Company, this Agreement shall be the valid and binding obligation of Executive, enforceable in accordance with its terms. Executive agrees and acknowledges that if the Company determines that he has not met the representations in this Section and/or has breached any such agreement or obligation to another person or entity outlined in this Section, it will be deemed a breach of this Agreement.

15. Company's Representations and Warranties. The Company hereby represents and warrants to Executive that (i) the execution, delivery and performance of this Agreement by the Company does not and will not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which the Company is a party or by which the Company is bound; (ii) the Company is a duly organized and existing corporation under the laws of the State of Delaware; (iv) the Company has secured all the necessary permissions and approvals to enter into and execute this Agreement and be bound by its terms; (v) the Company has had the opportunity to have this Agreement reviewed by a counsel of its choosing; and (vi) upon the execution and delivery of this Agreement by Executive, this Agreement shall be the valid and binding obligation of the Company, enforceable in accordance with its terms. The Company agrees and acknowledges that if Executive determines that the Company has not met the representations in this Section and/or has breached any such agreement or obligation to another person or entity outlined in this Section, it will be deemed a breach of this Agreement by the Company.

16. Assignability. The Parties agree and understand that this Agreement is personal in nature and as such neither Party may not assign this Agreement without the other Party's prior written consent.

17. Survival. Sections 7 through 25 shall survive and continue in full force in accordance with their terms notwithstanding any termination of Executive's employment or Expiration of this Agreement.

18. Notices. Any notice provided for in this Agreement shall be in writing and shall be either personally delivered by nationally recognized overnight courier service, or mailed by certified mail, return receipt requested, to the recipient at the address indicated below.

If to Executive: Thomas J. Carrico
1457 W 161st St
Westfield, IN 46074

If to the Company: NeurAxis, Inc.
829 South Adams Street
PO Box 397
Versailles, IN 47042

or such other address or to the attention of such person as the recipient Party shall leave specified by prior written notice to the sending Party. Any notice under this Agreement will be deemed to have been given when so delivered or mailed.

19. Severability. The Parties expressly agree that the terms of this Agreement, including but not limited to Sections 1-11, are reasonable, enforceable, and necessary to protect the Parties' interests. In the unlikely event, however, that a court determines that any of the terms, provisions, or covenants contained in this Agreement are not enforceable, the court may limit the application of such term, provision, or covenant, or modify any such term, provision, or covenant and proceed to enforce the Agreement as so limited or modified, with the remaining provisions remaining in full force and effect. The Parties further agree that if any provision is susceptible of two or more constructions, one of which would render the provision unenforceable, then the provision shall be construed to have the meaning that renders it enforceable.

20. Complete Agreement. This Agreement embodies the complete agreement and understanding among the Parties and supersedes and preempts any prior understandings, agreements or representations by or among the Parties, written or oral, which may have related to the subject matter hereof in any way.

21. Counterparts. This Agreement may be executed by facsimile or e-mailed signature pages (including via PDF) in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

22. Choice of Law and Forum. This Agreement shall be governed by and construed in accordance with the laws of the State of Indiana, without giving effect to any choice or conflicts of laws, provisions, or rules that would require the applicable laws of any other jurisdiction. Subject to the limited exceptions defined in Section 5(a) herein, any action seeking to enforce any provision of, or based on any right arising out of, this Agreement shall be brought in the courts of the State of Indiana located in Marion County, or if it has or can acquire jurisdiction, in the United States District Court for the Southern District of Indiana, and each of the Parties consents to the jurisdiction of such courts (and the appropriate appellate courts) in any such action and waives any objection to venue laid therein.

23. Amendment and Waiver. The provisions of this Agreement may be amended or waived only with the prior written consent of the Company and Executive, and no course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effort or enforceability of this Agreement.

24. Golden Parachute Excise Tax.

(a) Calculation of After-Tax Amounts. To the extent that any of the payments and benefits provided for under this Agreement or any other agreement or arrangement between the Company and Executive (collectively, the "Payments") (i) constitute a "parachute payment" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code") and (ii) would be subject to the excise tax imposed by Code Section 4999, then the Payments shall be payable either (1) in full, or (2) as to such lesser amount which would result in no portion of such Payments being subject to excise tax under Code Section 4999; whichever of the foregoing amounts, taking into account the applicable federal, state and local income and other taxes and the excise tax imposed by Section 4999, results in Executive's receipt on an after-tax basis, of the greatest amount of payments and benefits under this Agreement and otherwise, notwithstanding that all or some portion of such payments and benefits may be taxable under Code Section 4999 (the "Greater Payment"); provided, however, that if the Greater Payment is calculated to be payment in full under clause (1), in order to be paid in full to Executive, it must exceed the reduced payment under clause (2) of this paragraph by at least twenty percent (20%), and if it does not so exceed the reduced payment described in clause (2) by at least twenty percent (20%), then the reduced payment of clause (2) that will not trigger the excise tax under Code Section 4999 will apply and be paid to Executive even though clause (1) provides the Greater Payment.

(b) Accounting Firm. Any determination required under this Section 24 shall be made by an independent public accounting firm (the "Accounting Firm") jointly selected by the Company and Executive, and paid for by the Company. The Accounting Firm shall be a nationally recognized United States public accounting firm that has not, during the two (2) years preceding the date of its selection, acted in any way on behalf of the Company or any affiliate thereof. The determination of the Accounting Firm shall be conclusive and binding upon Executive and the Company for all purposes.

(c) Shareholder Approval Exemption. If any Payments would be reduced pursuant to clause (2) of Section 24(a) above, but would not be so reduced if the shareholder approval requirements (if applicable) of Code Section 280G(b)(5) were satisfied, the Company shall use its reasonable best efforts to cause such Payments to be submitted for such approval prior to the event giving rise to such Payments.

25. Notice of Immunity. The law provides that: (i) no person shall be held liable under trade secret law for disclosing a trade secret in confidence to a government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law; or in a filing in a lawsuit or other proceeding, if such filing is made under seal; and (ii) an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to his or her attorney and use it in the court proceeding, if the individual files any document containing the trade secret under seal; and does not disclose it, except pursuant to court order. To the extent Executive suspects a violation of the law, the Executive should report his suspicion to the Board. Nothing in this Section shall be interpreted to prevent Executive from claiming immunity in connection with the disclosure of a trade secret, Confidential Information, or other protected information made under the good faith belief that such disclosure is permitted under applicable law, including any whistleblower or similar laws, notwithstanding the provisions of this Agreement to the contrary.

26. Section 409A.

(a) It is the Parties' intent, that if possible, the payments and benefits provided under this Agreement shall be exempt from the requirements of Section 409A including without limitation, exemptions pursuant to the short term deferral exception to Section 409A or the separation pay exceptions to Section 409A.

(a) Notwithstanding anything herein to the contrary, if Executive is a "specified employee" as of the date of termination as defined in Section 409A of the Code (and any related regulations or other pronouncements thereunder) and the deferral of the commencement of any payments or benefits not otherwise exempt from 409A and otherwise payable hereunder as a result of such termination of employment is necessary in order to prevent any accelerated or additional tax under Section 409A of the Code, then such payments or benefits shall commence to be made on the second regularly scheduled payroll date following the six-month anniversary of the termination date (or the earliest date as is permitted under Section 409A of the Code) (the "Delayed Commencement Date") and to the extent the Company has agreed to pay any part of the benefits, such as COBRA premiums, Executive shall pay the cost of such benefits until the Delayed Commencement Date. Any installment payments that are delayed pursuant to the preceding sentence shall be accumulated and paid in a lump sum on the Delayed Commencement Date, and the remaining installment payments shall be paid in accordance with the schedules provided under this Agreement or otherwise, as applicable. All delayed installment payments shall accrue interest at a rate of 3% per annum running from the date such payments would have been made had they not been delayed.

(b) Notwithstanding anything to the contrary in this Agreement, in-kind benefits and reimbursements provided under this Agreement during any tax year of Executive shall not affect in-kind benefits or reimbursements to be provided in any other tax year of Executive, except for the reimbursement of medical expenses referred to in Section 105(b) of the Code, and are not subject to liquidation or exchange for another benefit. In no event shall Executive be entitled to any reimbursement payments after December 31st of the calendar year following the calendar year in which the expense was incurred. The amount of such expenses eligible for payment or reimbursement in any year will not affect the amount of such expenses eligible for payment or reimbursement in any other year. No benefit or payment will be exchanged or liquidated for another benefit or payment. This paragraph shall only apply to benefits and reimbursements that would result in taxable compensation income to Executive.

(c) The tax treatment of the benefits provided under this Agreement is not warranted or guaranteed. The Company nor any affiliates nor their respective directors, officers, employees or advisers shall be held liable for any taxes, interest, penalties or other monetary amounts owed by the Executive (or any other individual claiming a benefit through the Executive) as a result of this Agreement.

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

COMPANY: */s/ Brian Carrico*

By: Brian Carrico
President & CEO
NeurAxis, Inc.

EXECUTIVE: */s/ Thomas J. Carrico*

By: Thomas J. Carrico

Exhibit 10.15

EXECUTIVE EMPLOYMENT AGREEMENT

THIS EXECUTIVE EMPLOYMENT AGREEMENT (the "Agreement") is entered into as of August 9, 2022 (the "Effective Date") by and between NeurAxis, Inc., a Delaware corporation, (the "Company" or "NeurAxis") and Daniel Clarence, an individual ("Executive"). Each of the Company and Executive may be referred to herein as a "Party" or collectively as the "Parties").

RECITALS

WHEREAS, the Company has offered Executive and Executive has accepted the position of Chief Operating Officer;

WHEREAS, the Parties agree it is in the Company's best interest that Executive serve as the Company's Chief Operating Officer;

WHEREAS, by virtue of his position with the Company, Executive will gain knowledge of, and access to, certain valuable, confidential, and proprietary business and technical information with respect to the operations, clients, products, and services of the Company;

WHEREAS, the Company desires to protect against unfair competition and the unauthorized disclosure of its valuable, confidential, and proprietary business and technical information; and

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

AGREEMENT

1. Employment. The Company shall employ Executive upon the terms and conditions set forth in this Agreement for the period beginning on October 1, 2022 (the "Start Date") and ending as provided in Section 2 hereof (the "Employment Period").

2. Term. The Employment Period shall be for two (2) years from the Start Date unless Executive's employment is terminated earlier in accordance with Sections 5 or 6 of this Agreement (the "Initial Term"). The Initial Term shall automatically be renewed for consecutive one (1) year terms at the end of the Initial Term and every one (1) year term thereafter unless either Party sends notice to the other Party, not more than one hundred eighty (180) days and not less than ninety (90) days before the end of the then existing term of employment, of such Party's desire to terminate the Agreement at the end of the then existing term (an "Expiration"), in which case this Agreement will terminate at the end of the then existing term unless the Parties agree in writing to an earlier termination date in accordance with the terms herein. For the avoidance of doubt, Expiration does not necessarily mean Executive's employment terminates, and in the event of Expiration without employment termination, Executive will not be entitled to payments and benefits set forth in Section 5(b) of this Agreement. For purposes of clarity, any employment termination event prior to Expiration is governed by this Agreement.

3. Position and Duties.

(a) During his employment, Executive shall serve as Chief Operating Officer of the Company and shall have the normal and reasonable duties, responsibilities and authority commensurate with such position as determined by the Company's Board of Directors (the "Board") or any officer or committee duly authorized by the Board.

(b) Executive shall report to the Board and any officer or committee to which the Board delegates oversight responsibility for Executive's position. Executive shall devote Executive's reasonable best efforts and Executive's full business time and attention to the business and affairs of the Company. Executive shall perform Executive's duties and responsibilities to the best of Executive's abilities in a reasonably diligent, trustworthy, businesslike, and efficient manner. Notwithstanding the foregoing, Executive may manage personal and family investments, engage in community, charitable, professional and educational activities, and, with the prior written consent of the Board, serve on the board of directors (or comparable governing body), and any board committees, of for-profit businesses that do not compete with the Company, provided that such activities do not interfere with the performance of Executive's duties for the Company.

4. Compensation and Benefits.

(a) Base Salary. Executive's annualized base salary shall be $275,000 (the "Base Salary"), which shall be payable in accordance with the Company's general payroll practices, including those related to taxes and withholdings.

(b) Intentionally Omitted.

(c) Discretionary Adjustments to Annual Compensation. The Board or any committee duly authorized by the Board shall perform an annual review of the compensation provided to the Chief Operating Officers of other medical device companies and shall consider upward adjustments or enhancements to Executive's compensation, including additional adjustments to the Base Salary and Bonuses (as hereinafter defined), based on the findings of the annual review, the performance of the Company, the performance of the Executive, or any other factor. The Board shall retain sole discretion to determine if Executive's annual compensation shall be increased. As used in this Agreement, "Bonus" shall mean any form of non-severance compensation that is service and performance-based, and that the Company provides or awards to Executive that is not included in the definition of Base Salary and would not be deemed "wages" or "base pay" under applicable state law, or that is not provided or awarded pursuant to Sections 4(f)–(g) herein.

(d) Special One-Time Incentive Payment. To reward past service and incentivize Executive to remain with the Company for future service, a special one-time incentive payment of $116,897.24 shall be paid promptly in a single lump sum to Executive within two and one-half months after the later of the Start Date or the Effective Date, and such special one-time incentive payment will be subject to taxes and withholdings.

(e) Benefits. Executive shall be provided the opportunity to participate in any employee benefit plan the Company makes available to any other officer, director, or employee of the Company, including but not limited to health insurance, 401(k) plans, and life insurance, subject to the terms of those plans as in effect from time to time. In no event does this Agreement require the Company to maintain any particular employee benefit plan, and in no event will Executive be entitled to participate in any severance or separation pay plan, program, policy, or arrangement of the Company, as in effect from time to time, as this Agreement contains all the terms governing Executive's separation from the Company as well as any compensation or benefit due to Executive as a result of any such separation; provided, however, that if Executive remains employed by the Company after Expiration of this Agreement, and if a subsequent agreement is not entered into by the Company or any affiliate and Executive, then subject to the terms of any severance or separation pay plan or policy, Executive may participate in such plan or policy on employment termination.

(f) D & O Insurance. The Company shall secure and pay all premiums and other expenses associated with a directors and officers liability policy for Executive's benefit in an amount the Company reasonably deems sufficient considering, among other things, the Company's size and industry and Executive's duties.

(g) Expenses. The Company shall reimburse Executive for all reasonable expenses incurred by Executive in the course of performing Executive's duties under this Agreement, the Company's Bylaws, or at the direction or with the approval of the Board, provided such expenses are consistent with any written policy the Company put into effect prior to Executive incurring the expense(s). The Company shall also reimburse Executive for reasonable home office expenses including without limitation the purchase and maintenance of a home computer with linkup facilities to the Company, a home facsimile, printer, scanner, telephone, laptop computer, and mobile phone, together with any charges to setup, install, maintain, or use any of the foregoing.

(h) Special Deferred Bonus.

(i) Subject to the terms and conditions set forth in this Section 4(h), Executive shall be entitled to payment of a special deferred bonus (the "Deferred Bonus") in an amount equal to (i) the aggregate of the strike price or exercise price of all Stock Options, as defined hereinafter (the "Aggregate Strike Price") plus (ii) a tax gross-up payment on the Aggregate Strike Price reasonably calculated by the Company at the highest marginal rates so that after payment of all ordinary income taxes on such Aggregate Strike Price, there remains an amount sufficient to pay such ordinary income taxes (the "Gross-Up Payment"). "Stock Options" as used in this Agreement shall mean the 137,636 unexercised options to purchase stock or shares of the Company or its predecessors-in-interest held by Executive (through Sierra Enterprises LLC) as of the Effective Date.

(ii) Subject to Section 4(h)(iii) herein, the Deferred Bonus shall be paid in substantially equal twenty percent (20%) installments (collectively, the "Annual Deferred Bonus Payments" and each an "Annual Deferred Bonus Payment") on January 2nd (or if such date falls on a weekend day or holiday, then on the last business day of the year) on each of 2024, 2025, 2026, 2027, and 2028 (collectively, the "Scheduled Payment Dates" and each a "Scheduled Payment Date") subject to withholding for taxes and other applicable deductions.

(iii) As a condition of the payment of each Annual Deferred Bonus Payment, Executive must, on or before the Scheduled Payment Date, exercise at least 27,527 of the Stock Options. For each Stock Option exercise during the years of Stock Option exercise set forth above, the corresponding Annual Deferred Bonus Payment, payable net of taxes withheld and applicable deductions, shall be used to offset the total strike price of the exercised Stock Options (if payment of the Annual Deferred Bonus Payment and exercise of the Stock Option are in the same year), which shall comprise payment of the applicable Annual Deferred Bonus Payment as compensation to Executive for the year of Stock Option exercise. Since the Stock Options are non-qualified stock options, on exercise, Executive understands that he will be liable for any taxes that may result should the fair market value exceed the strike price of the underlying stock at the time of exercise and accordingly, Executive will make arrangements for such tax liability to be paid, whether through the cash out of sufficient shares, withholding of other compensation due to him from the Company, or otherwise.

(iv) If Executive is terminated without Cause or he terminates his employment for any reason, (including in any event death or Disability), the remaining unpaid balance of the Deferred Bonus shall be paid to Executive in substantially equal installments on the remaining Scheduled Payment Dates, provided he exercises his vested Stock Options as scheduled prior to the Scheduled Payment Dates, and provided further that such exercise will not be permitted after expiration of the applicable Stock Option, and upon such expiration, any corresponding Deferred Bonus payment will be forfeited. If Executive's employment is terminated by the Company for Cause, then he will forfeit the balance of his Deferred Bonus that remains unpaid, whether or not vested.

(v) On a "Change in Control" (as defined below), Executive will fully vest in the unvested portion of his Deferred Bonus, and the remaining unpaid balance of the Deferred Bonus will be paid to Executive in a single lump sum within thirty (30) calendar days after a Change in Control, subject to withholding for taxes and applicable deductions. For purposes of this Agreement, "Change in Control" means the consummation of a transaction that constitutes a "change in the ownership" of the Company or a "change in the ownership of a substantial portion of the assets" of the Company within the meaning of Treasury Regulation Section 1.409A-3(i)(5)(v) or (vii), respectively.

(i) Vacation. Executive shall receive 20 days of paid time off ("PTO") per calendar year. Executive shall have sole discretion over when he uses any accrued PTO, provided Executive either provides reasonable advance notice of his absence or otherwise takes steps Executive believes are appropriate to ensure his absence does not materially and detrimentally impact Company operations or deprive the Company of opportunities of which Executive is aware. Should Executive accrue but not use some or all PTO during a calendar year, such PTO shall carry forward if permitted in accordance with the Company's PTO policy. If under the Company's PTO policy, accrued and unused PTO is paid to terminated employees, Executive's accrued and unused PTO payout will be at a rate of 1/260 of Executive's Base Salary at the time of termination.

5. Termination of Employment.

(a) Termination by the Company For Cause. Executive's employment with the Company may be terminated at any time by the Company for Cause (as defined herein). Upon such termination for Cause, the Company will only pay to Executive: (i) any unpaid Base Salary that has been earned at the time of such termination; (ii) reimbursement of any expenses properly incurred prior to the Executive's termination date; and (iii) accrued and unused PTO, if any, in accordance with the Company's PTO policy in effect on Executive's termination date (collectively, the "Accrued Compensation"). The Parties agree and acknowledge that if Executive is terminated for Cause, he will not be entitled to or owed any other compensation or benefits not listed in this Section 5(a) under this Agreement or otherwise. For purposes of this Agreement, "Cause" means Executive's:

(i) conviction for a crime involving violence, fraud, dishonesty, or financial impropriety;

(ii) willful engagement in misconduct or malfeasance in connection with Executive's employment with the Company;

(iii) willful failure to abide by a reasonable and express direction of the Board (which is not reasonably cured);

(iv) willful commission of a material breach of this Agreement (which is not reasonably cured); or

(v) intentional misrepresentation or concealment of a material fact to the Company or the Company's legal counsel, independent certified public accountants, or financial advisors, or to the public in any press release, public interview, or filing with any governmental agency.

Should the Parties disagree as to the Company's decision to terminate Executive's employment For Cause under this Section 5(a), Executive shall have the right to submit the dispute to binding arbitration within sixty (60) days of the termination date by serving a notice of arbitration on the Company. Such arbitration shall be conducted in Marion County, Indiana in accordance with the Employment Arbitration Rules of the American Arbitration Association in effect at the time of such dispute. If and when Executive serves on the Company a notice to initiate arbitration, the arbitration shall become mandatory and binding on the Parties. Nothing in this Section 5(a) prejudices the Parties rights to seek judicial relief or to submit to arbitration or mediation should Executive decline or fail initiate arbitration within sixty (60) days of the termination date, nor does it affect or prejudice the Parties rights arising out of or under any other part of this Agreement.

(b) Termination by the Company Without Cause. Executive's employment may also be terminated without Cause by the Company at any time. Upon Executive's termination without Cause by the Company, the Company shall:

(i) Pay Executive the Accrued Compensation (as defined in Section 5(a) herein); and

(ii) Pay a "Severance Payment" (as defined hereinafter in this Section 5(b)).

The amount of the "Severance Payment" shall be determined as follows:

(iii) If termination occurs during the Initial Term, the Company shall provide Executive with severance compensation in the form of salary continuation at Executive's Base Salary as of the termination date and ending the later of (i) six (6) months or (ii) on the expiration date of the Initial Term. The Company shall pay all amounts due under this Section 5(b)(iii) during the applicable severance period in accordance with the Company's customary payroll practices;

(iv) If termination occurs after the Initial Term, the Severance Payment shall be the amount equal to one half (1/2) of Executive's Base Salary as of the termination date. The Company shall pay all amounts due under this Section 5(b)(iv) in substantially equal monthly installments over the course of six (6) months following the termination date;

(v) If termination occurs during the Initial Term, payment of Executive's monthly COBRA premiums (which will be subject to taxes and applicable withholdings) for continuation of health coverage for eighteen (18) months post termination subject to Section 5(d) of this Agreement and Section 409A of the Internal Revenue Code ("Section 409A"), provided COBRA is applicable, and if COBRA is not applicable, payment of an amount (which will be subject to taxes and applicable withholdings) in substantially equal installments over eighteen (18) months that the Company reasonably determines is sufficient for Executive to pay the premiums on a health insurance plan reasonably equivalent to the Company group health plan Executive was enrolled in immediately preceding his termination date;

(vi) Payment of the unpaid balance of the Deferred Bonus in accordance with Section 4(h)(iv) above; and

(vii) The Severance Payment will be subject to withholding for taxes and other applicable deductions.

The Parties agree and acknowledge that Executive will not be entitled to or owed any other compensation or benefits not listed in this Section 5(b) under this Agreement or otherwise if he is terminated without Cause, or, as set forth below, if he terminates for Good Reason.

(c) Voluntary Termination by Executive or a termination for Good Reason.

(i) Executive may terminate his employment at any time without Good Reason, as hereinafter defined, upon not less than thirty (30) days' prior written notice to the Company; provided, that the Company may accelerate the Executive's employment termination date to the date on which the Executive gives the Company notice of termination or on any date between such dates, and such termination shall not be deemed a termination without Cause by the Company or a termination for Good Reason by Executive. In the event of termination by Executive without Good Reason pursuant to this Section 5(c), the Executive shall be paid the Accrued Compensation, and payment of the unpaid balance of the Deferred Bonus in accordance with Section 4(h)(iv) above and the Parties agree and acknowledge that Executive will not be entitled to or owed any other compensation over and above such amounts under this Agreement or otherwise. If Executive terminates his employment for Good Reason (defined herein), he shall receive the same benefits and payments to which he would be entitled upon termination of his employment by the Company without Cause under Section 5(b).

(ii) For purposes of this Agreement, Executive shall have "Good Reason" to voluntarily terminate his employment with the Company if, without Executive's express prior written consent, the Company materially (a) reduces Executive's Base Salary, unless such reduction is *pari passu* with reductions made to the compensation of all other Company executives; or (b) diminishes Executive's title, duties, or responsibilities; provided, however, that if any of the conditions in the foregoing clauses (a) or (b) exists, the Executive must provide notice to the Company no more than ninety (90) calendar days following the initial existence of the condition and his intention to terminate his employment for Good Reason. Upon such notice, the Company shall have a period of thirty (30) calendar days during which it may remedy the condition.

(d) General Release and Commencement of Payments. All amounts payable pursuant to this Section 5 (other than the Accrued Compensation) shall be conditioned upon the execution by Executive of a severance agreement that will include a general release of claims against the Company and its representatives as well as other obligations, provided the Company delivers such severance agreement to Executive within a reasonable time following termination. This severance agreement must be executed by Executive and delivered to the Company and become effective and non-revocable within sixty (60) calendar days following the date of termination. The payments set forth in Section 5(b) or 5(c), as applicable, shall commence on the first payroll date following the date that is sixty (60) calendar days following the date of termination, at which time Executive will receive a payment in an amount equal to the cumulative amount to which Executive would otherwise have been entitled had such payments commenced immediately following his date of employment termination.

6. Death or Disability. If Executive's employment is terminated as a result of death or Disability, Executive or Executive's representatives or beneficiaries, as applicable, shall be entitled to receive the Accrued Compensation and payment of the unpaid balance of the Deferred Bonus in accordance with Section 4(h)(iv) above. The Executive shall also be entitled to any extended continuation of coverage of health insurance under applicable law, and conversion rights of group life insurance benefits if provided by the group life insurance plan, if any, in which he participates. For purposes of this Agreement, "Disability" means if Executive (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees of the Company. In connection therewith, Executive hereby agrees that it is job-related and consistent with business necessity that he submit to any medical examination or examinations as may be reasonably requested by the Company for the purposes of determining the existence or absence of a Disability. The Parties agree that the definition if Disability herein shall only apply to payment of non-qualified deferred compensation and shall not be construed as a determination as to whether Executive is disabled within the meaning of the Americans with Disabilities Act ("ADA"), nor shall it be construed to mean that medical leave of absence for any period of time would be a reasonable accommodation under the ADA. The determination as to whether Executive is disabled under the ADA and what accommodations would be reasonable will be based on the particular facts and circumstances at the time of the disability event.

7. Confidential Information. As used herein, the term "Confidential Information" shall mean all information concerning the Company's (and its related entities' and affiliates) products, processes, services, customers, marketing strategy and business plans that Company disclosed to Executive or known by Executive solely by way of Executive's employment with the Company and that is not known in the Company's trade or industry. To the extent Confidential Information is disclosed in a public or non-confidential context other than as a result of Executive's intentional acts or omissions, such information is no longer protected as Confidential Information under this Agreement. Executive agrees that Executive shall not disclose to any unauthorized person or use for Executive's own account any Confidential Information without the prior written consent of the Company or the Board. Upon the termination of executive's employment with the Company or at any other time as the Company may request, Executive shall deliver to the Company , all memoranda, notes, plans, records, computer tapes and software and other documents and data (and copies thereof) containing any Confidential Information that Executive then possesses or that are under Executive's control. In the performance of his duties, the Executive will have access to confidential or proprietary information with respect to third parties which is subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes (the "Third-Party Information"). Except in the performance of his duties to the Company and/or its affiliates, the Executive shall not, during the Initial Term nor any time thereafter, directly or indirectly for any reason whatsoever, knowingly and intentionally disclose or use any such Third-Party Information without the Company's prior written consent.

8. Non-Solicitation of Employees and Other Representatives. During Executive's employment and for twenty-four (24) months after his separation from that employment for any reason, Executive will not, directly or indirectly encourage, solicit, induce (or attempt to encourage, solicit or induce) any employee or agent of the Company that was employed (or otherwise engaged) at the time of Executive's separation, who: (a) has access to, or possesses, Confidential Information, trade secrets, or other knowledge regarding the Company that could give a Competitor an unfair advantage, or (b) within the preceding two year period, has serviced or established goodwill with the Executive's clients or clients or acquired non-public information about those clients or clients, or (c) was someone Executive had worked with, or supervised in his last two years of employment, to terminate their employment or contractual relationship with the Company (or devote less than full time efforts to the Company's business). Further, Executive agrees that he will not directly or indirectly hire or attempt to hire any individual described in this Section 8 for any competitive position, or other position, with any competitor.

9. Non-Interference. During the term of his employment with the Company and for twenty-four (24) months thereafter, Executive will not request or advise any client of the Company or any person or entity having business dealings with the Company, to withdraw, curtail, or cease such business with the Company.

10. Non-Solicitation of Clients.

(a) During Executive's employment by the Company, Executive shall not, directly or indirectly, have any ownership interest in, work for, advise, manage, act as an agent or consultant for, or have any business connection or business or employment relationship with any entity or person which competes with Company.

In consideration of employment by Company, and in further consideration of the technical training and support services provided by the Company, and the technical, trade secret, and confidential information disclosed by the Company, Executive agrees that for a period of twenty-four (24) months after his separation from employment with Company for any reason, Executive will not, in a "Competitive Capacity" (as defined below) directly or indirectly, for Executive or for another person, proprietorship, partnership, corporation, or trust, or any other entity, as an individual or as an owner, employee, agent, officer, director, trustee, or in any other capacity:

(i) Solicit, divert (or attempt to solicit or divert) or accept Competitive Business from any existing client of the Company;

(ii) Solicit, divert (or attempt to solicit or divert) or accept Competitive Business from any existing client of the Company with whom Executive has had contact (either directly or indirectly) or over which he has had responsibility at any time in the one (1) year preceding his separation;

(iii) Solicit, divert (or attempt to solicit or divert) or accept Competitive Business from any existing client of the Company about whom Executive has obtained Confidential Information or trade secrets;

(iv) Solicit or divert (or attempt to solicit or divert) or accept Competitive Business from any identified prospective client of the Company;

(v) Solicit or divert (or attempt to solicit or divert) or accept Competitive Business from any identified prospective client of the Company with whom Executive had contact (either directly or indirectly) or over which he had responsibility at any time in the one (1) year period preceding his/her separation; or

(vi) Solicit or divert (or attempt to solicit or divert) or accept "Competitive Business" from any identified prospective client of the Company about whom Executive obtained Confidential Information.

(b) Competitive Capacity. For purposes of this Agreement, the term "Competitive Capacity" shall mean: (i) performing tasks or duties similar to those Executive performed in his last year of employment at the Company for a Competitor of the Company; (ii) managing/supervising those who, for a Competitor of the Company, perform tasks or duties similar to those which Executive performed in his last year of employment at the Company; or (iii) performing, on behalf of a Competitor of the Company, tasks or duties in which Executive would utilize any Confidential Information or trade secrets that he learned in the course of his relationship with the Company.

(c) Competitor. For purposes of this Agreement, the term "Competitor" shall mean those entities which are in the same industry as the Company, and which provide products or services that are similar to those provided by the Company during the one (1) year period preceding Executive's separation from employment.

(d) Competitive Business. For purposes if this Agreement, the term "Competitive Business" shall mean the marketing, sale or provision of products or services that directly compete against the products or services: (a) with which Executive was involved during his last year of employment with the Company; or (b) which the Company is developing, producing, marketing, selling or servicing (or plans to develop, produce, market, sell or service) and about which Executive gained any Confidential Information or trade secrets in the course of his employment with the Company.

11. Limited Noncompetition Provisions.

(a) During his employment by the Company, Executive shall not, directly or indirectly, have any ownership interest in, work for, advise, manage, act as an agent or consultant for, or have any business connection or business or employment relationship with any entity or person which competes with the Company.

(b) Moreover, for a period of twenty-four (24) months after his separation from the Company for any reason, Executive shall not:

(i) In or from the United States;

(ii) In or from any state in which the Company provides products or services;

(iii) in or from the geographic area in which the Company conducts business; or

(iv) in or from the geographic area in which he performed services on behalf of the Company or for which he was assigned responsibility, at any time within one (1) year preceding his separation;

directly or indirectly and in a competitive capacity own, manage, finance, operate, control or participate in ownership, management, or operation of, act as an agent, consultant, or be employed with, any business engaged in the design, manufacture, marketing, sale or servicing of any service or product:

- with which Executive was involved during his last year of employment with the Company; or
- which the Company is developing, producing, marketing, selling or servicing (or plans to develop, produce, market, sale or service) and about which Executive gained any Confidential Information in the course of his employment with the Company.

(c) Executive further agrees that for a period of twenty-four (24) months after his separation from the Company for any reason, he shall not directly or indirectly assist in the research and development of products where such research and development would be aided by any Confidential Information that he learned in the course of his relationship with the Company.

12. Enforcement. If, at any time of enforcement of Sections 7, 8, 9, 10, and 11 of this Agreement, a court holds that the restrictions stated herein are unreasonable under circumstances then existing, the Parties hereto agree that the maximum period or scope reasonable under such circumstances shall be substituted for the stated period or scope. Because Executive's services are unique and Executive has access to Confidential Information and because of the burdensome effect of the restrictive covenants herein on Executive's right and ability to find employment outside the Company, among other things, the Parties agree that money damages may be an inadequate remedy for any breach of this Agreement and, therefore, in the event of a breach or threatened breach of this Agreement, the enforcing Party or its successors or assigns may, in addition to other rights and remedies existing in their favor, apply to any court of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce, or prevent any violation of, the provisions hereof (without posting a bond or other security). The Parties further acknowledge and understand that the prevailing Party in any action to enforce the terms of this Agreement is entitled to recover its costs, expenses and attorneys' fees incurred in connection with such enforcement.

13. No Defense for Alleged Breach. The confidentiality, non-solicitation, and limited non-competition provisions of this Agreement shall be construed as independent of any other provision of this Agreement and shall survive the termination or Expiration of this Agreement. The existence of any claim or cause of action by Executive against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of Section 7 of this Agreement.

14. Executive's Representations and Warranties. Executive hereby represents and warrants to the Company that (i) the execution, delivery and performance of this Agreement by Executive does not and will not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which Executive is a party or by which Executive is bound; (ii) Executive is not a party to or bound by any employment agreement, non-compete agreement, or confidentiality agreement with any other person or entity that would be inconsistent with or breached by the execution or performance of this Agreement by Executive; and (iii) upon the execution and delivery of this Agreement by the Company, this Agreement shall be the valid and binding obligation of Executive, enforceable in accordance with its terms. Executive agrees and acknowledges that if the Company determines that he has not met the representations in this Section and/or has breached any such agreement or obligation to another person or entity outlined in this Section, it will be deemed a breach of this Agreement.

15. Company's Representations and Warranties. The Company hereby represents and warrants to Executive that (i) the execution, delivery and performance of this Agreement by the Company does not and will not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which the Company is a party or by which the Company is bound; (ii) the Company is a duly organized and existing corporation under the laws of the State of Delaware; (iv) the Company has secured all the necessary permissions and approvals to enter into and execute this Agreement and be bound by its terms; (v) the Company has had the opportunity to have this Agreement reviewed by a counsel of its choosing; and (vi) upon the execution and delivery of this Agreement by Executive, this Agreement shall be the valid and binding obligation of the Company, enforceable in accordance with its terms. The Company agrees and acknowledges that if Executive determines that the Company has not met the representations in this Section and/or has breached any such agreement or obligation to another person or entity outlined in this Section, it will be deemed a breach of this Agreement by the Company.

16. Assignability. The Parties agree and understand that this Agreement is personal in nature and as such neither Party may not assign this Agreement without the other Party's prior written consent.

17. Survival. Sections 7 through 25 shall survive and continue in full force in accordance with their terms notwithstanding any termination of Executive's employment or Expiration of this Agreement.

18. Notices. Any notice provided for in this Agreement shall be in writing and shall be either personally delivered by nationally recognized overnight courier service, or mailed by certified mail, return receipt requested, to the recipient at the address indicated below.

If to Executive: Daniel Clarence
10461 W Grandview Drive
Columbus, IN 47201

If to the Company: NeurAxis, Inc.
829 South Adams Street
PO Box 397
Versailles, IN 47042

or such other address or to the attention of such person as the recipient Party shall leave specified by prior written notice to the sending Party. Any notice under this Agreement will be deemed to have been given when so delivered or mailed.

19. Severability. The Parties expressly agree that the terms of this Agreement, including but not limited to Sections 1-11, are reasonable, enforceable, and necessary to protect the Parties' interests. In the unlikely event, however, that a court determines that any of the terms, provisions, or covenants contained in this Agreement are not enforceable, the court may limit the application of such term, provision, or covenant, or modify any such term, provision, or covenant and proceed to enforce the Agreement as so limited or modified, with the remaining provisions remaining in full force and effect. The Parties further agree that if any provision is susceptible of two or more constructions, one of which would render the provision unenforceable, then the provision shall be construed to have the meaning that renders it enforceable.

20. Complete Agreement. This Agreement embodies the complete agreement and understanding among the Parties and supersedes and preempts any prior understandings, agreements or representations by or among the Parties, written or oral, which may have related to the subject matter hereof in any way.

21. Counterparts. This Agreement may be executed by facsimile or e-mailed signature pages (including via PDF) in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

22. Choice of Law and Forum. This Agreement shall be governed by and construed in accordance with the laws of the State of Indiana, without giving effect to any choice or conflicts of laws, provisions, or rules that would require the applicable laws of any other jurisdiction. Subject to the limited exceptions defined in Section 5(a) herein, any action seeking to enforce any provision of, or based on any right arising out of, this Agreement shall be brought in the courts of the State of Indiana located in Marion County, or if it has or can acquire jurisdiction, in the United States District Court for the Southern District of Indiana, and each of the Parties consents to the jurisdiction of such courts (and the appropriate appellate courts) in any such action and waives any objection to venue laid therein.

23. Amendment and Waiver. The provisions of this Agreement may be amended or waived only with the prior written consent of the Company and Executive, and no course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effort or enforceability of this Agreement.

24. Golden Parachute Excise Tax.

(a) Calculation of After-Tax Amounts. To the extent that any of the payments and benefits provided for under this Agreement or any other agreement or arrangement between the Company and Executive (collectively, the "Payments") (i) constitute a "parachute payment" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code") and (ii) would be subject to the excise tax imposed by Code Section 4999, then the Payments shall be payable either (1) in full, or (2) as to such lesser amount which would result in no portion of such Payments being subject to excise tax under Code Section 4999; whichever of the foregoing amounts, taking into account the applicable federal, state and local income and other taxes and the excise tax imposed by Section 4999, results in Executive's receipt on an after-tax basis, of the greatest amount of payments and benefits under this Agreement and otherwise, notwithstanding that all or some portion of such payments and benefits may be taxable under Code Section 4999 (the "Greater Payment"); provided, however, that if the Greater Payment is calculated to be payment in full under clause (1), in order to be paid in full to Executive, it must exceed the reduced payment under clause (2) of this paragraph by at least twenty percent (20%), and if it does not so exceed the reduced payment described in clause (2) by at least twenty percent (20%), then the reduced payment of clause (2) that will not trigger the excise tax under Code Section 4999 will apply and be paid to Executive even though clause (1) provides the Greater Payment.

(b) Accounting Firm. Any determination required under this Section 24 shall be made by an independent public accounting firm (the "Accounting Firm") jointly selected by the Company and Executive, and paid for by the Company. The Accounting Firm shall be a nationally recognized United States public accounting firm that has not, during the two (2) years preceding the date of its selection, acted in any way on behalf of the Company or any affiliate thereof. The determination of the Accounting Firm shall be conclusive and binding upon Executive and the Company for all purposes.

(c) Shareholder Approval Exemption. If any Payments would be reduced pursuant to clause (2) of Section 24(a) above, but would not be so reduced if the shareholder approval requirements (if applicable) of Code Section 280G(b)(5) were satisfied, the Company shall use its reasonable best efforts to cause such Payments to be submitted for such approval prior to the event giving rise to such Payments.

25. Notice of Immunity. The law provides that: (i) no person shall be held liable under trade secret law for disclosing a trade secret in confidence to a government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law; or in a filing in a lawsuit or other proceeding, if such filing is made under seal; and (ii) an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to his or her attorney and use it in the court proceeding, if the individual files any document containing the trade secret under seal; and does not disclose it, except pursuant to court order. To the extent Executive suspects a violation of the law, the Executive should report his suspicion to the Board. Nothing in this Section shall be interpreted to prevent Executive from claiming immunity in connection with the disclosure of a trade secret, Confidential Information, or other protected information made under the good faith belief that such disclosure is permitted under applicable law, including any whistleblower or similar laws, notwithstanding the provisions of this Agreement to the contrary.

26. Section 409A.

(a) It is the Parties' intent, that if possible, the payments and benefits provided under this Agreement shall be exempt from the requirements of Section 409A including without limitation, exemptions pursuant to the short term deferral exception to Section 409A or the separation pay exceptions to Section 409A.

(a) Notwithstanding anything herein to the contrary, if Executive is a "specified employee" as of the date of termination as defined in Section 409A of the Code (and any related regulations or other pronouncements thereunder) and the deferral of the commencement of any payments or benefits not otherwise exempt from 409A and otherwise payable hereunder as a result of such termination of employment is necessary in order to prevent any accelerated or additional tax under Section 409A of the Code, then such payments or benefits shall commence to be made on the second regularly scheduled payroll date following the six-month anniversary of the termination date (or the earliest date as is permitted under Section 409A of the Code) (the "Delayed Commencement Date") and to the extent the Company has agreed to pay any part of the benefits, such as COBRA premiums, Executive shall pay the cost of such benefits until the Delayed Commencement Date. Any installment payments that are delayed pursuant to the preceding sentence shall be accumulated and paid in a lump sum on the Delayed Commencement Date, and the remaining installment payments shall be paid in accordance with the schedules provided under this Agreement or otherwise, as applicable. All delayed installment payments shall accrue interest at a rate of 3% per annum running from the date such payments would have been made had they not been delayed.

(b) Notwithstanding anything to the contrary in this Agreement, in-kind benefits and reimbursements provided under this Agreement during any tax year of Executive shall not affect in-kind benefits or reimbursements to be provided in any other tax year of Executive, except for the reimbursement of medical expenses referred to in Section 105(b) of the Code and are not subject to liquidation or exchange for another benefit. In no event shall Executive be entitled to any reimbursement payments after December 31st of the calendar year following the calendar year in which the expense was incurred. The amount of such expenses eligible for payment or reimbursement in any year will not affect the amount of such expenses eligible for payment or reimbursement in any other year. No benefit or payment will be exchanged or liquidated for another benefit or payment. This paragraph shall only apply to benefits and reimbursements that would result in taxable compensation income to Executive.

(c) The tax treatment of the benefits provided under this Agreement is not warranted or guaranteed. The Company nor any affiliates nor their respective directors, officers, employees or advisers shall be held liable for any taxes, interest, penalties or other monetary amounts owed by the Executive (or any other individual claiming a benefit through the Executive) as a result of this Agreement.

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

COMPANY: */s/ Brian Carrico*

By: Brian Carrico
President & CEO
NeurAxis, Inc.

EXECUTIVE: */s/ Daniel Clarence*

By: Daniel Clarence

Exhibit 10.16

EXECUTIVE EMPLOYMENT AGREEMENT

THIS EXECUTIVE EMPLOYMENT AGREEMENT (the "Agreement") is entered into as of **August 9, 2022** (the "Effective Date") by and between NeurAxis, Inc., a Delaware corporation, (the "Company" or "NeurAxis") and Christopher R. Brown, an individual ("Executive"). Each of the Company and Executive may be referred to herein as a "Party" or collectively as the "Parties").

RECITALS

WHEREAS, the Company has offered Executive and Executive has accepted the position of Director of Innovation;

WHEREAS, the Parties agree it is in the Company's best interest that Executive serve as the Company's Director of Innovation;

WHEREAS, by virtue of his position with the Company, Executive will gain knowledge of, and access to, certain valuable, confidential, and proprietary business and technical information with respect to the operations, clients, products, and services of the Company;

WHEREAS, the Company desires to protect against unfair competition and the unauthorized disclosure of its valuable, confidential, and proprietary business and technical information; and

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

AGREEMENT

1. Employment. The Company shall employ Executive upon the terms and conditions set forth in this Agreement for the period beginning on October 1, 2022 (the "Start Date") and ending as provided in Section 2 hereof (the "Employment Period").

2. Term. The Employment Period shall be for two (2) years from the Start Date unless Executive's employment is terminated earlier in accordance with Sections 5 or 6 of this Agreement (the "Initial Term"). The Initial Term shall automatically be renewed for consecutive one (1) year terms at the end of the Initial Term and every one (1) year term thereafter unless either Party sends notice to the other Party, not more than one hundred eighty (180) days and not less than ninety (90) days before the end of the then existing term of employment, of such Party's desire to terminate the Agreement at the end of the then existing term (an "Expiration"), in which case this Agreement will terminate at the end of the then existing term unless the Parties agree in writing to an earlier termination date in accordance with the terms herein. For the avoidance of doubt, Expiration does not necessarily mean Executive's employment terminates, and in the event of Expiration without employment termination, Executive will not be entitled to payments and benefits set forth in Section 5(b) of this Agreement. For purposes of clarity, any employment termination event prior to Expiration is governed by this Agreement.

3. Position and Duties.

(a) During his employment, Executive shall serve as Director of Innovation of the Company and shall have the normal and reasonable duties, responsibilities and authority commensurate with such position as determined by the Company's Board of Directors (the "Board") or any officer or committee duly authorized by the Board.

(b) Executive shall report to the Board and any officer or committee to which the Board delegates oversight responsibility for Executive's position. Executive shall devote Executive's reasonable best efforts and Executive's full business time and attention to the business and affairs of the Company. Executive shall perform Executive's duties and responsibilities to the best of Executive's abilities in a reasonably diligent, trustworthy, businesslike, and efficient manner. Notwithstanding the foregoing, Executive may manage personal and family investments, engage in community, charitable, professional and educational activities, and, with the prior written consent of the Board, serve on the board of directors (or comparable governing body), and any board committees, of for-profit businesses that do not compete with the Company, provided that such activities do not interfere with the performance of Executive's duties for the Company.

4. Compensation and Benefits.

(a) Base Salary. Executive's annualized base salary shall be $200,000 (the "Base Salary"), which shall be payable in accordance with the Company's general payroll practices, including those related to taxes and withholdings.

(b) Intentionally Omitted.

(c) Discretionary Adjustments to Annual Compensation. The Board or any committee duly authorized by the Board shall perform an annual review of the compensation provided to the Director of Innovation of other medical device companies and shall consider upward adjustments or enhancements to Executive's compensation, including additional adjustments to the Base Salary and Bonuses (as hereinafter defined), based on the findings of the annual review, the performance of the Company, the performance of the Executive, or any other factor. The Board shall retain sole discretion to determine if Executive's annual compensation shall be increased. As used in this Agreement, "Bonus" shall mean any form of non-severance compensation that is service and performance-based, and that the Company provides or awards to Executive that is not included in the definition of Base Salary, and would not be deemed "wages" or "base pay" under applicable state law, or that is not provided or awarded pursuant to Sections 4(f)–(g) herein.

(d) Special One-Time Incentive Payment. To reward past service, and incentivize Executive to remain with the Company for future service, a special one-time incentive payment of $[250,843.88][1] shall be paid promptly in a single lump sum to Executive within two and one-half months after the later of the Start Date or the Effective Date, and such special one-time incentive payment will be subject to taxes and withholdings.

(e) Benefits. Executive shall be provided the opportunity to participate in any employee benefit plan the Company makes available to any other officer, director, or employee of the Company, including but not limited to health insurance, 401(k) plans, and life insurance, subject to the terms of those plans as in effect from time to time. In no event does this Agreement require the Company to maintain any particular employee benefit plan, and in no event will Executive be entitled to participate in any severance or separation pay plan, program, policy, or arrangement of the Company, as in effect from time to time, as this Agreement contains all the terms governing Executive's separation from the Company as well as any compensation or benefit due to Executive as a result of any such separation; provided, however, that if Executive remains employed by the Company after Expiration of this Agreement, and if a subsequent agreement is not entered into by the Company or any affiliate and Executive, then subject to the terms of any severance or separation pay plan or policy, Executive may participate in such plan or policy on employment termination.

(f) D & O Insurance. The Company shall secure and pay all premiums and other expenses associated with a directors and officers liability policy for Executive's benefit in an amount the Company reasonably deems sufficient considering, among other things, the Company's size and industry and Executive's duties.

(g) Expenses. The Company shall reimburse Executive for all reasonable expenses incurred by Executive in the course of performing Executive's duties under this Agreement, the Company's Bylaws, or at the direction or with the approval of the Board, provided such expenses are consistent with any written policy the Company put into effect prior to Executive incurring the expense(s). The Company shall also reimburse Executive for (i) reasonable home office expenses including without limitation the purchase and maintenance of a home computer with linkup facilities to the Company, a home facsimile, printer, scanner, telephone, laptop computer, and mobile phone, together with any charges to setup, install, maintain, or use any of the foregoing ; and (ii) Medicare, Medicare Supplement and prescription drug coverage insurance premiums (which will be subject to taxes and applicable withholdings).

(h) Intentionally Omitted.

(i) Vacation. Executive shall receive 20 days of paid time off ("PTO") per calendar year. Executive shall have sole discretion over when he uses any accrued PTO, provided Executive either provides reasonable advance notice of his absence or otherwise takes steps Executive believes are appropriate to ensure his absence does not materially and detrimentally impact Company operations or deprive the Company of opportunities of which Executive is aware. Should Executive accrue but not use some or all PTO during a calendar year, such PTO shall carry forward if permitted in accordance with the Company's PTO policy. If under the Company's PTO policy, accrued and unused PTO is paid to terminated employees, Executive's accrued and unused PTO payout will be at a rate of 1/260 of Executive's Base Salary at the time of termination.

[1] **Note to Draft**: Amount to be the amount of the outstanding shareholder loan ($506,400), plus interest, plus gross up.

5. Termination of Employment.

(a) Termination by the Company For Cause. Executive's employment with the Company may be terminated at any time by the Company for Cause (as defined herein). Upon such termination for Cause, the Company will only pay to Executive: (i) any unpaid Base Salary that has been earned at the time of such termination; (ii) reimbursement of any expenses properly incurred prior to the Executive's termination date; and (iii) accrued and unused PTO, if any, in accordance with the Company's PTO policy in effect on Executive's termination date (collectively, the "Accrued Compensation"). The Parties agree and acknowledge that if Executive is terminated for Cause, he will not be entitled to or owed any other compensation or benefits not listed in this Section 5(a) under this Agreement or otherwise. For purposes of this Agreement, "Cause" means Executive's:

(i) conviction for a crime involving violence, fraud, dishonesty, or financial impropriety;

(ii) willful engagement in misconduct or malfeasance in connection with Executive's employment with the Company;

(iii) willful failure to abide by a reasonable and express direction of the Board or any officer or committee to which the Board delegates oversight responsibility for Employee's position (which is not reasonably cured);

(iv) willful commission of a material breach of this Agreement (which is not reasonably cured); or

(v) intentional misrepresentation or concealment of a material fact to the Company or the Company's legal counsel, independent certified public accountants, or financial advisors, or to the public in any press release, public interview, or filing with any governmental agency.

Should the Parties disagree as to the Company's decision to terminate Executive's employment for Cause under this Section 5(a), Executive shall have the right to submit the dispute to binding arbitration within sixty (60) days of the termination date by serving a notice of arbitration on the Company. Such arbitration shall be conducted in Marion County, Indiana in accordance with the Employment Arbitration Rules of the American Arbitration Association in effect at the time of such dispute. If and when Executive serves on the Company a notice to initiate arbitration, the arbitration shall become mandatory and binding on the Parties. Nothing in this Section 5(a) prejudices the Parties rights to seek judicial relief or to submit to arbitration or mediation should Executive decline or fail initiate arbitration within sixty (60) days of the termination date, nor does it affect or prejudice the Parties rights arising out of or under any other part of this Agreement.

(b) Termination by the Company Without Cause. Executive's employment may also be terminated without Cause by the Company at any time. Upon Executive's termination without Cause by the Company, the Company shall:

(i) Pay Executive the Accrued Compensation (as defined in Section 5(a) herein); and

(ii) Pay a "Severance Payment" (as defined hereinafter in this Section 5(b)).

The amount of the "Severance Payment" shall be determined as follows:

(iii) If termination occurs during the Initial Term, the Company shall provide Executive with severance compensation in the form of salary continuation at Executive's Base Salary as of the termination date and ending the later of (i) three (3) months or (ii) on the expiration date of the Initial Term. The Company shall pay all amounts due under this Section 5(b)(iii) during the applicable severance period in accordance with the Company's customary payroll practices;

(iv) If termination occurs after the Initial Term, the Severance Payment shall be the amount equal to one fourth ($1/4^{th}$) of Executive's Base Salary as of the termination date . The Company shall pay all amounts due under this Section 5(b)(iv) in substantially equal monthly installments over the course of three (3) months following the termination date;

(v) If termination occurs during the Initial Term, reimbursement of Executive's Medicare, Medicare Supplement and prescription drug coverage insurance premiums (which will be subject to taxes and applicable withholdings) for continuation of health coverage for eighteen (18) months post termination subject to Section 5(d) of this Agreement and Section 409A of the Internal Revenue Code ("Section 409A");

(vi) Intentionally omitted; and

(vii) The Severance Payment will be subject to withholding for taxes and other applicable deductions.

The Parties agree and acknowledge that Executive will not be entitled to or owed any other compensation or benefits not listed in this Section 5(b) under this Agreement or otherwise if he is terminated without Cause, or, as set forth below, if he terminates for Good Reason.

(c) Voluntary Termination by Executive or a termination for Good Reason.

(i) Executive may terminate his employment at any time without Good Reason, as hereinafter defined, upon not less than thirty (30) days' prior written notice to the Company; provided, that the Company may accelerate the Executive's employment termination date to the date on which the Executive gives the Company notice of termination or on any date between such dates, and such termination shall not be deemed a termination without Cause by the Company or a termination for Good Reason by Executive. In the event of termination by Executive without Good Reason pursuant to this Section 5(c), the Executive shall be paid the Accrued Compensation, and the Parties agree and acknowledge that Executive will not be entitled to or owed any other compensation over and above such amounts under this Agreement or otherwise. If Executive terminates his employment for Good Reason (defined herein), he shall receive the same benefits and payments to which he would be entitled upon termination of his employment by the Company without Cause under Section 5(b).

(ii) For purposes of this Agreement, Executive shall have "Good Reason" to voluntarily terminate his employment with the Company if, without Executive's express prior written consent, the Company materially (a) reduces Executive's Base Salary, unless such reduction is *pari passu* with reductions made to the compensation of all other Company executives; or (b) diminishes Executive's title, duties, or responsibilities; provided, however, that if any of the conditions in the foregoing clauses (a) or (b) exists, the Executive must provide notice to the Company no more than ninety (90) calendar days following the initial existence of the condition and his intention to terminate his employment for Good Reason. Upon such notice, the Company shall have a period of thirty (30) calendar days during which it may remedy the condition.

(d) General Release and Commencement of Payments. All amounts payable pursuant to this Section 5 (other than the Accrued Compensation) shall be conditioned upon the execution by Executive of a severance agreement that will include a general release of claims against the Company and its representatives as well as other obligations, provided the Company delivers such severance agreement to Executive within a reasonable time following termination. This severance agreement must be executed by Executive and delivered to the Company and become effective and non-revocable within sixty (60) calendar days following the date of termination. The payments set forth in Section 5(b) or 5(c), as applicable, shall commence on the first payroll date following the date that is sixty (60) calendar days following the date of termination, at which time Executive will receive a payment in an amount equal to the cumulative amount to which Executive would otherwise have been entitled had such payments commenced immediately following his date of employment termination.

6. Death or Disability. If Executive's employment is terminated as a result of death or Disability, Executive or Executive's representatives or beneficiaries, as applicable, shall be entitled to receive the Accrued Compensation. The Executive shall also be entitled to any extended continuation of coverage of health insurance under applicable law, and conversion rights of group life insurance benefits if provided by the group life insurance plan, if any, in which he participates. For purposes of this Agreement, "Disability" means if Executive (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees of the Company. In connection therewith, Executive hereby agrees that it is job-related and consistent with business necessity that he submit to any medical examination or examinations as may be reasonably requested by the Company for the purposes of determining the existence or absence of a Disability. The Parties agree that the definition if Disability herein shall only apply to payment of non-qualified deferred compensation and shall not be construed as a determination as to whether Executive is disabled within the meaning of the Americans with Disabilities Act ("ADA"), nor shall it be construed to mean that medical leave of absence for any period of time would be a reasonable accommodation under the ADA. The determination as to whether Executive is disabled under the ADA and what accommodations would be reasonable will be based on the particular facts and circumstances at the time of the disability event.

7. Confidential Information. As used herein, the term "Confidential Information" shall mean all information concerning the Company's (and its related entities' and affiliates) products, processes, services, customers, marketing strategy and business plans that Company disclosed to Executive or known by Executive solely by way of Executive's employment with the Company and that is not known in the Company's trade or industry. To the extent Confidential Information is disclosed in a public or non-confidential context other than as a result of Executive's intentional acts or omissions, such information is no longer protected as Confidential Information under this Agreement. Executive agrees that Executive shall not disclose to any unauthorized person or use for Executive's own account any Confidential Information without the prior written consent of the Company or the Board. Upon the termination of executive's employment with the Company or at any other time as the Company may request, Executive shall deliver to the Company , all memoranda, notes, plans, records, computer tapes and software and other documents and data (and copies thereof) containing any Confidential Information that Executive then possesses or that are under Executive's control. In the performance of his duties, the Executive will have access to confidential or proprietary information with respect to third parties which is subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes (the "Third-Party Information"). Except in the performance of his duties to the Company and/or its affiliates, the Executive shall not, during the Initial Term nor any time thereafter, directly or indirectly for any reason whatsoever, knowingly and intentionally disclose or use any such Third-Party Information without the Company's prior written consent.

8. Non-Solicitation of Employees and Other Representatives. During Executive's employment and for twenty-four (24) months after his separation from that employment for any reason, Executive will not, directly or indirectly encourage, solicit, induce (or attempt to encourage, solicit or induce) any employee or agent of the Company that was employed (or otherwise engaged) at the time of Executive's separation, who: (a) has access to, or possesses, Confidential Information, trade secrets, or other knowledge regarding the Company that could give a Competitor an unfair advantage, or (b) within the preceding two year period, has serviced or established goodwill with the Executive's clients or clients or acquired non-public information about those clients or clients, or (c) was someone Executive had worked with, or supervised in his last two years of employment, to terminate their employment or contractual relationship with the Company (or devote less than full time efforts to the Company's business). Further, Executive agrees that he will not directly or indirectly hire or attempt to hire any individual described in this Section 8 for any competitive position, or other position, with any competitor.

9. Non-Interference. During the term of his employment with the Company and for twenty-four (24) months thereafter, Executive will not request or advise any client of the Company or any person or entity having business dealings with the Company, to withdraw, curtail, or cease such business with the Company.

10. Non-Solicitation of Clients.

(a) During Executive's employment by the Company, Executive shall not, directly or indirectly, have any ownership interest in, work for, advise, manage, act as an agent or consultant for, or have any business connection or business or employment relationship with any entity or person which competes with Company.

In consideration of employment by Company, and in further consideration of the technical training and support services provided by the Company, and the technical, trade secret, and confidential information disclosed by the Company, Executive agrees that for a period of twenty-four (24) months after his separation from employment with Company for any reason, Executive will not, in a "Competitive Capacity" (as defined below) directly or indirectly, for Executive or for another person, proprietorship, partnership, corporation, or trust, or any other entity, as an individual or as an owner, employee, agent, officer, director, trustee, or in any other capacity:

(i) Solicit, divert (or attempt to solicit or divert) or accept Competitive Business from any existing client of the Company;

(ii) Solicit, divert (or attempt to solicit or divert) or accept Competitive Business from any existing client of the Company with whom Executive has had contact (either directly or indirectly) or over which he has had responsibility at any time in the one (1) year preceding his separation;

(iii) Solicit, divert (or attempt to solicit or divert) or accept Competitive Business from any existing client of the Company about whom Executive has obtained Confidential Information or trade secrets;

(iv) Solicit or divert (or attempt to solicit or divert) or accept Competitive Business from any identified prospective client of the Company;

(v) Solicit or divert (or attempt to solicit or divert) or accept Competitive Business from any identified prospective client of the Company with whom Executive had contact (either directly or indirectly) or over which he had responsibility at any time in the one (1) year period preceding his/her separation; or

(vi) Solicit or divert (or attempt to solicit or divert) or accept "Competitive Business" from any identified prospective client of the Company about whom Executive obtained Confidential Information.

(b) Competitive Capacity. For purposes of this Agreement, the term "Competitive Capacity" shall mean: (i) performing tasks or duties similar to those Executive performed in his last year of employment at the Company for a Competitor of the Company; (ii) managing/supervising those who, for a Competitor of the Company, perform tasks or duties similar to those which Executive performed in his last year of employment at the Company; or (iii) performing, on behalf of a Competitor of the Company, tasks or duties in which Executive would utilize any Confidential Information or trade secrets that he learned in the course of his relationship with the Company.

(c) Competitor. For purposes of this Agreement, the term "Competitor" shall mean those entities which are in the same industry as the Company, and which provide products or services that are similar to those provided by the Company during the one (1) year period preceding Executive's separation from employment.

(d) Competitive Business. For purposes if this Agreement, the term "Competitive Business" shall mean the marketing, sale or provision of products or services that directly compete against the products or services: (a) with which Executive was involved during his last year of employment with the Company; or (b) which the Company is developing, producing, marketing, selling or servicing (or plans to develop, produce, market, sell or service) and about which Executive gained any Confidential Information or trade secrets in the course of his employment with the Company.

11. Limited Noncompetition Provisions.

(a) During his employment by the Company, Executive shall not, directly or indirectly, have any ownership interest in, work for, advise, manage, act as an agent or consultant for, or have any business connection or business or employment relationship with any entity or person which competes with the Company.

(b) Moreover, for a period of twenty-four (24) months after his separation from the Company for any reason, Executive shall not:

(i) In or from the United States;

(ii) In or from any state in which the Company provides products or services;

(iii) in or from the geographic area in which the Company conducts business; or

(iv) in or from the geographic area in which he performed services on behalf of the Company or for which he was assigned responsibility, at any time within one (1) year preceding his separation;

directly or indirectly and in a competitive capacity own, manage, finance, operate, control or participate in ownership, management, or operation of, act as an agent, consultant, or be employed with, any business engaged in the design, manufacture, marketing, sale or servicing of any service or product:

- with which Executive was involved during his last year of employment with the Company; or
- which the Company is developing, producing, marketing, selling or servicing (or plans to develop, produce, market, sale or service) and about which Executive gained any Confidential Information in the course of his employment with the Company.

(c) Executive further agrees that for a period of twenty-four (24) months after his separation from the Company for any reason, he shall not directly or indirectly assist in the research and development of products where such research and development would be aided by any Confidential Information that he learned in the course of his relationship with the Company.

12. Enforcement. If, at any time of enforcement of Sections 7, 8, 9, 10, and 11 of this Agreement, a court holds that the restrictions stated herein are unreasonable under circumstances then existing, the Parties hereto agree that the maximum period or scope reasonable under such circumstances shall be substituted for the stated period or scope. Because Executive's services are unique and Executive has access to Confidential Information and because of the burdensome effect of the restrictive covenants herein on Executive's right and ability to find employment outside the Company, among other things, the Parties agree that money damages may be an inadequate remedy for any breach of this Agreement and, therefore, in the event of a breach or threatened breach of this Agreement, the enforcing Party or its successors or assigns may, in addition to other rights and remedies existing in their favor, apply to any court of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce, or prevent any violation of, the provisions hereof (without posting a bond or other security). The Parties further acknowledge and understand that the prevailing Party in any action to enforce the terms of this Agreement is entitled to recover its costs, expenses and attorneys' fees incurred in connection with such enforcement.

13. No Defense for Alleged Breach. The confidentiality, non-solicitation, and limited non-competition provisions of this Agreement shall be construed as independent of any other provision of this Agreement and shall survive the termination or Expiration of this Agreement. The existence of any claim or cause of action by Executive against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of Section 7 of this Agreement.

14. Executive's Representations and Warranties. Executive hereby represents and warrants to the Company that (i) the execution, delivery and performance of this Agreement by Executive does not and will not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which Executive is a party or by which Executive is bound; (ii) Executive is not a party to or bound by any employment agreement, non-compete agreement, or confidentiality agreement with any other person or entity that would be inconsistent with or breached by the execution or performance of this Agreement by Executive; and (iii) upon the execution and delivery of this Agreement by the Company, this Agreement shall be the valid and binding obligation of Executive, enforceable in accordance with its terms. Executive agrees and acknowledges that if the Company determines that he has not met the representations in this Section and/or has breached any such agreement or obligation to another person or entity outlined in this Section, it will be deemed a breach of this Agreement.

15. Company's Representations and Warranties. The Company hereby represents and warrants to Executive that (i) the execution, delivery and performance of this Agreement by the Company does not and will not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which the Company is a party or by which the Company is bound; (ii) the Company is a duly organized and existing corporation under the laws of the State of Delaware; (iv) the Company has secured all the necessary permissions and approvals to enter into and execute this Agreement and be bound by its terms; (v) the Company has had the opportunity to have this Agreement reviewed by a counsel of its choosing; and (vi) upon the execution and delivery of this Agreement by Executive, this Agreement shall be the valid and binding obligation of the Company, enforceable in accordance with its terms. The Company agrees and acknowledges that if Executive determines that the Company has not met the representations in this Section and/or has breached any such agreement or obligation to another person or entity outlined in this Section, it will be deemed a breach of this Agreement by the Company.

16. Assignability. The Parties agree and understand that this Agreement is personal in nature and as such neither Party may not assign this Agreement without the other Party's prior written consent.

17. Survival. Sections 7 through 25 shall survive and continue in full force in accordance with their terms notwithstanding any termination of Executive's employment or Expiration of this Agreement.

18. Notices. Any notice provided for in this Agreement shall be in writing and shall be either personally delivered by nationally recognized overnight courier service, or mailed by certified mail, return receipt requested, to the recipient at the address indicated below.

If to Executive:	Christopher R. Brown 1340 East State Road 46 Greensburg, IN 47240
If to the Company:	NeurAxis, Inc. 829 South Adams Street PO Box 397 Versailles, IN 47042

or such other address or to the attention of such person as the recipient Party shall leave specified by prior written notice to the sending Party. Any notice under this Agreement will be deemed to have been given when so delivered or mailed.

19. Severability. The Parties expressly agree that the terms of this Agreement, including but not limited to Sections 1-11, are reasonable, enforceable, and necessary to protect the Parties' interests. In the unlikely event, however, that a court determines that any of the terms, provisions, or covenants contained in this Agreement are not enforceable, the court may limit the application of such term, provision, or covenant, or modify any such term, provision, or covenant and proceed to enforce the Agreement as so limited or modified, with the remaining provisions remaining in full force and effect. The Parties further agree that if any provision is susceptible of two or more constructions, one of which would render the provision unenforceable, then the provision shall be construed to have the meaning that renders it enforceable.

20. Complete Agreement. This Agreement embodies the complete agreement and understanding among the Parties and supersedes and preempts any prior understandings, agreements or representations by or among the Parties, written or oral, which may have related to the subject matter hereof in any way.

21. Counterparts. This Agreement may be executed by facsimile or e-mailed signature pages (including via PDF) in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

22. Choice of Law and Forum. This Agreement shall be governed by and construed in accordance with the laws of the State of Indiana, without giving effect to any choice or conflicts of laws, provisions, or rules that would require the applicable laws of any other jurisdiction. Subject to the limited exceptions defined in Section 5(a) herein, any action seeking to enforce any provision of, or based on any right arising out of, this Agreement shall be brought in the courts of the State of Indiana located in Marion County, or if it has or can acquire jurisdiction, in the United States District Court for the Southern District of Indiana, and each of the Parties consents to the jurisdiction of such courts (and the appropriate appellate courts) in any such action and waives any objection to venue laid therein.

23. Amendment and Waiver. The provisions of this Agreement may be amended or waived only with the prior written consent of the Company and Executive, and no course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effort or enforceability of this Agreement.

24. Golden Parachute Excise Tax.

(a) Calculation of After-Tax Amounts. To the extent that any of the payments and benefits provided for under this Agreement or any other agreement or arrangement between the Company and Executive (collectively, the "Payments") (i) constitute a "parachute payment" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code") and (ii) would be subject to the excise tax imposed by Code Section 4999, then the Payments shall be payable either (1) in full, or (2) as to such lesser amount which would result in no portion of such Payments being subject to excise tax under Code Section 4999; whichever of the foregoing amounts, taking into account the applicable federal, state and local income and other taxes and the excise tax imposed by Section 4999, results in Executive's receipt on an after-tax basis, of the greatest amount of payments and benefits under this Agreement and otherwise, notwithstanding that all or some portion of such payments and benefits may be taxable under Code Section 4999 (the "Greater Payment"); provided, however, that if the Greater Payment is calculated to be payment in full under clause (1), in order to be paid in full to Executive, it must exceed the reduced payment under clause (2) of this paragraph by at least twenty percent (20%), and if it does not so exceed the reduced payment described in clause (2) by at least twenty percent (20%), then the reduced payment of clause (2) that will not trigger the excise tax under Code Section 4999 will apply and be paid to Executive even though clause (1) provides the Greater Payment.

(b) Accounting Firm. Any determination required under this Section 24 shall be made by an independent public accounting firm (the "Accounting Firm") jointly selected by the Company and Executive, and paid for by the Company. The Accounting Firm shall be a nationally recognized United States public accounting firm that has not, during the two (2) years preceding the date of its selection, acted in any way on behalf of the Company or any affiliate thereof. The determination of the Accounting Firm shall be conclusive and binding upon Executive and the Company for all purposes.

(c) Shareholder Approval Exemption. If any Payments would be reduced pursuant to clause (2) of Section 24(a) above, but would not be so reduced if the shareholder approval requirements (if applicable) of Code Section 280G(b)(5) were satisfied, the Company shall use its reasonable best efforts to cause such Payments to be submitted for such approval prior to the event giving rise to such Payments.

25. Notice of Immunity. The law provides that: (i) no person shall be held liable under trade secret law for disclosing a trade secret in confidence to a government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law; or in a filing in a lawsuit or other proceeding, if such filing is made under seal; and (ii) an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to his or her attorney and use it in the court proceeding, if the individual files any document containing the trade secret under seal; and does not disclose it, except pursuant to court order. To the extent Executive suspects a violation of the law, the Executive should report his suspicion to the Board. Nothing in this Section shall be interpreted to prevent Executive from claiming immunity in connection with the disclosure of a trade secret, Confidential Information, or other protected information made under the good faith belief that such disclosure is permitted under applicable law, including any whistleblower or similar laws, notwithstanding the provisions of this Agreement to the contrary.

26. Section 409A.

(a) It is the Parties' intent, that if possible, the payments and benefits provided under this Agreement shall be exempt from the requirements of Section 409A including without limitation, exemptions pursuant to the short term deferral exception to Section 409A or the separation pay exceptions to Section 409A.

(a) Notwithstanding anything herein to the contrary, if Executive is a "specified employee" as of the date of termination as defined in Section 409A of the Code (and any related regulations or other pronouncements thereunder) and the deferral of the commencement of any payments or benefits not otherwise exempt from 409A and otherwise payable hereunder as a result of such termination of employment is necessary in order to prevent any accelerated or additional tax under Section 409A of the Code, then such payments or benefits shall commence to be made on the second regularly scheduled payroll date following the six-month anniversary of the termination date (or the earliest date as is permitted under Section 409A of the Code) (the "Delayed Commencement Date") and to the extent the Company has agreed to pay any part of the benefits, such as COBRA premiums, Executive shall pay the cost of such benefits until the Delayed Commencement Date. Any installment payments that are delayed pursuant to the preceding sentence shall be accumulated and paid in a lump sum on the Delayed Commencement Date, and the remaining installment payments shall be paid in accordance with the schedules provided under this Agreement or otherwise, as applicable. All delayed installment payments shall accrue interest at a rate of 3% per annum running from the date such payments would have been made had they not been delayed.

(b) Notwithstanding anything to the contrary in this Agreement, in-kind benefits and reimbursements provided under this Agreement during any tax year of Executive shall not affect in-kind benefits or reimbursements to be provided in any other tax year of Executive, except for the reimbursement of medical expenses referred to in Section 105(b) of the Code, and are not subject to liquidation or exchange for another benefit. In no event shall Executive be entitled to any reimbursement payments after December 31st of the calendar year following the calendar year in which the expense was incurred. The amount of such expenses eligible for payment or reimbursement in any year will not affect the amount of such expenses eligible for payment or reimbursement in any other year. No benefit or payment will be exchanged or liquidated for another benefit or payment. This paragraph shall only apply to benefits and reimbursements that would result in taxable compensation income to Executive.

(c) The tax treatment of the benefits provided under this Agreement is not warranted or guaranteed. The Company nor any affiliates nor their respective directors, officers, employees or advisers shall be held liable for any taxes, interest, penalties or other monetary amounts owed by the Executive (or any other individual claiming a benefit through the Executive) as a result of this Agreement.

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

COMPANY: */s/ Brian Carrico*

By: Brian Carrico
President & CEO
NeurAxis, Inc.

EXECUTIVE: */s/ Christopher R. Brown*

By: Christopher R. Brown

Exhibit 10.17

EXECUTIVE EMPLOYMENT AGREEMENT

THIS EXECUTIVE EMPLOYMENT AGREEMENT (the "Agreement") is entered into as of **August 9, 2022** (the "Effective Date") by and between NeurAxis, Inc., a Delaware corporation, (the "Company" or "NeurAxis") and Gary Peterson, an individual ("Executive"). Each of the Company and Executive may be referred to herein as a "Party" or collectively as the "Parties").

RECITALS

WHEREAS, the Company has offered Executive and Executive has accepted the position of Director of Product Development;

WHEREAS, the Parties agree it is in the Company's best interest that Executive serve as the Company's Director of Product Development;

WHEREAS, by virtue of his position with the Company, Executive will gain knowledge of, and access to, certain valuable, confidential, and proprietary business and technical information with respect to the operations, clients, products, and services of the Company;

WHEREAS, the Company desires to protect against unfair competition and the unauthorized disclosure of its valuable, confidential, and proprietary business and technical information; and

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

AGREEMENT

1. Employment. The Company shall employ Executive upon the terms and conditions set forth in this Agreement for the period beginning on October 1, 2022 (the "Start Date") and ending as provided in Section 2 hereof (the "Employment Period").

2. Term. The Employment Period shall be for two (2) years from the Start Date unless Executive's employment is terminated earlier in accordance with Sections 5 or 6 of this Agreement (the "Initial Term"). The Initial Term shall automatically be renewed for consecutive one (1) year terms at the end of the Initial Term and every one (1) year term thereafter unless either Party sends notice to the other Party, not more than one hundred eighty (180) days and not less than ninety (90) days before the end of the then existing term of employment, of such Party's desire to terminate the Agreement at the end of the then existing term (an "Expiration"), in which case this Agreement will terminate at the end of the then existing term unless the Parties agree in writing to an earlier termination date in accordance with the terms herein. For the avoidance of doubt, Expiration does not necessarily mean Executive's employment terminates, and in the event of Expiration without employment termination, Executive will not be entitled to payments and benefits set forth in Section 5(b) of this Agreement. For purposes of clarity, any employment termination event prior to Expiration is governed by this Agreement.

3. Position and Duties.

(a) During his employment, Executive shall serve as Director of Product Development of the Company and shall have the normal and reasonable duties, responsibilities and authority commensurate with such position as determined by the Company's Board of Directors (the "Board") or any officer or committee duly authorized by the Board.

(b) Executive shall report to the Board and any officer or committee to which the Board delegates oversight responsibility for Executive's position. Executive shall devote Executive's reasonable best efforts and Executive's full business time and attention to the business and affairs of the Company. Executive shall perform Executive's duties and responsibilities to the best of Executive's abilities in a reasonably diligent, trustworthy, businesslike, and efficient manner. Notwithstanding the foregoing, Executive may manage personal and family investments, engage in community, charitable, professional and educational activities, and, with the prior written consent of the Board, serve on the board of directors (or comparable governing body), and any board committees, of for-profit businesses that do not compete with the Company, provided that such activities do not interfere with the performance of Executive's duties for the Company.

4. Compensation and Benefits.

(a) Base Salary. Executive's annualized base salary shall be $200,000 (the "Base Salary"), which shall be payable in accordance with the Company's general payroll practices, including those related to taxes and withholdings.

(b) Intentionally Omitted.

(c) Discretionary Adjustments to Annual Compensation. The Board or any committee duly authorized by the Board shall perform an annual review of the compensation provided to the Director of Product Development of other medical device companies and shall consider upward adjustments or enhancements to Executive's compensation, including additional adjustments to the Base Salary and Bonuses (as hereinafter defined), based on the findings of the annual review, the performance of the Company, the performance of the Executive, or any other factor. The Board shall retain sole discretion to determine if Executive's annual compensation shall be increased. As used in this Agreement, "Bonus" shall mean any form of non-severance compensation that is service and performance-based, and that the Company provides or awards to Executive that is not included in the definition of Base Salary, and would not be deemed "wages" or "base pay" under applicable state law, or that is not provided or awarded pursuant to Sections 4(f)–(g) herein.

(d) Special One-Time Incentive Payment. To reward past service, and incentivize Executive to remain with the Company for future service, a special one-time incentive payment of $53,277.01 shall be paid promptly in a single lump sum to Executive within two and one-half months after the later of the Start Date or the Effective Date, and such special one-time incentive will be subject to taxes and withholdings.

(e) Benefits. Executive shall be provided the opportunity to participate in any employee benefit plan the Company makes available to any other officer, director, or employee of the Company, including but not limited to health insurance, 401(k) plans, and life insurance, subject to the terms of those plans as in effect from time to time. In no event does this Agreement require the Company to maintain any particular employee benefit plan, and in no event will Executive be entitled to participate in any severance or separation pay plan, program, policy, or arrangement of the Company, as in effect from time to time, as this Agreement contains all the terms governing Executive's separation from the Company as well as any compensation or benefit due to Executive as a result of any such separation; provided, however, that if Executive remains employed by the Company after Expiration of this Agreement, and if a subsequent agreement is not entered into by the Company or any affiliate and Executive, then subject to the terms of any severance or separation pay plan or policy, Executive may participate in such plan or policy on employment termination.

(f) D & O Insurance. The Company shall secure and pay all premiums and other expenses associated with a directors and officers liability policy for Executive's benefit in an amount the Company reasonably deems sufficient considering, among other things, the Company's size and industry and Executive's duties.

(g) Expenses. The Company shall reimburse Executive for all reasonable expenses incurred by Executive in the course of performing Executive's duties under this Agreement, the Company's Bylaws, or at the direction or with the approval of the Board, provided such expenses are consistent with any written policy the Company put into effect prior to Executive incurring the expense(s). The Company shall also reimburse Executive for reasonable home office expenses including without limitation the purchase and maintenance of a home computer with linkup facilities to the Company, a home facsimile, printer, scanner, telephone, laptop computer, and mobile phone, together with any charges to setup, install, maintain, or use any of the foregoing.

(h) Intentionally Omitted.

(i) Vacation. Executive shall receive 20 days of paid time off ("PTO") per calendar year. Executive shall have sole discretion over when he uses any accrued PTO, provided Executive either provides reasonable advance notice of his absence or otherwise takes steps Executive believes are appropriate to ensure his absence does not materially and detrimentally impact Company operations or deprive the Company of opportunities of which Executive is aware. Should Executive accrue but not use some or all PTO during a calendar year, such PTO shall carry forward if permitted in accordance with the Company's PTO policy. If under the Company's PTO policy, accrued and unused PTO is paid to terminated employees, Executive's accrued and unused PTO payout will be at a rate of 1/260 of Executive's Base Salary at the time of termination.

5. Termination of Employment.

(a) Termination by the Company For Cause. Executive's employment with the Company may be terminated at any time by the Company for Cause (as defined herein). Upon such termination for Cause, the Company will only pay to Executive: (i) any unpaid Base Salary that has been earned at the time of such termination; (ii) reimbursement of any expenses properly incurred prior to the Executive's termination date; and (iii) accrued and unused PTO, if any, in accordance with the Company's PTO policy in effect on Executive's termination date (collectively, the "Accrued Compensation"). The Parties agree and acknowledge that if Executive is terminated for Cause, he will not be entitled to or owed any other compensation or benefits not listed in this Section 5(a) under this Agreement or otherwise. For purposes of this Agreement, "Cause" means Executive's:

(i) conviction for a crime involving violence, fraud, dishonesty, or financial impropriety;

(ii) willful engagement in misconduct or malfeasance in connection with Executive's employment with the Company;

(iii) willful failure to abide by a reasonable and express direction of the Board or any officer or committee to which the Board delegates oversight responsibility for Employee's position (which is not reasonably cured);

(iv) willful commission of a material breach of this Agreement (which is not reasonably cured); or

(v) intentional misrepresentation or concealment of a material fact to the Company or the Company's legal counsel, independent certified public accountants, or financial advisors, or to the public in any press release, public interview, or filing with any governmental agency.

Should the Parties disagree as to the Company's decision to terminate Executive's employment for Cause under this Section 5(a), Executive shall have the right to submit the dispute to binding arbitration within sixty (60) days of the termination date by serving a notice of arbitration on the Company. Such arbitration shall be conducted in Marion County, Indiana in accordance with the Employment Arbitration Rules of the American Arbitration Association in effect at the time of such dispute. If and when Executive serves on the Company a notice to initiate arbitration, the arbitration shall become mandatory and binding on the Parties. Nothing in this Section 5(a) prejudices the Parties rights to seek judicial relief or to submit to arbitration or mediation should Executive decline or fail initiate arbitration within sixty (60) days of the termination date, nor does it affect or prejudice the Parties rights arising out of or under any other part of this Agreement.

(b) Termination by the Company Without Cause. Executive's employment may also be terminated without Cause by the Company at any time. Upon Executive's termination without Cause by the Company, the Company shall:

(i) Pay Executive the Accrued Compensation (as defined in Section 5(a) herein); and

(ii) Pay a "Severance Payment" (as defined hereinafter in this Section 5(b)).

The amount of the "Severance Payment" shall be determined as follows:

(iii) If termination occurs during the Initial Term, the Company shall provide Executive with severance compensation in the form of salary continuation at Executive's Base Salary as of the termination date and ending the later of (i) six (6) months or (ii) on the expiration date of the Initial Term. The Company shall pay all amounts due under this Section 5(b)(iii) during the applicable severance period in accordance with the Company's customary payroll practices;

(iv) If termination occurs after the Initial Term, the Severance Payment shall be the amount equal to one half (1/2) of Executive's Base Salary as of the termination date. The Company shall pay all amounts due under this Section 5(b)(iv) in substantially equal monthly installments over the course of six (6) months following the termination date;

(v) If termination occurs during the Initial Term, payment of Executive's monthly COBRA premiums (which will be subject to taxes and applicable withholdings) for continuation of health coverage for eighteen (18) months post termination subject to Section 5(d) of this Agreement and Section 409A of the Internal Revenue Code ("Section 409A"), provided COBRA is applicable, and if COBRA is not applicable, payment of an amount (which will be subject to taxes and applicable withholdings) in substantially equal installments over eighteen (18) months that the Company reasonably determines is sufficient for Executive to pay the premiums on a health insurance plan reasonably equivalent to the Company group health plan Executive was enrolled in immediately preceding his termination date;

(vi) Intentionally omitted; and

(vii) The Severance Payment will be subject to withholding for taxes and other applicable deductions.

The Parties agree and acknowledge that Executive will not be entitled to or owed any other compensation or benefits not listed in this Section 5(b) under this Agreement or otherwise if he is terminated without Cause, or, as set forth below, if he terminates for Good Reason.

(c) Voluntary Termination by Executive or a termination for Good Reason.

(i) Executive may terminate his employment at any time without Good Reason, as hereinafter defined, upon not less than thirty (30) days' prior written notice to the Company; provided, that the Company may accelerate the Executive's employment termination date to the date on which the Executive gives the Company notice of termination or on any date between such dates, and such termination shall not be deemed a termination without Cause by the Company or a termination for Good Reason by Executive. In the event of termination by Executive without Good Reason pursuant to this Section 5(c), the Executive shall be paid the Accrued Compensation, and the Parties agree and acknowledge that Executive will not be entitled to or owed any other compensation over and above such amounts under this Agreement or otherwise. If Executive terminates his employment for Good Reason (defined herein), he shall receive the same benefits and payments to which he would be entitled upon termination of his employment by the Company without Cause under Section 5(b).

(ii) For purposes of this Agreement, Executive shall have "Good Reason" to voluntarily terminate his employment with the Company if, without Executive's express prior written consent, the Company materially (a) reduces Executive's Base Salary, unless such reduction is *pari passu* with reductions made to the compensation of all other Company executives; or (b) diminishes Executive's title, duties, or responsibilities; provided, however, that if any of the conditions in the foregoing clauses (a) or (b) exists, the Executive must provide notice to the Company no more than ninety (90) calendar days following the initial existence of the condition and his intention to terminate his employment for Good Reason. Upon such notice, the Company shall have a period of thirty (30) calendar days during which it may remedy the condition.

(d) General Release and Commencement of Payments. All amounts payable pursuant to this Section 5 (other than the Accrued Compensation) shall be conditioned upon the execution by Executive of a severance agreement that will include a general release of claims against the Company and its representatives as well as other obligations, provided the Company delivers such severance agreement to Executive within a reasonable time following termination. This severance agreement must be executed by Executive and delivered to the Company and become effective and non-revocable within sixty (60) calendar days following the date of termination. The payments set forth in Section 5(b) or 5(c), as applicable, shall commence on the first payroll date following the date that is sixty (60) calendar days following the date of termination, at which time Executive will receive a payment in an amount equal to the cumulative amount to which Executive would otherwise have been entitled had such payments commenced immediately following his date of employment termination.

6. Death or Disability. If Executive's employment is terminated as a result of death or Disability, Executive or Executive's representatives or beneficiaries, as applicable, shall be entitled to receive the Accrued Compensation. The Executive shall also be entitled to any extended continuation of coverage of health insurance under applicable law, and conversion rights of group life insurance benefits if provided by the group life insurance plan, if any, in which he participates. For purposes of this Agreement, "Disability" means if Executive (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees of the Company. In connection therewith, Executive hereby agrees that it is job-related and consistent with business necessity that he submit to any medical examination or examinations as may be reasonably requested by the Company for the purposes of determining the existence or absence of a Disability. The Parties agree that the definition if Disability herein shall only apply to payment of non-qualified deferred compensation and shall not be construed as a determination as to whether Executive is disabled within the meaning of the Americans with Disabilities Act ("ADA"), nor shall it be construed to mean that medical leave of absence for any period of time would be a reasonable accommodation under the ADA. The determination as to whether Executive is disabled under the ADA and what accommodations would be reasonable will be based on the particular facts and circumstances at the time of the disability event.

7. Confidential Information. As used herein, the term "Confidential Information" shall mean all information concerning the Company's (and its related entities' and affiliates) products, processes, services, customers, marketing strategy and business plans that Company disclosed to Executive or known by Executive solely by way of Executive's employment with the Company and that is not known in the Company's trade or industry. To the extent Confidential Information is disclosed in a public or non-confidential context other than as a result of Executive's intentional acts or omissions, such information is no longer protected as Confidential Information under this Agreement. Executive agrees that Executive shall not disclose to any unauthorized person or use for Executive's own account any Confidential Information without the prior written consent of the Company or the Board. Upon the termination of executive's employment with the Company or at any other time as the Company may request, Executive shall deliver to the Company, all memoranda, notes, plans, records, computer tapes and software and other documents and data (and copies thereof) containing any Confidential Information that Executive then possesses or that are under Executive's control. In the performance of his duties, the Executive will have access to confidential or proprietary information with respect to third parties which is subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes (the "Third-Party Information"). Except in the performance of his duties to the Company and/or its affiliates, the Executive shall not, during the Initial Term nor any time thereafter, directly or indirectly for any reason whatsoever, knowingly and intentionally disclose or use any such Third-Party Information without the Company's prior written consent.

8. Non-Solicitation of Employees and Other Representatives. During Executive's employment and for twenty-four (24) months after his separation from that employment for any reason, Executive will not, directly or indirectly encourage, solicit, induce (or attempt to encourage, solicit or induce) any employee or agent of the Company that was employed (or otherwise engaged) at the time of Executive's separation, who: (a) has access to, or possesses, Confidential Information, trade secrets, or other knowledge regarding the Company that could give a Competitor an unfair advantage, or (b) within the preceding two year period, has serviced or established goodwill with the Executive's clients or clients or acquired non-public information about those clients or clients, or (c) was someone Executive had worked with, or supervised in his last two years of employment, to terminate their employment or contractual relationship with the Company (or devote less than full time efforts to the Company's business). Further, Executive agrees that he will not directly or indirectly hire or attempt to hire any individual described in this Section 8 for any competitive position, or other position, with any competitor.

9. Non-Interference. During the term of his employment with the Company and for twenty-four (24) months thereafter, Executive will not request or advise any client of the Company or any person or entity having business dealings with the Company, to withdraw, curtail, or cease such business with the Company.

10. Non-Solicitation of Clients.

(a) During Executive's employment by the Company, Executive shall not, directly or indirectly, have any ownership interest in, work for, advise, manage, act as an agent or consultant for, or have any business connection or business or employment relationship with any entity or person which competes with Company.

In consideration of employment by Company, and in further consideration of the technical training and support services provided by the Company, and the technical, trade secret, and confidential information disclosed by the Company, Executive agrees that for a period of twenty-four (24) months after his separation from employment with Company for any reason, Executive will not, in a "Competitive Capacity" (as defined below) directly or indirectly, for Executive or for another person, proprietorship, partnership, corporation, or trust, or any other entity, as an individual or as an owner, employee, agent, officer, director, trustee, or in any other capacity:

(i) Solicit, divert (or attempt to solicit or divert) or accept Competitive Business from any existing client of the Company;

(ii) Solicit, divert (or attempt to solicit or divert) or accept Competitive Business from any existing client of the Company with whom Executive has had contact (either directly or indirectly) or over which he has had responsibility at any time in the one (1) year preceding his separation;

(iii) Solicit, divert (or attempt to solicit or divert) or accept Competitive Business from any existing client of the Company about whom Executive has obtained Confidential Information or trade secrets;

(iv) Solicit or divert (or attempt to solicit or divert) or accept Competitive Business from any identified prospective client of the Company;

(v) Solicit or divert (or attempt to solicit or divert) or accept Competitive Business from any identified prospective client of the Company with whom Executive had contact (either directly or indirectly) or over which he had responsibility at any time in the one (1) year period preceding his/her separation; or

(vi) Solicit or divert (or attempt to solicit or divert) or accept "Competitive Business" from any identified prospective client of the Company about whom Executive obtained Confidential Information.

(b) Competitive Capacity. For purposes of this Agreement, the term "Competitive Capacity" shall mean: (i) performing tasks or duties similar to those Executive performed in his last year of employment at the Company for a Competitor of the Company; (ii) managing/supervising those who, for a Competitor of the Company, perform tasks or duties similar to those which Executive performed in his last year of employment at the Company; or (iii) performing, on behalf of a Competitor of the Company, tasks or duties in which Executive would utilize any Confidential Information or trade secrets that he learned in the course of his relationship with the Company.

(c) Competitor. For purposes of this Agreement, the term "Competitor" shall mean those entities which are in the same industry as the Company, and which provide products or services that are similar to those provided by the Company during the one (1) year period preceding Executive's separation from employment.

(d) Competitive Business. For purposes if this Agreement, the term "Competitive Business" shall mean the marketing, sale or provision of products or services that directly compete against the products or services: (a) with which Executive was involved during his last year of employment with the Company; or (b) which the Company is developing, producing, marketing, selling or servicing (or plans to develop, produce, market, sell or service) and about which Executive gained any Confidential Information or trade secrets in the course of his employment with the Company.

11. Limited Noncompetition Provisions.

(a) During his employment by the Company, Executive shall not, directly or indirectly, have any ownership interest in, work for, advise, manage, act as an agent or consultant for, or have any business connection or business or employment relationship with any entity or person which competes with the Company.

(b) Moreover, for a period of twenty-four (24) months after his separation from the Company for any reason, Executive shall not:

(i) In or from the United States;

(ii) In or from any state in which the Company provides products or services;

(iii) in or from the geographic area in which the Company conducts business; or

(iv) in or from the geographic area in which he performed services on behalf of the Company or for which he was assigned responsibility, at any time within one (1) year preceding his separation;

directly or indirectly and in a competitive capacity own, manage, finance, operate, control or participate in ownership, management, or operation of, act as an agent, consultant, or be employed with, any business engaged in the design, manufacture, marketing, sale or servicing of any service or product:

- with which Executive was involved during his last year of employment with the Company; or
- which the Company is developing, producing, marketing, selling or servicing (or plans to develop, produce, market, sale or service) and about which Executive gained any Confidential Information in the course of his employment with the Company.

(c) Executive further agrees that for a period of twenty-four (24) months after his separation from the Company for any reason, he shall not directly or indirectly assist in the research and development of products where such research and development would be aided by any Confidential Information that he learned in the course of his relationship with the Company.

12. Enforcement. If, at any time of enforcement of Sections 7, 8, 9, 10, and 11 of this Agreement, a court holds that the restrictions stated herein are unreasonable under circumstances then existing, the Parties hereto agree that the maximum period or scope reasonable under such circumstances shall be substituted for the stated period or scope. Because Executive's services are unique and Executive has access to Confidential Information and because of the burdensome effect of the restrictive covenants herein on Executive's right and ability to find employment outside the Company, among other things, the Parties agree that money damages may be an inadequate remedy for any breach of this Agreement and, therefore, in the event of a breach or threatened breach of this Agreement, the enforcing Party or its successors or assigns may, in addition to other rights and remedies existing in their favor, apply to any court of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce, or prevent any violation of, the provisions hereof (without posting a bond or other security). The Parties further acknowledge and understand that the prevailing Party in any action to enforce the terms of this Agreement is entitled to recover its costs, expenses and attorneys' fees incurred in connection with such enforcement.

13. No Defense for Alleged Breach. The confidentiality, non-solicitation, and limited non-competition provisions of this Agreement shall be construed as independent of any other provision of this Agreement and shall survive the termination or Expiration of this Agreement. The existence of any claim or cause of action by Executive against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of Section 7 of this Agreement.

14. Executive's Representations and Warranties. Executive hereby represents and warrants to the Company that (i) the execution, delivery and performance of this Agreement by Executive does not and will not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which Executive is a party or by which Executive is bound; (ii) Executive is not a party to or bound by any employment agreement, non-compete agreement, or confidentiality agreement with any other person or entity that would be inconsistent with or breached by the execution or performance of this Agreement by Executive; and (iii) upon the execution and delivery of this Agreement by the Company, this Agreement shall be the valid and binding obligation of Executive, enforceable in accordance with its terms. Executive agrees and acknowledges that if the Company determines that he has not met the representations in this Section and/or has breached any such agreement or obligation to another person or entity outlined in this Section, it will be deemed a breach of this Agreement.

15. Company's Representations and Warranties. The Company hereby represents and warrants to Executive that (i) the execution, delivery and performance of this Agreement by the Company does not and will not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which the Company is a party or by which the Company is bound; (ii) the Company is a duly organized and existing corporation under the laws of the State of Delaware; (iv) the Company has secured all the necessary permissions and approvals to enter into and execute this Agreement and be bound by its terms; (v) the Company has had the opportunity to have this Agreement reviewed by a counsel of its choosing; and (vi) upon the execution and delivery of this Agreement by Executive, this Agreement shall be the valid and binding obligation of the Company, enforceable in accordance with its terms. The Company agrees and acknowledges that if Executive determines that the Company has not met the representations in this Section and/or has breached any such agreement or obligation to another person or entity outlined in this Section, it will be deemed a breach of this Agreement by the Company.

16. Assignability. The Parties agree and understand that this Agreement is personal in nature and as such neither Party may not assign this Agreement without the other Party's prior written consent.

17. Survival. Sections 7 through 25 shall survive and continue in full force in accordance with their terms notwithstanding any termination of Executive's employment or Expiration of this Agreement.

18. Notices. Any notice provided for in this Agreement shall be in writing and shall be either personally delivered by nationally recognized overnight courier service, or mailed by certified mail, return receipt requested, to the recipient at the address indicated below.

If to Executive:	Gary Peterson
	2990 East Co. Rd 300 South
	Versailles, IN 47042
If to the Company:	NeurAxis, Inc.
	829 South Adams Street
	PO Box 397
	Versailles, IN 47042

or such other address or to the attention of such person as the recipient Party shall leave specified by prior written notice to the sending Party. Any notice under this Agreement will be deemed to have been given when so delivered or mailed.

19. Severability. The Parties expressly agree that the terms of this Agreement, including but not limited to Sections 1-11, are reasonable, enforceable, and necessary to protect the Parties' interests. In the unlikely event, however, that a court determines that any of the terms, provisions, or covenants contained in this Agreement are not enforceable, the court may limit the application of such term, provision, or covenant, or modify any such term, provision, or covenant and proceed to enforce the Agreement as so limited or modified, with the remaining provisions remaining in full force and effect. The Parties further agree that if any provision is susceptible of two or more constructions, one of which would render the provision unenforceable, then the provision shall be construed to have the meaning that renders it enforceable.

20. Complete Agreement. This Agreement embodies the complete agreement and understanding among the Parties and supersedes and preempts any prior understandings, agreements or representations by or among the Parties, written or oral, which may have related to the subject matter hereof in any way.

21. Counterparts. This Agreement may be executed by facsimile or e-mailed signature pages (including via PDF) in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

22. Choice of Law and Forum. This Agreement shall be governed by and construed in accordance with the laws of the State of Indiana, without giving effect to any choice or conflicts of laws, provisions, or rules that would require the applicable laws of any other jurisdiction. Subject to the limited exceptions defined in Section 5(a) herein, any action seeking to enforce any provision of, or based on any right arising out of, this Agreement shall be brought in the courts of the State of Indiana located in Marion County, or if it has or can acquire jurisdiction, in the United States District Court for the Southern District of Indiana, and each of the Parties consents to the jurisdiction of such courts (and the appropriate appellate courts) in any such action and waives any objection to venue laid therein.

23. Amendment and Waiver. The provisions of this Agreement may be amended or waived only with the prior written consent of the Company and Executive, and no course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effort or enforceability of this Agreement.

24. Golden Parachute Excise Tax.

(a) Calculation of After-Tax Amounts. To the extent that any of the payments and benefits provided for under this Agreement or any other agreement or arrangement between the Company and Executive (collectively, the "Payments") (i) constitute a "parachute payment" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code") and (ii) would be subject to the excise tax imposed by Code Section 4999, then the Payments shall be payable either (1) in full, or (2) as to such lesser amount which would result in no portion of such Payments being subject to excise tax under Code Section 4999; whichever of the foregoing amounts, taking into account the applicable federal, state and local income and other taxes and the excise tax imposed by Section 4999, results in Executive's receipt on an after-tax basis, of the greatest amount of payments and benefits under this Agreement and otherwise, notwithstanding that all or some portion of such payments and benefits may be taxable under Code Section 4999 (the "Greater Payment"); provided, however, that if the Greater Payment is calculated to be payment in full under clause (1), in order to be paid in full to Executive, it must exceed the reduced payment under clause (2) of this paragraph by at least twenty percent (20%), and if it does not so exceed the reduced payment described in clause (2) by at least twenty percent (20%), then the reduced payment of clause (2) that will not trigger the excise tax under Code Section 4999 will apply and be paid to Executive even though clause (1) provides the Greater Payment.

(b) Accounting Firm. Any determination required under this Section 24 shall be made by an independent public accounting firm (the "Accounting Firm") jointly selected by the Company and Executive, and paid for by the Company. The Accounting Firm shall be a nationally recognized United States public accounting firm that has not, during the two (2) years preceding the date of its selection, acted in any way on behalf of the Company or any affiliate thereof. The determination of the Accounting Firm shall be conclusive and binding upon Executive and the Company for all purposes.

(c) Shareholder Approval Exemption. If any Payments would be reduced pursuant to clause (2) of Section 24(a) above, but would not be so reduced if the shareholder approval requirements (if applicable) of Code Section 280G(b)(5) were satisfied, the Company shall use its reasonable best efforts to cause such Payments to be submitted for such approval prior to the event giving rise to such Payments.

25. Notice of Immunity. The law provides that: (i) no person shall be held liable under trade secret law for disclosing a trade secret in confidence to a government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law; or in a filing in a lawsuit or other proceeding, if such filing is made under seal; and (ii) an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to his or her attorney and use it in the court proceeding, if the individual files any document containing the trade secret under seal; and does not disclose it, except pursuant to court order. To the extent Executive suspects a violation of the law, the Executive should report his suspicion to the Board. Nothing in this Section shall be interpreted to prevent Executive from claiming immunity in connection with the disclosure of a trade secret, Confidential Information, or other protected information made under the good faith belief that such disclosure is permitted under applicable law, including any whistleblower or similar laws, notwithstanding the provisions of this Agreement to the contrary.

26. Section 409A.

(a) It is the Parties' intent, that if possible, the payments and benefits provided under this Agreement shall be exempt from the requirements of Section 409A including without limitation, exemptions pursuant to the short term deferral exception to Section 409A or the separation pay exceptions to Section 409A.

(a) Notwithstanding anything herein to the contrary, if Executive is a "specified employee" as of the date of termination as defined in Section 409A of the Code (and any related regulations or other pronouncements thereunder) and the deferral of the commencement of any payments or benefits not otherwise exempt from 409A and otherwise payable hereunder as a result of such termination of employment is necessary in order to prevent any accelerated or additional tax under Section 409A of the Code, then such payments or benefits shall commence to be made on the second regularly scheduled payroll date following the six-month anniversary of the termination date (or the earliest date as is permitted under Section 409A of the Code) (the "Delayed Commencement Date") and to the extent the Company has agreed to pay any part of the benefits, such as COBRA premiums, Executive shall pay the cost of such benefits until the Delayed Commencement Date. Any installment payments that are delayed pursuant to the preceding sentence shall be accumulated and paid in a lump sum on the Delayed Commencement Date, and the remaining installment payments shall be paid in accordance with the schedules provided under this Agreement or otherwise, as applicable. All delayed installment payments shall accrue interest at a rate of 3% per annum running from the date such payments would have been made had they not been delayed.

(b) Notwithstanding anything to the contrary in this Agreement, in-kind benefits and reimbursements provided under this Agreement during any tax year of Executive shall not affect in-kind benefits or reimbursements to be provided in any other tax year of Executive, except for the reimbursement of medical expenses referred to in Section 105(b) of the Code, and are not subject to liquidation or exchange for another benefit. In no event shall Executive be entitled to any reimbursement payments after December 31st of the calendar year following the calendar year in which the expense was incurred. The amount of such expenses eligible for payment or reimbursement in any year will not affect the amount of such expenses eligible for payment or reimbursement in any other year. No benefit or payment will be exchanged or liquidated for another benefit or payment. This paragraph shall only apply to benefits and reimbursements that would result in taxable compensation income to Executive.

(c) The tax treatment of the benefits provided under this Agreement is not warranted or guaranteed. The Company nor any affiliates nor their respective directors, officers, employees or advisers shall be held liable for any taxes, interest, penalties or other monetary amounts owed by the Executive (or any other individual claiming a benefit through the Executive) as a result of this Agreement.

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

COMPANY: NeurAxis, Inc.

By: */s/ Brian Carrico*

EXECUTIVE: /s/ Gary Peterson

Gary Peterson

Exhibit 10.18

UNSECURED PROMISSORY NOTE

$ 506,400.00	January 1, 2016
(Principal Sum)	(Issue Date)

FOR VALUE RECEIVED, the undersigned borrower ("**Borrower**") promises and agrees to pay to the order of Neuraxis, Inc. (f/k/a Innovative Health Solutions, Inc.) ("**Lender**"), in lawful money of the United States of America, the principal sum set forth above with interest on the outstanding principal balance from the date hereof in accordance with the terms of this promissory note ("**Note**").

WHEREAS, on January 1, 2016, Borrower received 468,000 shares ("**Founder Shares**") of Lender's common stock in connection with the founding of Lender;

WHEREAS, Borrower promised to pay $1.0820513 per share for the Founder Shares and this Note evidences such debt.

The parties hereby agree as follows:

1. **Payments.** Interest will accrue on the daily outstanding principal balance of this Note from the issue date noted above at the rate of 1.81% which is the Applicable Federal Rate for Mid-Term loans per annum as of the issue date noted above based upon the actual number of days elapsed over a year of 365 days (the "**Rate**"). All outstanding principal, plus all accrued but unpaid interest, shall be due and payable by the Borrower to the Lender on demand (the "**Demand Date**").

2. **Place of Payment.** All payments due under this Note are payable to Lender at such place as Lender shall notify Borrower in writing at least seven days before any payment under this Note is due.

3. **Application of Payments.** All payments received by Lender on this Note shall be applied by Lender as follows: first, to the payment of any late charge, costs of collection that are then due and unpaid; second, to accrued and unpaid; and third, to the reduction of the unpaid principal balance.

4. **Prepayment.** The outstanding principal amount of this Note may be prepaid, in whole or in part, at any time and from time to time, prior to the Demand Date without prepayment premium, penalty, or exit fee.

5. **Security.** The indebtedness evidenced by this Note is unsecured.

6. **Past Due Payments.** If Borrower fails to make any payment of interest or any principal on this Note for five days after the same shall become due, whether by acceleration or otherwise, Lender may, at its option, impose a late charge on Borrower, payable upon demand, equal to the greater of:

(a) Default interest at a rate of the Rate plus twelve percent per annum (the "**Default Rate**"), computed from the date such payment was due and payable to the date of receipt of such installment by Lender in good and immediately available funds, or

(b) A late charge equal to twelve percent of the amount of such past due payment, notwithstanding the date on which such payment is actually paid to Lender;

provided, however, that if any such late charge under subsections (a) or (b) hereof is not recognized as liquidated damages for such delinquency (as contemplated by Borrower and Lender), and is deemed to be interest in excess of the amount permitted to be charged to Borrower under applicable law, Lender shall be entitled to collect a late charge only at the highest rate permitted by law, and any interest actually collected by Lender in excess of such lawful amount shall be deemed a payment in reduction of the principal amount then outstanding under this Note, and shall be so applied.

7. **Defaults and Remedies.** If Borrower fails to make any payment of interest or any principal on this Note for five days after the same shall become due (each, an "**Event of Default**"), then and in any such event Lender may at its option declare the entire unpaid balance of this Note, together with interest accrued hereon, to be immediately due and payable, Lender may set off the unpaid balance hereunder against any debt owing to the Borrower by the Lender, and Lender may proceed to exercise any rights or remedies that it may have under this Note or under any other agreement relating to the indebtedness evidenced by this Note or such other rights and remedies which Lender may have at law, equity or otherwise. In the event of such acceleration, Borrower may discharge its obligations to Lender by paying the entire outstanding principal amount of this Note, together with all accrued and unpaid interest and all other sums due under this Note.

8. **Costs of Collection.** If this Note is turned over to an attorney at law for collection after default, in addition to the amounts due hereunder, Lender shall be entitled to collect all costs of collection, including but not limited to attorneys' fees, incurred in connection with protection of or realization of collateral or in connection with any of Lender's collection efforts, whether or not suit on this Note or any foreclosure proceeding is filed or commenced, and all such costs and expenses shall be payable within five days of demand.

9. **No Waiver.** No failure on the part of Lender or other holder hereof to exercise any right or remedy hereunder, whether before or after the happening of a default shall constitute a waiver thereof, and no waiver of any past default shall constitute waiver of any future default or of any other default. No failure to accelerate the indebtedness evidenced hereby by reason of default hereunder, or acceptance of a past due payment, or indulgence granted from time to time shall be construed to be a waiver of the right to insist upon prompt payment thereafter or to impose late charges retroactively or prospectively, or shall be deemed to be a novation of this Note or as a reinstatement of the debt evidenced hereby or as a waiver of such right of acceleration or any other right, or be construed so as to preclude the exercise of any right which Lender may have, whether by the laws of the State (defined below), by agreement or otherwise; and Borrower and each endorser or guarantor, if any, hereby expressly waives the benefit of any statute or rule of law or equity which would produce a result contrary to or in conflict with the foregoing. This Note may be amended only by an agreement in writing signed by the party against whom such amendment is sought to be enforced.

10. **Waiver of Presentment, Etc.** Borrower, and any co-makers, sureties, endorsers, and guarantors, each expressly waive demand and presentment for payment, notice of nonpayment, protest, notice of protest, notice of dishonor, notice of intent to accelerate the maturity hereof, notice of the acceleration of the maturity hereof, bringing of suit and diligence in taking any action to collect amounts called for hereunder and in the handling of securities at any time existing in connection herewith; such parties are and shall be jointly, severally, directly, and primarily liable for the payment of all sums owing and to be owing hereon, regardless of and without any notice, diligence, act or omission as or with respect to the collection of any amount called for hereunder or in connection with any right, lien, interest, or property at any and all times had or existing as security for any amount called for hereunder.

11. **Limitation on Interest.** It is the intention of the parties to conform strictly to applicable usury laws from time to time in force, and all agreements between Borrower and Lender, whether now existing or hereafter arising and whether oral or written, are hereby expressly limited so that in no contingency or event whatsoever, whether by acceleration of the maturity hereof or otherwise, shall the amount paid or agreed to be paid to Lender or the holder hereof, or collected by Lender or such holder, for the use, forbearance, or detention of money or otherwise, or for the payment or performance of any covenant or obligation contained herein or in any other document evidencing, securing, or pertaining to the indebtedness evidenced hereby, exceed the maximum amount permissible under applicable usury laws.

12. **Governing Law; Jurisdiction, and Service of Process.** This Note shall be governed by and construed under the laws of the State of Indiana (the "**State**"). Borrower hereby submits to personal jurisdiction in the State for the enforcement of Borrower's obligations hereunder, and waives any and all personal rights under the law of any other state to object to jurisdiction within the State for the purposes of litigation to enforce such obligation of Borrower.

13. **Jury Trial Waiver.** Borrower waives any right to have a jury participate in resolving any dispute, whether sounding in contract, tort or otherwise, between Lender and Borrower arising out of, in connection with, related to, or incidental to the relationship established between them in connection with this note or any other instrument, document or agreement executed or delivered in connection herewith or the transactions related thereto.

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IN WITNESS WHEREOF, Borrower has caused this Note to be signed and delivered on the date noted below to be effective as of the date first written above.

LENDER:

Neuraxis, Inc. (f/k/a Innovative Health Solutions, Inc.)

By: */s/ Brian Carrico*
Printed: Brian Carrico
Title: Chief Executive Officer

BORROWER:

/s/ Gary Peterson
Gary Peterson

Exhibit 10.19

UNSECURED PROMISSORY NOTE

$ 506,400.00	January 1, 2016
(Principal Sum)	(Issue Date)

FOR VALUE RECEIVED, the undersigned borrower ("**Borrower**") promises and agrees to pay to the order of the below-named lender ("**Lender**"), in lawful money of the United States of America, the principal sum set forth above with interest on the outstanding principal balance from the date hereof in accordance with the terms of this promissory note ("**Note**").

WHEREAS, on January 1, 2016, Borrower received 468,000 shares of Lender's common stock in connection with the founding of the company;

WHEREAS, Borrower promised to pay $1.0820513 per share and this Note evidences such debt.

The parties hereby agree as follows:

1. **Payments.** Interest will accrue on the daily outstanding principal balance of this Note from the issue date noted above at the rate of 1.81% which is the Applicable Federal Rate for Mid-Term loans per annum as of the issue date noted above based upon the actual number of days elapsed over a year of 365 days (the "**Rate**"). All outstanding principal, plus all accrued but unpaid interest shall be due and payable by the Borrower to the Lender on demand (the "**Demand Date**").

2. **Place of Payment.** All payments due under this Note are payable to Lender at such place as Lender shall notify Borrower in writing at least seven days before any payment under this Note is due.

3. **Application of Payments.** All payments received by Lender on this Note shall be applied by Lender as follows: first, to the payment of any late charge, costs of collection that are then due and unpaid; second, to accrued and unpaid interest at the Rate; and third, to the reduction of the unpaid principal balance.

4. **Prepayment.** The outstanding principal amount of this Note may be prepaid, in whole or in part, at any time and from time to time, prior to the Demand Date without prepayment premium, penalty, or exit fee.

5. **Security.** The indebtedness evidenced by this Note is unsecured.

6. **Past Due Payments.** If Borrower fails to make any payment of interest or any principal on this Note for five days after the same shall become due, whether by acceleration or otherwise, Lender may, at its option, impose a late charge on Borrower, payable upon demand, equal to the greater of:

(a) Default interest at a rate of the Rate plus twelve percent per annum (the "**Default Rate**"), computed from the date such payment was due and payable to the date of receipt of such installment by Lender in good and immediately available funds, or

(b) A late charge equal to twelve percent of the amount of such past due payment, notwithstanding the date on which such payment is actually paid to Lender;

provided, however, that if any such late charge under subsections (a) or (b) hereof is not recognized as liquidated damages for such delinquency (as contemplated by Borrower and Lender), and is deemed to be interest in excess of the amount permitted to be charged to Borrower under applicable law, Lender shall be entitled to collect a late charge only at the highest rate permitted by law, and any interest actually collected by Lender in excess of such lawful amount shall be deemed a payment in reduction of the principal amount then outstanding under this Note, and shall be so applied.

7. **Defaults and Remedies.** If Borrower fails to make any payment of interest or any principal on this Note for five days after the same shall become due (each, an "**Event of Default**"), then and in any such event Lender may at its option declare the entire unpaid balance of this Note, together with interest accrued hereon, to be immediately due and payable, Lender may set off the unpaid balance hereunder against any debt owing to the Borrower by the Lender, and Lender may proceed to exercise any rights or remedies that it may have under this Note or under any other agreement relating to the indebtedness evidenced by this Note or such other rights and remedies which Lender may have at law, equity or otherwise. In the event of such acceleration, Borrower may discharge its obligations to Lender by paying the entire outstanding principal amount of this Note, together with all accrued and unpaid interest and all other sums due under this Note.

8. **Costs of Collection.** If this Note is turned over to an attorney at law for collection after default, in addition to the amounts due hereunder, Lender shall be entitled to collect all costs of collection, including but not limited to attorneys' fees, incurred in connection with protection of or realization of collateral or in connection with any of Lender's collection efforts, whether or not suit on this Note or any foreclosure proceeding is filed or commenced, and all such costs and expenses shall be payable within five days of demand.

9. **No Waiver.** No failure on the part of Lender or other holder hereof to exercise any right or remedy hereunder, whether before or after the happening of a default shall constitute a waiver thereof, and no waiver of any past default shall constitute waiver of any future default or of any other default. No failure to accelerate the indebtedness evidenced hereby by reason of default hereunder, or acceptance of a past due payment, or indulgence granted from time to time shall be construed to be a waiver of the right to insist upon prompt payment thereafter or to impose late charges retroactively or prospectively, or shall be deemed to be a novation of this Note or as a reinstatement of the debt evidenced hereby or as a waiver of such right of acceleration or any other right, or be construed so as to preclude the exercise of any right which Lender may have, whether by the laws of the State (defined below), by agreement or otherwise; and Borrower and each endorser or guarantor, if any, hereby expressly waives the benefit of any statute or rule of law or equity which would produce a result contrary to or in conflict with the foregoing. This Note may be amended only by an agreement in writing signed by the party against whom such amendment is sought to be enforced.

10. **Waiver of Presentment, Etc.** Borrower, and any co-makers, sureties, endorsers, and guarantors, each expressly waive demand and presentment for payment, notice of nonpayment, protest, notice of protest, notice of dishonor, notice of intent to accelerate the maturity hereof, notice of the acceleration of the maturity hereof, bringing of suit and diligence in taking any action to collect amounts called for hereunder and in the handling of securities at any time existing in connection herewith; such parties are and shall be jointly, severally, directly, and primarily liable for the payment of all sums owing and to be owing hereon, regardless of and without any notice, diligence, act or omission as or with respect to the collection of any amount called for hereunder or in connection with any right, lien, interest, or property at any and all times had or existing as security for any amount called for hereunder.

11. **Limitation on Interest.** It is the intention of the parties to conform strictly to applicable usury laws from time to time in force, and all agreements between Borrower and Lender, whether now existing or hereafter arising and whether oral or written, are hereby expressly limited so that in no contingency or event whatsoever, whether by acceleration of the maturity hereof or otherwise, shall the amount paid or agreed to be paid to Lender or the holder hereof, or collected by Lender or such holder, for the use, forbearance, or detention of money or otherwise, or for the payment or performance of any covenant or obligation contained herein or in any other document evidencing, securing, or pertaining to the indebtedness evidenced hereby, exceed the maximum amount permissible under applicable usury laws.

12. **Governing Law; Jurisdiction, and Service of Process.** This Note shall be governed by and construed under the laws of the State of Indiana (the "**State**"). Borrower hereby submits to personal jurisdiction in the State for the enforcement of Borrower's obligations hereunder, and waives any and all personal rights under the law of any other state to object to jurisdiction within the State for the purposes of litigation to enforce such obligation of Borrower.

13. **Jury Trial Waiver.** Borrower waives any right to have a jury participate in resolving any dispute, whether sounding in contract, tort or otherwise, between Lender and Borrower arising out of, in connection with, related to, or incidental to the relationship established between them in connection with this note or any other instrument, document or agreement executed or delivered in connection herewith or the transactions related thereto.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, Borrower has caused this Note to be signed and delivered on the date noted below to be effective as of the date first written above.

LENDER:

NEURAXIS, INC. (F/K/A INNOVATIVE HEALTH SOLUTIONS, INC.)

By: */s/ Brian Carrico*
Printed: Brian Carrico
Title: Chief Executive Officer
Date:

BORROWER:

/s/ Christopher Robin Brown
Christopher Robin Brown
Date:

Exhibit 10.20

Innovative Health Solutions, Inc.

2017 Stock Compensation Plan

Adopted October 12, 2017

Article 1. Purpose and Definitions

Section 1.1. **Purpose of the Plan**. This Plan is intended to encourage ownership of Shares by Eligible Employees and Key Non-Employees in order to attract and retain such Eligible Employees in the employ of the Company or an Affiliated Entity, or to attract such Key Non-Employees to provide services to the Company or an Affiliated Entity, and to provide additional incentive for such persons to promote the long-term success of the Company or an Affiliated Entity.

Section 1.2. **Definitions**. Unless otherwise specified or unless the context otherwise requires, the following terms, as used in this Plan, have the following meanings:

"**Affiliated Entity**" means a corporation which, for purposes of Section 424 of the Code, is a parent or subsidiary of the Company, direct or indirect.

"**Award**" means the grant by the Committee of an Option or Restricted Stock pursuant to the terms of this Plan.

"**Award Agreement**" means the written agreement setting forth the terms and provisions applicable to an Award.

"**Board**" means the Board of Directors of the Company.

"**Cause**" means the meaning given such term in the written employment, consulting, development, confidentiality, non-solicitation, non-competition, work-for-hire, assignment of inventions or protective agreement or any similar agreement between the Participant and the Company (or any Affiliated Entity); provided that if no such agreement has been entered into or such term is not defined therein, "Cause" means:

(i) the material breach of a covenant made by the Participant to the Company in conjunction with the grant of an Option or the transfer of Shares of Common Shares hereunder or otherwise;

(ii) divulging confidential information and/or trade secrets about the Company or an Affiliated Entity to the public or to a competitor;

(iii) the Participant's gross negligence in the performance of his or her lawful duties to the Company or an Affiliated Entity or repeated failure by the Participant to fulfill his or her obligations to the Company;

(iv) a material violation of any term or provision of any employment, consulting, development, confidentiality, non-competition, work-for-hire, non-solicitation, assignment of inventions, protective or similar agreement between the Participant and the Company or an Affiliated Entity; or

(v) the determination by the Committee in the exercise of its reasonable judgment that the Participant has committed an act or acts constituting a gross misdemeanor or a felony or other act involving fraud, theft or dishonesty against the Company or an Affiliated Entity or that is injurious to the Company or an Affiliated Entity.

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

"**Committee**" means the Board, or the committee to which the Board delegates the power to act under or pursuant to the provisions of the Plan, but only to the extent a committee is selected. If the Board delegates powers to a committee, and if the Company is or becomes subject to Section 16 of the Exchange Act, then, if necessary for compliance therewith, such committee shall consist initially of not less than two (2) members of the Board, each member of which must be a "non-employee director," within the meaning of the applicable rules promulgated pursuant to the Exchange Act. If the Company is or becomes subject to Section 16 of the Exchange Act, no member of the Committee shall receive any Option pursuant to the Plan or any similar plan of the Company or any Affiliated Entity while serving on the Committee unless the Board determines that the grant of such an Option satisfies the then current Rule 16b-3 requirements under the Exchange Act. Notwithstanding anything herein to the contrary, and insofar as the Board determines that it is necessary in order for compensation recognized by Participants pursuant to the Plan to be fully deductible to the Company for federal income tax purposes, each member of the Committee also shall be an "outside director" (as defined in regulations or other guidance issued by the Internal Revenue Service under Code Section 162(m)).

"**Common Shares**" or "**Common Stock**" means the common stock of the Company.

"**Company**" means Innovative Health Solutions, Inc., an Indiana corporation, and includes any successor or assignee corporation or corporations into which the Company may be merged, changed, or consolidated; any corporation for whose securities the securities of the Company shall be exchanged; and any assignee of or successor to substantially all of the assets of the Company.

"**Disability**" or "**Disabled**" means permanent and total disability as defined in Section 409A of the Code.

"**Eligible Employee**" means an employee of the Company or of an Affiliated Entity (including, without limitation, an employee who also is serving as an officer or director of the Company or of an Affiliated Entity), designated by the Board or the Committee as being eligible to be granted one or more Options or one or more Restricted Stock Awards under the Plan.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended from time to time, or any successor statute thereto.

"**Incentive Stock Option**" means an Option which, when granted, is intended to be an "incentive stock option," as defined in Section 422 of the Code.

"**Key Non-Employee**" means a non-employee director, advisor, consultant, or independent contractor of the Company or of an Affiliated Entity who is designated by the Board or the Committee as being eligible to be granted one or more Options or one or more Restricted Stock Awards under the Plan.

"**Non-Qualified Stock Option**" means an Option which, when granted, is not intended to be an "incentive stock option," as defined in Section 422 of the Code.

"**Option**" means a right or option to acquire Shares granted under the Plan.

"**Option Agreement**" means an agreement between the Company and a Participant for an Option executed and delivered pursuant to the Plan.

"**Participant**" means an Eligible Employee to whom one or more Incentive Stock Options, Non-Qualified Stock Options or Restricted Stock Awards are granted under the Plan, a Key Non-Employee to whom one or more Non-Qualified Stock Options or Restricted Stock Awards are granted under the Plan, and a transferee of Incentive Stock Options, Non-Qualified Stock Options or Restricted Stock Awards, as permitted by Section 5.14.

"**Plan**" means this Innovative Health Solutions, Inc. 2017 Stock Compensation Plan, as amended from time to time.

"**Representative**" means: (1) the person or entity acting as the executor or administrator of a Participant's estate pursuant to the last will and testament of a Participant or pursuant to the laws of the jurisdiction in which the Participant had the Participant's primary residence at the date of the Participant's death; (2) the person or entity acting as the guardian or temporary guardian of a Participant; or (3) the person or entity which is the beneficiary of the Participant upon or following the Participant's death; provided that only one of the foregoing shall be the Representative at any point in time as determined under applicable law and recognized by the Committee. Any Representative shall be subject to all terms and conditions applicable to the Participant.

"**Restricted Period**" means the period of time selected by the Committee for the purpose of determining when restrictions are in effect under Article 6 hereof with respect to Restricted Stock awarded under this Plan.

"**Restricted Stock**" means Shares that have been contingently awarded to a Participant by the Committee subject to the restrictions referred to in Article 6 hereof, so long as such restrictions are in effect.

"**Restricted Stock Award**" means an Award of Restricted Stock.

"**Restricted Stock Award Agreement**" means an agreement between the Company and a Participant for a Restricted Stock Award executed and delivered pursuant to the Plan.

"**Retirement**" means that meaning set forth in an Option Agreement, Restricted Stock Award Agreement or a Participant's employment agreement with the Company, if any; or if not so defined therein, shall mean the Participant's Termination of Employment as a result of retirement upon attaining the age of 65 or such other age to which the Company consents.

"**Shares**" means the following shares of the capital stock of the Company as to which Options or Restricted Stock Awards have been or may be granted under the Plan: treasury shares or authorized but unissued Common Shares or any shares of capital stock into which the Shares are changed or for which they are exchanged within the provisions of Article 7 of the Plan.

"**Termination of Employment**" means the occurrence of any act or event, whether pursuant to an employment agreement or otherwise that actually or effectively causes or results in the person's ceasing, for whatever reason, to be an employee, director, independent contractor, or consultant of the Company or of any Affiliated Entity, including, without limitation, death, Disability, dismissal, severance at the election of the Participant, retirement, or severance as a result of the discontinuance, liquidation, sale or transfer by the Company or its Affiliated Entities of all business owned or operated by the Company or its Affiliated Entities. A transfer of employment from the Company to an Affiliated Entity or from an Affiliated Entity to the Company, shall not be a Termination of Employment, unless expressly determined by the Committee. A Termination of Employment shall occur with respect to an employee, director, independent contractor or consultant of an Affiliated Entity that ceases to be an Affiliated Entity if the Participant does not immediately thereafter become an employee, director, independent contractor or consultant of the Company or an Affiliated Entity.

Article 2. Shares Subject to the Plan

The aggregate number of Shares as to which Options or Restricted Stock Awards may be granted from time to time shall be 358,913 Shares (subject to adjustment for stock splits, stock dividends, and other adjustments described in Article 7 hereof).

Shares subject to Options or Restricted Stock Awards that are forfeited, terminated, expire unexercised, canceled by agreement of the Company and the Participant, settled in cash in lieu of Common Shares or in such manner that all or some of the Shares covered by such Options are not issued to a Participant, or are exchanged for Options that do not involve Common Shares, shall immediately become available for Options and Restricted Stock Awards. In addition, if the exercise price of any Option is satisfied by tendering Shares to the Company (by actual delivery or attestation), only the number of Shares issued net of the Shares tendered shall be deemed delivered for purposes of determining the maximum number of Shares available for Options and Restricted Stock Awards.

Subject to the provisions of Article 7, the aggregate number of Shares as to which Incentive Stock Options may be granted shall be subject to change only by means of an amendment of the Plan duly adopted by the Company and approved by the shareholders of the Company within one year after the date of the adoption of any such amendment.

Article 3. Administration of the Plan

The Plan shall be administered by the Committee. The entire Committee shall constitute a quorum at any meeting thereof (including by telephone conference or other electronic medium) and the acts of the entire Committee, or acts approved in writing by the entire Committee without a meeting, shall be the acts of the Committee for purposes of this Plan, unless the Committee is the Board in which case a quorum of the Board under the Company's By-Laws shall constitute a quorum of the Committee. The Committee may authorize one or more of its members or an officer of the Company to execute and deliver documents on behalf of the Committee. A member of the Committee shall not exercise any discretion respecting himself or herself under the Plan. Any member of the Committee may resign upon notice to the Board. The Committee may allocate among one or more of its members, or may delegate to one or more of its agents, such duties and responsibilities as it determines.

Subject to the provisions of the Plan, the Committee is authorized to:

(i) interpret the provisions of the Plan or of any Option, Option Agreement or Restricted Stock Award Agreement and to make all rules and determinations which it deems necessary or advisable for the administration of the Plan;

(ii) determine which employees of the Company or of an Affiliated Entity shall be designated as Eligible Employees and which of the Eligible Employees shall be granted Options and Restricted Stock Awards;

(iii) determine the Key Non-Employees to whom Non-Qualified Stock Options and Restricted Stock Awards shall be granted;

(iv) determine whether any Option to be granted shall be an Incentive Stock Option or Non-Qualified Stock Option;

(v) determine the number of Shares for which an Option Award or Restricted Stock Award shall be granted;

(vi) determine the terms and conditions of any Restricted Stock Award granted hereunder and any Option granted hereunder (including, but not limited to, the Option exercise price, the Option term, any exercise restriction or limitation and any exercise acceleration or forfeiture (or forfeiture waiver), in each case regarding any Option and the Shares relating thereto);

(vii) adjust the terms and conditions, at any time or from time to time, of any Restricted Stock Award or any Option, subject to the limitations set forth herein;

(viii) determine under what circumstances an Option may be settled in cash, Common Shares, other equity, the surrender of debt, or cashless exercise arrangements;

(ix) provide for the forms of Award Agreements to be utilized in connection with this Plan;

(x) determine whether a Participant has a Disability;

(xi) determine what securities law requirements are applicable to the Plan, Options, Restricted Stock Awards, and the issuance of Common Shares and to require of a Participant that appropriate action be taken with respect to such requirements;

(xii) provide for the acceleration of the right to exercise an Option (or portion thereof) or the acceleration of the vesting of a Restricted Stock Award (or portion thereof);

(xiii) cancel, with the consent of the Participant or as otherwise provided in this Plan or an Award Agreement, outstanding Options or Restricted Stock Awards;

(xiv) require as a condition of the exercise of an Option, the Award or vesting of Restricted Stock or the issuance or transfer of shares of Common Shares, the withholding from a Participant of the amount of any federal, state or local taxes as may be required by law;

(xv) determine whether and with what effect a Termination of Employment has occurred;

(xvi) determine the restrictions or limitations on the transfer of shares of Common Shares;

(xvii) determine whether an Option is to be adjusted, modified or purchased, or is to become fully exercisable, under this Plan or the terms of an Option Agreement;

(xviii) adopt, amend and rescind such rules and regulations as, in its opinion, may be advisable in the administration of this Plan;

(xix) appoint and compensate agents, counsel, auditors or other specialists to aid it in the discharge of its duties; and

(xx) take any other actions it deems necessary or advisable for the administration of the Plan;

provided, *however*, that with respect to Incentive Stock Options, all such interpretations, rules, determinations, terms, and conditions shall be made and prescribed in the context of preserving the tax status of the Incentive Stock Options as incentive stock options within the meaning of Section 422 of the Code.

The Committee shall have the authority to adopt, alter and repeal such administrative rules, guidelines and practices governing this Plan as it shall, from time to time, deem advisable, to interpret the terms and provisions of this Plan and any Option or Restricted Stock Award issued under this Plan (and any Option Agreement or Restricted Stock Award Agreement) and to otherwise supervise the administration of this Plan. Subject to the restrictions regarding Incentive Stock Options, set forth above, the Committee's policies and procedures may differ with respect to Options and Restricted Stock Awards granted at different times or to different Participants.

Any determination made by the Committee pursuant to the provisions of this Plan shall be made in its discretion, and in the case of any determination relating to an Option or Restricted Stock Award, may be made at the time of the grant of the Option (or Restricted Stock Award, as applicable) or, unless in contravention of any express term of this Plan or an Award Agreement, at any time thereafter. All decisions made by the Committee pursuant to the provisions of this Plan shall be final and binding on all persons, including the Company and Participants.

The Committee may delegate to the chief executive officer and to other senior officers of the Company or its Affiliated Entities its duties under the Plan pursuant to such conditions or limitations as the Committee may establish, except that only the Committee may select, and grant Options or Restricted Stock Awards to, Participants who are subject to Section 16 of the Exchange Act. All determinations of the Committee shall be made by unanimous vote or consent of its members.

Article 4. Eligibility for Participation

The Committee may at any time and from time to time grant one or more Options or Restricted Stock Awards to one or more Eligible Employees or Key Non-Employees and may designate the number of Shares to be subject to each Option or Restricted Stock Award so granted, *provided*, *however*, that: (a) each Participant receiving an Incentive Stock Option must be an Eligible Employee of the Company or of such Affiliated Entity at the time an Incentive Stock Option is granted; (b) no Incentive Stock Options shall be granted after the expiration of ten (10) years from the earlier of the date of the adoption of the Plan by the Company or the approval of the Plan by the shareholders of the Company; and (c) the fair market value of the Shares (determined at the time the Option is granted) as to which Incentive Stock Options are exercisable for the first time by any Eligible Employee during any single calendar year (under the Plan and under any other incentive option plan of the Company or an Affiliated Entity) shall not exceed $100,000.

Notwithstanding the foregoing, if the Company is or becomes subject to Section 16 of the Exchange Act, then no individual who is a member of the Committee shall be eligible to receive an Option or a Restricted Stock Award, unless the Board determines that the grant of the Option or Restricted Stock Award satisfies the then current Rule 16b-3 requirements under the Exchange Act. If the Company is not subject to Section 16 of the Exchange Act, then no individual who is a member of the Committee shall be eligible to receive an Option or a Restricted Stock Award under the Plan unless the granting of such Option or Restricted Stock Award shall be approved by the Committee, with all of the members voting thereon being disinterested members. For the purpose of this Article 4, a "disinterested member" shall be any member who shall not then be, or at any time within the year prior thereto have been, granted an Option under the Plan or any other plan of the Company or an Affiliated Entity, other than an Option granted under a formula plan (within the meaning of Rule 16b-3 aforesaid) established by the Company or an Affiliated Entity.

The foregoing provisions of this Article 4 to the contrary notwithstanding, the Committee may authorize the grant of an Option or Restricted Stock Award to a person in advance of such person becoming an employee or serving as a director, consultant, or independent contractor of the Company or of an Affiliated Entity, with such authorization being conditioned upon such person becoming eligible to become a Participant at or prior to the actual grant of such Option or Restricted Stock Award and the execution of the Award Agreement. The Committee may also authorize the grant of an Option or Restricted Stock Award to a former consultant, employee or independent contractor of the Company, provided that such former consultant, employee or independent contractor was employed by or providing services at the time the Options or Restricted Stock Awards were offered to said employees, consultants or independent contractors.

Article 5. Terms and Conditions of Options

Each Option shall be set forth in an Option Agreement, duly executed on behalf of the Company and by the Participant to whom such Option is granted. No Option shall be granted and no purported grant of any Option shall be effective until such Option Agreement shall have been duly executed on behalf of the Company and by the Participant. Each such Option Agreement shall be subject to at least the following terms and conditions:

Section 5.1. **Option Price**. The exercise price of the Shares covered by each Option granted under the Plan shall be determined by the Committee. In the case of an Incentive Stock Option, if the optionee owns directly or by reason of the applicable attribution rules ten percent (10%) or less of the total combined voting power of all classes of share capital of the Company, the Option price (per share) of the Shares covered by each Incentive Stock Option shall be not less than the "fair market value" of the Shares on the date of the grant of the Incentive Stock Option. In all other cases of Incentive Stock Options, the Option price shall be not less than one hundred ten percent (110%) of the said fair market value on the date of grant. In the case of a Non-Qualified Stock Option, the Option price (per share) of the Shares covered by each Non-Qualified Stock Option shall be not less than the "fair market value" of the Shares on the date of the grant of the Non-Qualified Stock Option. If the Shares are listed on any national securities exchange, the fair market value shall be the closing sales price, if any, on the largest such exchange on the date of the grant of the Option, or, if none, on the most recent trade date thirty (30) days or less prior to the date of the grant of the Option. If the Shares are not then listed on any such exchange, then the fair market value of such Shares shall be the closing sales price if such is reported or otherwise the mean average of the closing "Bid" and the closing "Ask" prices, if any, as reported on the National Association of Securities Dealers Over the Counter Bulletin Board ("OTCBB") or similar quotation system for the date of the grant of the Option, or if none, on the most recent trade date thirty (30) days or less prior to the date of the grant of the Option for which such quotations are reported. If the Shares are not then either listed on any such exchange or quoted on OTCBB or the like, then the fair market value shall be the mean between the average of the "Bid" and the average of the "Ask" prices, if any, as reported in the National Daily Quotation Service for the date of the grant of the Option, or, if none, for the most recent trade date thirty (30) days or less prior to the date of the grant of the Option for which such quotations are reported. If the fair market value cannot be determined under the preceding three sentences, it shall be determined in good faith by the Committee by a methodology consistently applied, provided such fair market value meets the definition of fair market value for purposes of Code Section 409A.

Section 5.2. **Number of Shares**. Each Option shall state the number of Shares to which it pertains.

Section 5.3. **Term of Option**. Each Incentive Stock Option shall terminate not more than ten (10) years from the date of the grant thereof, or at such earlier time as the Option Agreement may provide, and shall be subject to earlier termination as herein provided, except that if the Option price is required under Section 5.1 to be at least one hundred ten percent (110%) of fair market value, each such Incentive Stock Option shall terminate not more than five (5) years from the date of the grant thereof, and shall be subject to earlier termination as herein provided.

Section 5.4. **Date of Exercise**. Upon the authorization of the grant of an Option, or at any time thereafter, the Committee may, subject to the provisions of Section 5.3, prescribe the date or dates on which the Option becomes exercisable, and may, in its discretion, provide that the Option rights become exercisable (vest) in installments over a period of years, or upon the attainment of stated goals. Options shall not be exercisable prior to their vesting.

Section 5.5. **Medium of Payment**. The Option price shall be paid on the date of purchase specified in the notice of exercise, as set forth in Section 5.11. It shall be paid in such form (permitted by Section 422 of the Code in the case of Incentive Stock Options) as the Committee shall provide, either by rules promulgated pursuant to the provisions of Article 3 of the Plan or in the particular Option Agreement.

Section 5.6. **Termination of Employment**.

(a) **Termination for Reasons Other than Death, Disability or Cause**. Unless otherwise provided in an Option Agreement, a Participant who ceases to be an employee or Key Non-Employee of the Company or of an Affiliated Entity for any reason other than death, Disability, or termination for Cause, which events are governed by Section 5.10, Section 5.9 and Section 5.6(b), respectively, may exercise any Option granted to such Participant, to the extent that the right to purchase Shares thereunder has become exercisable on the date of such termination, but only within three (3) months after such date, and subject to the condition that no Option shall be exercisable after the expiration of the term of the Option. The Participant's Option Agreement may provide for a shorter exercise period, or, in the case of a Non-Qualified Stock Option, a longer exercise period than that specified in the foregoing sentence, but in no event longer than the expiration of the term of the Option. A Participant's employment shall not be deemed terminated by reason of a transfer to another employer which is the Company or an Affiliated Entity.

(b) **Termination for Cause**. A Participant who ceases to be an employee or Key Non-Employee for Cause shall, upon such termination, cease to have any right to exercise any Option. The determination of the Board or the Committee as to the existence of Cause shall be conclusive and binding upon the Participant and the Company.

Section 5.7. **Leave of Absence or Temporary Disability**. A Participant who is absent from work with the Company or an Affiliated Entity because of temporary disability (any disability other than a permanent and total Disability as defined in Section 1.2, or who is on leave of absence for any purpose permitted by any authoritative interpretation (*i.e.*, regulation, ruling, case law, etc.) of Section 422 of the Code, shall not, during the period of any such absence, be deemed, by virtue of such absence alone, to have terminated his employment or relationship with the Company or with an Affiliated Entity, except as the Committee may otherwise expressly provide or determine.

Section 5.8. **Disability or Death within Three Months of Termination Covered by Section 5.6(a)**. Unless otherwise provided in an Option Agreement, in the event a Participant ceased to be an employee or Key Non-Employee of the Company or of an Affiliated Entity for any reason other than death, Disability, or termination for Cause, and such Participant subsequently becomes Disabled or dies within the three (3) month period after his Termination of Employment or, if earlier, within the originally prescribed term of the Option, the Participant or the Participant's estate or personal representative may exercise the vested portion of his Option, in the event of Disability, within twelve (12) months after the date that the Participant ceased to be an employee or Key Non-Employee of the Company or of an Affiliated Entity or, in the event of death, within twelve (12) months after the date of death of such Participant.

Section 5.9. **Total and Permanent Disability**. Unless otherwise provided in an Option Agreement, a Participant who ceases to be an employee or Key Non-Employee of the Company or of an Affiliated Entity by reason of Disability may exercise any Option granted to such Participant (a) to the extent that the right to purchase Shares thereunder has become exercisable on or before the date such Participant becomes Disabled as determined by the Committee, and (b) if the Option becomes exercisable periodically under Section 5.4, to the extent of any additional rights that would have become exercisable had the Participant not become so Disabled until after the close of business on the next periodic exercise date.

Unless otherwise provided in an Option Agreement, a Disabled Participant, or his estate or personal representative, shall exercise such rights, if at all, only within a period of not more than twelve (12) months after the date that the Participant became Disabled as determined by the Committee (notwithstanding that the Participant might have been able to exercise the Option as to some or all of the Shares on a later date if the Participant had not become Disabled) or, if earlier, within the originally prescribed term of the Option. An Option Agreement may provide for a shorter exercise period, or, in the case of a Non-Qualified Stock Option, a longer exercise period than that specified in the foregoing sentence, but in no event longer than the expiration of the term of the Option.

Section 5.10. **Death**. Unless otherwise provided in an Option Agreement, in the event that a Participant to whom an Option has been granted ceases to be an employee or Key Non-Employee of the Company or of an Affiliated Entity by reason of such Participant's death, such Option, to the extent that the right is exercisable but not exercised on the date of death, may be exercised by the Participant's estate or personal representative within twelve (12) months after the date of death of such Participant or, if earlier, within the originally prescribed term of the Option, notwithstanding that the decedent might have been able to exercise the Option as to some or all of the Shares on a later date if the Participant were alive and had continued to be an employee or Key Non-Employee of the Company or of an Affiliated Entity. An Option Agreement may provide for a shorter exercise period, or, in the case of a Non-Qualified Stock Option, a longer exercise period than that specified in the foregoing sentence, but in no event longer than the expiration of the term of the Option.

Section 5.11. **Exercise of Option and Issue of Stock**. Vested Options shall be exercised by giving written notice to the Company prior to the expiration of the Option term. Such written notice shall: (a) be signed by the person exercising the Option; (b) state the number of Shares with respect to which the Option is being exercised; (c) contain the warranty required by Section 5.15; and (d) specify a date (other than a Saturday, Sunday or legal holiday) not less than five (5) nor more than ten (10) days after the date of such written notice, as the date on which the Shares will be purchased. Such tender and conveyance shall take place at the principal office of the Company during ordinary business hours, or at such other hour and place agreed upon by the Company and the person or persons exercising the Option. On the date specified in such written notice (which date may be extended by the Company in order to comply with any law or regulation which requires the Company to take any action with respect to the Option Shares prior to the issuance thereof, whether pursuant to the provisions of Article 7 or otherwise), the Company shall accept payment for the Option Shares and shall deliver to the person or persons exercising the Option in exchange therefor an appropriate certificate or certificates for fully paid non-assessable Shares. Payment shall be made by cash or check or such other form of payment as the Company may accept. If provided in an Option Agreement, or if approved by the Committee, payment in full or in part may also be made: (i) by transferring Shares already owned by the Participant for a period of at least six (6) months prior to payment having a total Share value on the date of such transfer at least equal to the Option price; (ii) by the execution and delivery of a promissory note or other evidence of indebtedness (and any collateral security thereunder) satisfactory to the Committee; (iii) by the delivery of cash or the extension of credit by a broker-dealer to whom the Participant has submitted a notice of exercise or otherwise indicated an intent to exercise an Option (in accordance with Part 220, Chapter II, Title 12 of the Code of Federal Regulations, so-called "cashless" exercise); (iv) by surrender of the Option Agreement without the payment of any other consideration, commission or remuneration, accompanied by notice that the Participant desires a net exercise with respect to such Option Agreement and where the number of Options to be issued in exchange for such Option Agreement will be computed by subtracting the Option exercise price from the fair market value of the underlying Shares, and multiplying that amount by the number of Shares represented by the Option Agreement, and dividing by the fair market value of the underlying Shares; or (v) by any combination of the foregoing. No Shares will be issued until full payment therefor has been made and the Participant has executed agreements that the Company may require the Participant to execute. In the event of any failure to take up and make payment in-full for the number of Shares specified in such written notice on the date set forth therein (or on the extended date as above provided), the right to exercise the Option shall terminate with respect to such number of Shares, but shall continue with respect to the remaining Shares covered by the Option and not yet acquired pursuant thereto.

Section 5.12. **Rights as a Shareholder**. No Participant to whom an Option has been granted shall have rights as a shareholder with respect to any Shares covered by such Option except as to such Shares as have been issued to or registered in the Company's share register in the name of such Participant upon the due exercise of the Option and tender of the full Option price.

Section 5.13. **Obligation to Sign Amended and Restated Shareholders' Agreement.** No Participant to whom an Option has been granted shall have rights as a shareholder with respect to any Shares covered by such Option unless and until the Corporation and Participant enters into and signs the Innovative Health Solutions, Inc. Amended and Restated Shareholders' Agreement, which is incorporated herein by reference, and attached as **Exhibit A**.

Section 5.14. **Assignability and to Transferability of Options**. Unless (i) otherwise permitted by the Code and by Rule 16b-3 of the Exchange Act, if applicable, (ii) approved in advance in writing by the Committee, and (iii) transferred to a person or entity who is, and upon exercise of the Options will remain, an eligible shareholder of an S Corporation, an Option granted to a Participant shall not be transferable by the Participant and shall be exercisable, during the Participant's lifetime, only by such Participant or, in the event of the Participant's incapacity, his guardian or legal representative. Except as otherwise permitted herein, such Option shall not be assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) other than by the laws of descent, and shall not be subject to execution, attachment, or similar process. Any attempted transfer, assignment, pledge, hypothecation or other disposition of any Option or of any rights granted thereunder contrary to the provisions of this Section 5.14, or the levy of any attachment or similar process upon an Option or such rights, shall be null and void.

Section 5.15. Other Provisions. The Option Agreement for an Incentive Stock Option shall contain such limitations and restrictions upon the exercise of the Option as shall be necessary in order that such Option constitutes an "incentive stock option" within the meaning of Section 422 of the Code. Further, the Option Agreements authorized under the Plan shall be subject to such other terms and conditions including, without limitation, restrictions upon the exercise of the Option, as the Committee shall deem advisable and which, in the case of Incentive Stock Options, are not inconsistent with the requirements of Section 422 of the Code.

Section 5.16. **Purchase for Investment**. Unless the Shares to be issued upon the particular exercise of an Option shall have been effectively registered under the Securities Act of 1933, as now in force or hereafter amended, the Company shall be under no obligation to issue the Shares covered by such exercise unless and until the following conditions have been fulfilled. In such event, the persons acquiring such Shares shall be bound by the provisions of the following legend (or similar legend) which shall be endorsed upon the certificate(s) evidencing their Option Shares issued pursuant to such exercise.

> "The shares represented by this certificate have not been registered under the Securities Act of 1933, as amended. The shares have been acquired for investment and they may not be sold or offered for sale or otherwise transferred by any person, including a pledgee, in the absence of (i) an effective registration statement for the shares under the Securities Act of 1933 or (ii) satisfactory assurances to the Company that registration under such Act is not required with respect to such sale or offer, which may include an opinion of counsel satisfactory to the Company that an exemption from registration is then available."
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> "The shares of stock represented by this certificate are subject to the terms and conditions (including forfeiture provisions) of a certain Option Agreement between the Company and the holder. A copy of the Option Agreement is on file in the office of the Secretary of the Company. The Option Agreement provides, among other things, for restrictions upon the holder's right to transfer the shares represented hereby, and for certain prior rights to purchase and certain obligations to sell the shares of common stock evidenced by this certificate at a designated purchase price determined in accordance with the Option Agreement. Any attempted transfer of these shares other than in compliance with the Option Agreement shall be void and of no effect. By accepting the shares of stock evidenced by this certificate, any permitted transferee agrees to be bound by all of the terms and conditions of said Option Agreement."

Without limiting the generality of the foregoing, the Company may delay issuance of the Shares until completion of any action or obtaining any consent that the Company deems necessary under any applicable law (including without limitation state securities or "blue sky" laws).

Article 6. Terms and Conditions of Restricted Stock

The Committee shall have full and complete authority, subject to the limitations of this Plan, to grant Awards of Restricted Stock and, in addition to the terms and conditions contained in this Article 6, to provide such other terms and conditions (which need not be identical among Participants) with respect to such Awards and the vesting thereof as the Committee shall determine and provide in the applicable Award Agreement.

Section 6.1. **Restricted Period; Rights of Holder**. At the time of an Award of Restricted Stock, the Committee shall establish for each Participant a Restricted Period during which, or at the expiration of which, the Restricted Stock shall vest. The Committee may also restrict or prohibit the sale, assignment, transfer, pledge or other encumbrance of the Restricted Stock by the Participant during the Restricted Period. Unless otherwise provided in the Award Agreement, the Participant shall not have the right to receive any dividends paid with respect to such Shares nor the right to vote such Shares during the Restricted Period. The Committee shall have the authority, in its discretion, to accelerate the time at which any or all of the restrictions shall lapse or to remove any or all of such restrictions, whenever it may determine that such action is appropriate by reason of changes in applicable tax or other laws or other changes in circumstances occurring after the commencement of the Restricted Period.

Section 6.2. **Forfeiture**. In the case of a Participant's Termination of Employment, unless the Committee shall otherwise determine or as shall otherwise be provided in an Award Agreement, all Shares of Restricted Stock that are still subject to the restrictions imposed at the time of Termination of Employment shall, upon such Termination of Employment, be forfeited and returned to the Company.

Section 6.3. **Certificates**. In accordance with the direction of the Committee, the persons who receive Awards of Restricted Stock shall warrant to the Company that such persons are acquiring their Shares of Restricted Stock for investment and not with a view to, or for sale in connection with, the distribution of any such Shares of Restricted Stock and shall make such other representations, warranties, acknowledgments and affirmations, if any, as the Committee may require. Each certificate representing Shares of Restricted Stock shall be registered in the name of the Participant and deposited with the Company, together with a stock power endorsed in blank, and shall bear a legend substantially to the following effect:

> "The shares represented by this certificate have not been registered under the Securities Act of 1933, as amended. The shares have been acquired for investment and they may not be sold or offered for sale or otherwise transferred by any person, including a pledgee, in the absence of (i) an effective registration statement for the shares under the Securities Act of 1933 or (ii) satisfactory assurances to the Company that registration under such Act is not required with respect to such sale or offer, which may include an opinion of counsel satisfactory to the Company that an exemption from registration is then available."
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> "The shares of stock represented by this certificate are subject to the terms and conditions (including forfeiture provisions) of a certain Restricted Stock Award Agreement among the Company and the holder. A copy of the Restricted Stock Award Agreement is on file in the office of the Secretary of the Company. The Restricted Stock Award Agreement provides, among other things, for restrictions upon the holder's right to transfer the shares represented hereby, and for certain prior rights to purchase and certain obligations to sell the shares of common stock evidenced by this certificate at a designated purchase price determined in accordance with the Restricted Stock Award Agreement. Any attempted transfer of these shares other than in compliance with the Restricted Stock Award Agreement shall be void and of no effect. By accepting the shares of stock evidenced by this certificate, any permitted transferee agrees to be bound by all of the terms and conditions of said Restricted Stock Award Agreement."

Upon lapse of the restrictions imposed on Shares of Restricted Stock, the Company shall deliver to the Participant the certificate(s) and stock power deposited pursuant to this Section 6.3. Notwithstanding the foregoing, the Committee may determine that the Company will not issue certificates in respect of Shares of Restricted Stock until all restrictions on such Shares have lapsed.

Section 6.4. **Award Agreement**. At the time of an Award of Restricted Stock, the Participant shall enter into an Award Agreement with the Company, in a form specified by the Committee, agreeing to the terms and conditions of the Award.

Article 7. Adjustments Upon Changes in Capitalization; Sale of Company

In the event that the outstanding Shares of the Company are changed into or exchanged for a different number or kind of shares or other securities of the Company or of another corporation by reason of any reorganization, merger, consolidation, recapitalization, reclassification, change in par value, stock split-up, combination of shares or dividends payable in capital stock, or the like, the Company shall make adjustments to such Options and Restricted Stock Awards (including, by way of example and not by way of limitation, the grant of substitute options or awards under the Plan or under the plan of such other corporation) as it may determine to be appropriate under the circumstances, and, in addition, appropriate adjustments shall be made in the number and kind of shares and in the option price per share subject to outstanding options under the Plan or under the plan of such successor corporation. No such adjustment shall be made which shall, within the meaning of Section 424 of the Code, constitute such a modification, extension, or renewal of an option as to cause the adjustment to be considered as the grant of a new option, and any such adjustment shall be made in compliance with Section 409A of the Code.

Notwithstanding anything herein to the contrary, the Company may, in its sole discretion, accelerate the timing of the exercise provisions of any Option or accelerate the vesting of any Shares of Restricted Stock in the event of (i) the adoption of a plan of merger or consolidation under which all the Shares of the Company would be eliminated, (ii) a sale of all or substantially all of the Company's assets or Shares, (iii) a change of control wherein the shareholders of the Company immediately prior to the transaction own less than 50% of the outstanding stock of the Company immediately after the transaction, or (iv) in the event of an initial public offering of the Company's securities. Alternatively, the Company may, in its sole discretion, (a) cancel any or all Options upon any of the foregoing events and provide for the payment to Participants of an amount equal to the difference between the Option price and the price of a Share, as determined in good faith by the Committee, at the close of business on the date of such event, multiplied by the number of Shares subject to Option so canceled in cash or such other consideration as the holders of the Company's common stock are receiving in such transaction or (b) provide that the Options granted under this Plan are replaced with substantially similar options under another plan of another party to the transaction described above.

Article 8. Dissolution or Liquidation of the Company

Upon the dissolution or liquidation of the Company other than in connection with a transaction to which the preceding Article 7 is applicable, all Options granted hereunder shall terminate and become null and void; *provided*, *however*, that if the rights of a Participant under the applicable Options have not otherwise terminated and expired, the Participant shall have the right immediately prior to such dissolution or liquidation to exercise any Option granted hereunder to the extent that the right to purchase shares thereunder has become exercisable as of the date immediately prior to such dissolution or liquidation.

Article 9. Termination of the Plan

The Plan shall terminate (10) years from the earlier of the date of its adoption or the date of its approval by the shareholders. The Plan may be terminated at an earlier date by vote of the shareholders or the Board; *provided*, *however*, that any such earlier termination shall not affect any Options or Restricted Stock granted or Award Agreements executed prior to the effective date of such termination. Except as may otherwise be provided for under Article 7 and Article 8, and notwithstanding the termination of the Plan, any Options granted prior to the effective date of the Plan's termination may be exercised until the earlier of (i) the date set forth in the Option Agreement, or (ii) ten (10) years from the date the Option is granted, and the provisions of the Plan with respect to the full and final authority of the Committee under the Plan shall continue to control.

Article 10. Amendment of the Plan and Options

The Plan may be amended by the Board and such amendment shall become effective upon adoption by the Board; *provided*, *however*, that any amendment shall be subject to the approval of the shareholders of the Company at or before the next annual meeting of the shareholders of the Company if such shareholder approval is required by the Code, any federal or state law or regulation, the rules of any stock exchange or automated quotation system on which the Shares may be listed or quoted, or if the Board, in its discretion, determines to submit such changes to the Plan to its shareholders for approval. Notwithstanding the foregoing, no amendment, alteration or discontinuation shall be made which would impair the rights of a Participant under an Option or Restricted Stock Award theretofore granted without the Participant's consent, except as provided in the following paragraph. The Board may amend the terms of any Option or Restricted Stock Award prospectively or retroactively, but no such amendment shall impair the rights of any Participant without the Participant's consent, except as provided in the following paragraph.

Subject to the above provisions, the Board shall have authority to amend the Plan to take into account changes in law and tax and accounting rules, as well as other developments, and to grant Options or Restricted Stock Awards that qualify for beneficial treatment under such rules without approval of the Shareholders.

Section 11.1. **Employment Relationship**Section 11.2.. Nothing herein contained shall be deemed to prevent the Company or an Affiliated Entity from terminating the employment of a Participant, nor to prevent a Participant from terminating the Participant's employment with the Company or an Affiliated Entity.

Section 11.3. **Indemnification of Committee**. In addition to such other rights of indemnification as they may have as directors or as members of the Committee, the members of the Committee shall be indemnified by the Company against all reasonable expenses, including attorneys' fees, actually and reasonably incurred in connection with the defense of any action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken by them as members of the Committee and against all amounts paid by them in settlement thereof (provided such settlement is approved by independent legal counsel selected by the Company) or paid by them in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that the Committee member is liable for gross negligence or willful misconduct in the performance of his or her duties. To receive such indemnification, a Committee member must first offer in writing to the Company the opportunity, at its own expense, to defend any such action, suit or proceeding.

Section 11.4. **Savings Clause**. This Plan is intended to comply in all respects with applicable law and regulations, including, (i) with respect to those Participants who are officers or directors for purposes of Section 16 of the Exchange Act, Rule 16b-3 of the Securities and Exchange Commission, if applicable, and (ii) with respect to those Participants who are executive officers, Code Section 162(m) if applicable. In case any one or more provisions of this Plan shall be held invalid, illegal, or unenforceable in any respect under applicable law and regulation (including Rule 16b-3 and Code Section 162(m)), the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and the invalid, illegal, or unenforceable provision shall be deemed null and void; however, to the extent permitted by law, any provision that could be deemed null and void shall first be construed, interpreted, or revised retroactively to permit this Plan to be construed in compliance with all applicable law (including Rule 16b-3 and Code Section 162(m)) so as to foster the intent of this Plan. Notwithstanding anything herein to the contrary, if Section 16 of the Exchange Act applies with respect to Participants who are officers and directors for purposes of Section 16 of the Exchange Act, no grant of an Option to purchase Shares shall permit unrestricted ownership of Shares by the Participant for at least six (6) months from the date of the grant of such Option, unless the Board determines that the grant of such Option to purchase Shares otherwise satisfies the then current Rule 16b-3 requirements.

Section 11.5. **Withholding**. Except as otherwise provided by the Committee,

The Company shall retain all power and authority to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy the minimum federal, state, and local taxes required by law to be withheld with respect to any grant, exercise, or payment made under or as a result of this Plan; and

In the case of any taxable event hereunder, a Participant may elect, subject to the approval in advance by the Committee, to satisfy the withholding tax requirement, if any, in whole or in part, by having the Company withhold Shares of Common Shares that would otherwise be transferred to the Participant having a fair market value, on the date the tax is to be determined, equal to the minimum marginal tax that could be imposed on the transaction. All elections shall be made in writing and signed by the Participant. The Company shall have no obligation to allow any Participant to satisfy the withholding requirements in the foregoing manner.

Section 11.6. **Effective Date**. This Plan shall become effective upon adoption by the Board, provided that within one (1) year before or after such adoption by the Board (or within such earlier time period as may be required by the Exchange Act, if applicable) the Plan is approved by the shareholders of the Company. If such approval is not obtained, then this Plan and all Options granted hereunder shall be null and void.

Section 11.7. **Governing Law**. This Plan shall be governed by the laws of the State of Indiana and construed in accordance therewith.

Section 11.8. **Offset**. Unless otherwise prohibited under Code Section 409A, any amounts owed to the Company or an Affiliated Entity by the Participant of whatever nature may be offset by the Company, as determined in the Company's sole discretion, from the value of any Shares or cash under this Plan or an Option Agreement to be transferred to the Participant.

Section 11.9. **Options in Substitution of Other Options**. Options may be granted under the Plan from time to time in substitution for awards held by employees, directors, independent contractors, or consultants of other entities who are about to become employees, directors, independent contractors or consultants of the Company or an Affiliated Entity as the result of a merger or consolidation of the employing entity with the Company or an Affiliated Entity, or the acquisition by the Company or an Affiliated Entity of the assets of the employing entity, as the result of which it becomes a designated employer under the Plan. The terms and conditions of the Options so granted may vary from the terms and conditions set forth in this Plan at the time of such grant as the majority of the members of the Committee may deem appropriate to conform, in whole or in part, to the provisions of the Options in substitution for which they are granted.

Section 11.10. **Procedure for Adoption and Withdrawal**. Any Affiliated Entity of the Company may by resolution of such Affiliated Entity's board of directors or other governing body, with the consent of the Board and subject to such conditions as may be imposed by the Board, adopt this Plan for the benefit of its employees, directors, independent contractors and consultants as of the date specified in the resolution.

Any Affiliated Entity which has adopted this Plan may, by resolution of its board of directors or other governing board of such Affiliated Entity, with the consent of the Committee and subject to such conditions as may be imposed by the Committee, terminate its adoption of this Plan.

Section 11.11. Compliance with Code Section 409A. It is the intent of the Company that all Awards granted hereunder shall be exempt from the application of Code Section 409A, and this Plan and any Award Agreement shall be interpreted and administered consistent with that intent.

EXHIBIT A

Innovative Health Solutions, Inc.
Amended and Restated Shareholders' Agreement
(Effective as of October 12, 2017)

See attached.

First Amendment to
Innovative Health Solutions, Inc.
2017 Stock Compensation Plan

This First Amendment to Innovative Health Solutions, Inc. 2017 Stock Compensation Plan (this "**Amendment**") is executed effective the 13th day of September, 2019 (the "**Effective Date**") by and among Innovative Health Solutions, Inc., an Indiana corporation (the "**Corporation**"), all members of the Board of Directors of the Corporation (collectively, the "**Board**", and each member of the Board a "**Director**"), and the undersigned shareholders of the Corporation (the "**Shareholders**").

BACKGROUND

A. The Corporation and the Shareholders are parties to that certain Innovative Health Solutions, Inc. 2017 Stock Compensation Plan (the "**Plan**") dated as of October 12, 2017 (capitalized terms not otherwise defined in this Amendment shall have the meanings ascribed to such terms in the Plan) and that certain Amended and Restated Shareholders' Agreement dated as of October 12, 2017, as amended (the "**Shareholders' Agreement**").

B. The undersigned Shareholders and Directors constitute (i) all of the Directors of the Corporation, (ii) a majority in interest of the shareholders of the Corporation, and (iii) at least one of the Group 1 Shareholders (as defined in the Shareholders' Agreement), and, pursuant to Article 10 of the Plan and Section 1.2(d) of the Shareholders' Agreement, are entitled to amend the Plan.

C. The Corporation, the Directors, and the Shareholders now desire to amend the Plan to increase the aggregate number of Shares as to which Options or Restricted Stock Awards may be granted from 358,913 Shares to 659,697 Shares.

AMENDMENT

Now, Therefore, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Shareholders, the Directors, and the Corporation hereby amend the Plan as follows:

1. The first paragraph of Article 2 of the Plan is hereby deleted and restated in its entirety as follows:

> The aggregate number of Shares as to which Options or Restricted Stock Awards may be granted from time to time shall be 659,697 Shares (subject to adjustment for stock splits, stock dividends, and other adjustments described in Article 7 hereof).

2. In all other respects, the Plan shall remain unchanged.

[Remainder of Page Left Blank Intentionally.]

IN WITNESS WHEREOF, the Corporation's undersigned duly authorized officer and the Directors and Shareholders have each signed this First Amendment to Innovative Health Solutions, Inc. 2017 Stock Compensation Plan.

"Corporation"

INNOVATIVE HEALTH SOLUTIONS, INC.

By: */s/ Brian Carrico*

Name: Brian Carrico
Title: Chief Executive Officer
Date:

"Shareholders"

Christopher Robin Brown
Date:
Signature: */s/ Christopher Robin Brown*

Gary Peterson
Date:
Signature: */s/ Gary Peterson*

Brian Carrico
Date:
Signature: */s/ Brian Carrico*

Tom Carrico
Date:
Signature: */s/ Tom Carrico*

Dan Clarence
Date:
Signature: */s/ Dan Clarence*

"Directors"

Christopher Robin Brown
Date:
Signature: */s/ Christopher Robin Brown*

Gary Peterson
Date:
Signature: */s/ Gary Peterson*

Brian Carrico
Date:
Signature: */s/ Brian Carrico*

Tom Carrico
Date:
Signature: */s/ Tom Carrico*

Dan Clarence
Date:
Signature: */s/ Dan Clarence*

Adrian Miranda
Date:
Signature: */s/ Adrian Miranda*

SECOND AMENDMENT TO
INNOVATIVE HEALTH SOLUTIONS, INC.
2017 STOCK COMPENSATION PLAN

This Second Amendment to Innovative Health Solutions, Inc. 2017 Stock Compensation Plan (this "**Amendment**") is executed effective the 9th day of September, 2021 (the "**Effective Date**") by and among Innovative Health Solutions, Inc., an Indiana corporation (the "**Corporation**"), all members of the Board of Directors of the Corporation (collectively, the "**Board**", and each member of the Board a "**Director**"), and the undersigned shareholders of the Corporation (the "**Shareholders**").

BACKGROUND

A. The Corporation and the Shareholders are parties to (i) that certain Innovative Health Solutions, Inc. 2017 Stock Compensation Plan (as amended, the "**Plan**") dated as of October 12, 2017, as amended on September 13, 2019 (capitalized terms not otherwise defined in this Amendment shall have the meanings ascribed to such terms in the Plan), (ii) that certain Amended and Restated Shareholders' Agreement dated as of October 12, 2017, as amended (the "**Shareholders' Agreement**"), and (iii) that certain Investor Rights Agreement between the Company and Brian Hannasch dated as of September 6, 2019 (the "**IRA**").

B. The undersigned Shareholders and Directors constitute (i) all of the Directors of the Corporation, (ii) a majority in interest of the shareholders of the Corporation, (iii) at least one of the Group 1 Shareholders (as defined in the Shareholders' Agreement), and (iv) Brian Hannasch, and, pursuant to Article 10 of the Plan, Section 1.2(d) of the Shareholders' Agreement, and Section 5.1(f) of the IRA, are entitled to amend the Plan.

C. The Corporation, the Directors, and the Shareholders now desire to amend the Plan to increase the aggregate number of Shares as to which Options or Restricted Stock Awards may be granted from 659,697 Shares to 2,638,788 Shares. For clarity, this increase is to reflect the 4-to-l stock split which went into effect on September 7, 2021. Beyond the effect of this split, no incremental Shares are being added to the Plan.

AMENDMENT

Now, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Shareholders, the Directors, and the Corporation hereby amend the Plan as follows:

1.The first paragraph of Article 2 of the Plan is hereby deleted and restated in its entirety as follows:

> The aggregate number of Shares as to which Options or Restricted Stock Awards may be granted from time to time shall be 2,638,788 Shares (subject to adjustment for stock splits, stock dividends, and other adjustments described in Article 7 hereof).

2. In all other respects, the Plan shall remain unchanged.

[Remainder of Page Left Blank Intentionally.]

IN WITNESS WHEREOF, the Corporation's undersigned duly authorized officer and the Directors and Shareholders have each signed this Second Amendment to Innovative Health Solutions, Inc. 2017 Stock Compensation Plan.

"Corporation"

INNOVATIVE HEALTH SOLUTIONS, INC.

By: */s/ Brian Carrico*
Name: Brian Carrico
Title: Chief Executive Officer
Date:

"Shareholders"

Christopher Robin Brown
Date:
Signature: */s/ Christopher Robin Brown*

Gary Peterson
Date:
Signature: */s/ Gary Peterson*

Brian Carrico
Date:
Signature: */s/ Brian Carrico*

Tom Carrico
Date:
Signature: */s/ Tom Carrico*

Sierra Enterprises LLC

By:
Printed Name: Dan Clarence
Title: Sole Member
Date:

Brian Hannasch

Date:
Signature: */s/ Brian Hannasch*

Masimo Corporation

By:
Printed Name:
Title:
Date:

"Directors"

Christopher Robin Brown
Date:
Signature: */s/ Christopher Robin Brown*

Gary Peterson
Date:
Signature: */s/ Gary Peterson*

Brian Carrico
Date:
Signature: */s/ Brian Carrico*

Tom Carrico
Date:
Signature: */s/ Tom Carrico*

Dan Clarence
Date:
Signature: */s/ Dan Clarence*

Adrian Miranda
Date:
Signature: */s/ Adrian Miranda*

Third Amendment to
Innovative Health Solutions, Inc.
2017 Stock Compensation Plan

This Third Amendment to Innovative Health Solutions, Inc. 2017 Stock Compensation Plan (this "**Amendment**") is executed effective the 1st day of November, 2022 (the "**Effective Date**") by and among Neuraxis, Inc. (f/k/a Innovative Health Solutions, Inc.), a Delaware corporation (the "**Company**"), all members of the Board of Directors of the Company (collectively, the "**Board**", and each member of the Board a "**Director**").

BACKGROUND

A. The Company is a party to that certain Innovative Health Solutions, Inc. 2017 Stock Compensation Plan dated as of October 12, 2017, as amended on each of September 13, 2019 and September 9, 2021 (as amended, the "**Plan**") (capitalized terms not otherwise defined in this Amendment shall have the meanings ascribed to such terms in the Plan).

B. The undersigned Directors constitute all of the Directors of the Company, and, pursuant to Article 10 of the Plan, are entitled to amend the Plan.

C. The Company and the Directors now desire to amend the Plan to, as it relates to any employee or Key Non-Employee who terminates service with the Company or an Affiliated Entity for any reason other than termination for Cause, extend the time during which such individual may exercise Options granted under the Plan after termination to the expiration date of the Options as set forth in each outstanding and effective Award Agreement.

AMENDMENT

Now, Therefore, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Directors and the Company hereby amend the Plan as follows:

1. The heading and first sentence of Section 5.6(a) of the Plan is hereby deleted and restated in its entirety as follows:

> **Termination for Any Reasons Other Than for Cause**. Unless otherwise provided in an Option Agreement, a Participant who ceases to be an employee or Key Non-Employee of the Company or of an Affiliated Entity for any reason other than termination for Cause, which event is governed by Section 5.6(b), may exercise any Option granted to such Participant, to the extent that the right to purchase Shares thereunder has become exercisable on the date of such termination, but only prior to the expiration of the term of the Option. With respect to Incentive Stock Options, post-termination exercise period of three (3) months after the Participant's termination date, or if earlier, the expiration date, will apply to preserve the tax status of the Incentive Stock Options subject to Section 422 of the Code.

2. Section 5.8 of the Plan is hereby deleted and restated in its entirety as follows:

> **[Intentionally omitted.]**

3. The second paragraph of Section 5.9 of the Plan is hereby deleted and restated in its entirety as follows:

> Unless otherwise provided in an Option Agreement, a Disabled Participant, or his estate or personal representative, shall exercise such rights, if at all, at any time after the date that the Participant became Disabled as determined by the Committee but in no event later than the expiration of the term of the Option. An Option Agreement may provide for a shorter exercise period, subject to applicable law, than that specified in the foregoing sentence. With respect to Incentive Stock Options, post-termination exercise period of twelve (12) months after termination of the Disabled Participant, or if earlier, the expiration date, will apply to preserve the tax status of the Incentive Stock Options subject to Section 422 of the Code.

4. Section 5.10 of the Plan is hereby deleted and restated in its entirety as follows:

> Unless otherwise provided in an Option Agreement, in the event that a Participant to whom an Option has been granted ceases to be an employee or Key Non-Employee of the company or of an Affiliated Entity by reason of such Participant's death, such Option, to the extent that the right is exercisable but not exercised on the date of death, may be exercised by the Participant's estate or personal representative at any time after the date of death of such Participant as determined by the Committee but in no event later than the expiration of the term of the Option. An Option Agreement may provide for a shorter exercise period, subject to applicable law, than that specified in the foregoing sentence. With respect to Incentive Stock Options, post-termination exercise period of twelve (12) months after the death of the Participant, or if earlier, the expiration date, will apply to preserve the tax status of the Incentive Stock Options subject to Section 422 of the Code.

5. In all other respects, the Plan shall remain unchanged.

[Remainder of Page Left Blank Intentionally.]

In Witness Whereof, the Company's undersigned duly authorized officer and the Directors have each signed this Third Amendment to Innovative Health Solutions, Inc. 2017 Stock Compensation Plan.

"Company"

NeurAxis, Inc.

By: */s/ Brian Carrico*
Name: Brian Carrico
Title: Chief Executive Officer
Date: 11/1/22

"Directors"

Christopher Robin Brown
Date: 11/1/22
Signature: */s/ Christopher Robin Brown*

Gary Peterson
Date:
Signature: */s/ Gary Peterson*

Brian Carrico
Date: 11/1/22
Signature: */s/ Brian Carrico*

Tom Carrico
Date: 11/1/22
Signature: */s/ Tom Carrico*

Dan Clarence
Date: 11/1/22
Signature: */s/ Dan Clarence*

Adrian Miranda
Date: 11/1/22
Signature: */s/ Adrian Miranda*

Exhibit 10.21

NEURAXIS, INC.
2022 OMNIBUS SECURITIES AND INCENTIVE PLAN

Table of Contents

NEURAXIS, INC.
2022 OMNIBUS SECURITIES AND INCENTIVE PLAN

ARTICLE I
PURPOSE

The purpose of this NEURAXIS, INC. 2022 OMNIBUS SECURITIES AND INCENTIVE PLAN (the "**Plan**") is to benefit the stockholders of NEURAXIS, INC., a Delaware corporation (the "**Company**"), by assisting the Company to attract, retain and provide incentives to key management employees and non-employee directors of, and non-employee consultants to, the Company and its Affiliates, and to align the interests of such employees, non-employee directors and non-employee consultants with those of the Company's stockholders. Accordingly, the Plan provides for the granting of Distribution Equivalent Rights, Incentive Stock Options, Non-Qualified Stock Options, Performance Stock Unit Awards, Restricted Stock Awards, Restricted Stock Unit Awards, Stock Appreciation Rights, Tandem Stock Appreciation Rights, Unrestricted Stock Awards or any combination of the foregoing, as may be best suited to the circumstances of the particular Employee, Director or Consultant as provided herein.

ARTICLE II
DEFINITIONS

The following definitions shall be applicable throughout the Plan unless the context otherwise requires:

"**Affiliate**" shall mean any corporation which, with respect to the Company, is a "subsidiary corporation" within the meaning of Section 424(f) of the Code.

"**Award**" shall mean, individually or collectively, any Distribution Equivalent Right, Option, Performance Stock Unit Award, Restricted Stock Award, Restricted Stock Unit Award, Stock Appreciation Right or Unrestricted Stock Award.

"**Award Agreement**" shall mean a written agreement between the Company and the Holder with respect to an Award, setting forth the terms and conditions of the Award, and each of which shall constitute a part of the Plan.

"**Board**" shall mean the Board of Directors of the Company.

"**Cause**" shall mean:

With respect to any Employee or Consultant, unless the applicable Award Agreement states otherwise:

(a) If the Employee or Consultant is a party to an employment or service agreement with the Company or its Affiliates and such agreement provides for a definition of Cause, the definition contained therein; or

(b) If no such agreement exists, or if such agreement does not define Cause: (i) the commission of, or plea of guilty or no contest to, a felony or a crime involving moral turpitude or the commission of any other act involving willful malfeasance or material fiduciary breach with respect to the Company or an Affiliate; (ii) conduct that brings or is reasonably likely to bring the Company or an Affiliate negative publicity or into public disgrace, embarrassment, or disrepute; (iii) gross negligence or willful misconduct with respect to the Company or an Affiliate; (iv) material violation of state or federal securities laws; or (v) material violation of the Company's written policies or codes of conduct, including written policies related to discrimination, harassment, performance of illegal or unethical activities, and ethical misconduct.

With respect to any Director, unless the applicable Award Agreement states otherwise, a determination by a majority of the disinterested Board members that the Director has engaged in any of the following:

(a) malfeasance in office;

(b) gross misconduct or neglect;

(c) false or fraudulent misrepresentation inducing the director's appointment;

(d) willful conversion of corporate funds; or

(e) repeated failure to participate in Board meetings on a regular basis despite having received proper notice of the meetings in advance.

The Committee, in its absolute discretion, shall determine the effect of all matters and questions relating to whether a Holder has been discharged for Cause

"**Change of Control**" shall mean the consummation of any one or more of the following conditions (and the "Change of Control" shall be deemed to have occurred as of the first day that any one or more of the following conditions shall have been satisfied):

(a) Any person (as such term is used in paragraphs 13(d) and 14(d)(2) of the Exchange Act, hereinafter in this definition, "Person"), other than the Company or an Affiliate or an employee benefit plan of the Company or an Affiliate, becomes the beneficial owner (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the combined voting power of the Company's then outstanding securities;

(b) The closing of a merger, consolidation or other business combination (a "**Business Combination**") other than a Business Combination in which holders of the Common Stock immediately prior to the Business Combination have substantially the same proportionate ownership of the Company or surviving corporation immediately after the Business Combination as immediately before;

(c) The closing of an agreement for the sale or disposition of all or substantially all of the Company's assets to any entity that is not an Affiliate;

(d) The approval by the holders of shares of Common Stock of a Plan of complete liquidation of the Company other than a liquidation of the Company into any subsidiary or a liquidation a result of which Persons who were stockholders of the Company immediately prior to such liquidation have substantially the same proportionate ownership of shares of the surviving corporation immediately after such liquidation as immediately before; or

(e) Within any twenty-four (24)-month period, the Incumbent Directors shall cease to constitute at least a majority of the Board or the board of directors of any successor to the Company; provided, however, that any director elected to the Board, or nominated for election, by a majority of the Incumbent Directors then still in office, shall be deemed to be an Incumbent Director for purposes of this paragraph (e), but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of an individual, entity or "group" other than the Board (including, but not limited to, any such assumption that results from paragraph (a), (b), (c) or (d) of this definition).

Notwithstanding the foregoing, a "Change of Control" shall not be deemed to occur if the Company files for bankruptcy, liquidation or reorganization under the United States Bankruptcy Code.

"**Code**" shall mean the Internal Revenue Code of 1986, as amended. Reference in the Plan to any section of the Code shall be deemed to include any amendments or successor provisions to any section and any regulation under such section.

"**Committee**" shall mean the Compensation Committee of the Board or such other committee designated by the Board to administer the Plan.

"**Common Stock**" shall mean the common stock, par value $0.001 per share, of the Company.

"**Company**" shall mean Neuraxis, Inc., a Delaware corporation, and any successor thereto.

"**Consultant**" shall mean any non-Employee advisor to the Company or an Affiliate who or which has contracted directly with the Company or an Affiliate to render bona fide consulting or advisory services thereto.

"**Continuous Service**" shall mean that the Holder's service with the Company or an Affiliate, whether as an Employee, Consultant or Director, is not interrupted or terminated. The Holder's Continuous Service shall not be deemed to have terminated merely because of a change in the capacity in which the Holder renders service to the Company or an Affiliate as an Employee, Consultant or Director or a change in the entity for which the Holder renders such service, *provided that* there is no interruption or termination of the Holder's Continuous Service; *provided further that* if any Award is subject to Section 409A of the Code, this sentence shall only be given effect to the extent consistent with Section 409A of the Code. For example, a change in status from an Employee of the Company to a Director of an Affiliate will not constitute an interruption of Continuous Service. The Committee or its delegate, in its sole discretion, may determine whether Continuous Service shall be considered interrupted in the case of any leave of absence approved by that party, including sick leave, military leave or any other personal or family leave of absence. The Committee or its delegate, in its sole discretion, may determine whether a Company transaction, such as a sale or spin-off of a division or subsidiary that employs a Holder, shall be deemed to result in a termination of Continuous Service for purposes of affected Awards, and such decision shall be final, conclusive and binding.

"**Director**" shall mean a member of the Board or a member of the board of directors of an Affiliate, in either case, who is not an Employee.

"**Disability**" shall mean if Holder (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees of the Company.

"**Distribution Equivalent Right**" shall mean an Award granted under ARTICLE XII which entitles the Holder to receive bookkeeping credits, cash payments and/or Common Stock distributions equal in amount to the distributions that would have been made to the Holder had the Holder held a specified number of Common Stock during the period the Holder held the Distribution Equivalent Right.

"**Distribution Equivalent Right Award Agreement**" shall mean a written agreement between the Company and a Holder with respect to a Distribution Equivalent Right Award.

"**Effective Date**" shall have the meaning ascribed to that term in ARTICLE III.

"**Employee**" shall mean any employee, including officers, of the Company or an Affiliate.

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

"**Fair Market Value**" shall mean, as determined consistent with the applicable requirements of Sections 409A and 422 of the Code, as of any specified date, the closing sales price of the Common Stock for such date (or, in the event that the Common Stock are not traded on such date, on the immediately preceding trading date) as reported in *The Wall Street Journal* or a comparable reporting service. If the Common Stock are not listed on a national securities exchange, but are quoted on the OTC Markets OTC Link, the Fair Market Value of the Common Stock shall be the mean of the bid and asked prices per share of Common Stock for such date. If the Common Stock are not quoted or listed as set forth above, Fair Market Value shall be determined by the Committee in good faith by any fair and reasonable means (which means, with respect to a particular Award grant, may be set forth with greater specificity in the applicable Award Agreement). The Fair Market Value of property other than Common Stock shall be determined by the Committee in good faith by any fair and reasonable means, and consistent with the applicable requirements of Sections 409A and 422 of the Code.

"**Family Member**" shall mean any child, stepchild, grandchild, parent, stepparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law, including adoptive relationships, any person sharing the Holder's household (other than a tenant or employee of the Holder), a trust in which such persons have more than fifty percent (50%) of the beneficial interest, a foundation in which such persons (or the Holder) control the management of assets and any other entity in which such persons (or the Holder) own more than fifty percent (50%) of the voting interests.

"**Good Reason**" shall mean, unless the applicable Award Agreement states otherwise:

(a) If an Employee or Consultant is a party to an employment or service agreement with the Company or its Affiliates and such agreement provides for a definition of Good Reason, the definition contained therein; or

(b) If no such agreement exists or if such agreement does not define Good Reason, the occurrence of one or more of the following without the Holder's express written consent, which circumstances are not remedied by the Company within thirty (30) days of its receipt of a written notice from the Holder describing the applicable circumstances (which notice must be provided by the Holder within ninety (90) days of the initial existence of the applicable circumstances): (i) any material, adverse change in the Holder's duties, responsibilities, authority, title, status or reporting structure; (ii) a material reduction in the Holder's base salary; or (iii) a geographical relocation of the Holder's principal office location by more than fifty (50) miles.

"**Holder**" shall mean an Employee, Director or Consultant who has been granted an Award or any such individual's beneficiary, estate or representative, to the extent applicable.

"**Incentive Stock Option**" shall mean an Option which is intended by the Committee to constitute an "incentive stock option" under Section 422 of the Code.

"**Incumbent Director**" shall mean, with respect to any period of time specified under the Plan for purposes of determining whether or not a Change of Control has occurred, the individuals who were members of the Board at the beginning of such period.

"**Non-Qualified Stock Option**" shall mean an Option which is not an Incentive Stock Option.

"**Option**" shall mean an Award granted under ARTICLE VII of an option to purchase Common Stock and includes both Incentive Stock Options and Non-Qualified Stock Options.

"**Option Agreement**" shall mean a written agreement between the Company and a Holder with respect to an Option.

"**Performance Stock Unit**" shall mean a Unit awarded to a Holder pursuant to a Performance Stock Unit Award.

"**Performance Stock Unit Award**" shall mean an Award granted under ARTICLE XI under which, upon the satisfaction of predetermined individual and/or Company (and/or Affiliate) performance goals and/or objectives, a cash payment shall be made to the Holder, based on the number of Units awarded to the Holder.

"**Performance Stock Unit Award Agreement**" shall mean a written agreement between the Company and a Holder with respect to a Performance Stock Unit Award.

"**Plan**" shall mean this Neuraxis, Inc. 2022 Omnibus Securities and Incentive Plan, as amended from time to time, together with each of the Award Agreements utilized hereunder.

"**Restricted Stock Award**" shall mean an Award granted under ARTICLE VIII of Common Stock, the transferability of which by the Holder shall be subject to Restrictions.

"**Restricted Stock Award Agreement**" shall mean a written agreement between the Company and a Holder with respect to a Restricted Stock Award.

"**Restricted Stock Unit**" shall have the meaning ascribed to that term in Section 10.2.

"**Restricted Stock Unit Award**" shall mean an Award granted under ARTICLE X under which, upon the satisfaction of predetermined individual service-related vesting requirements, a cash payment shall be made to the Holder, based on the number of Units awarded to the Holder.

"**Restricted Stock Unit Award Agreement**" shall mean a written agreement between the Company and a Holder with respect to a Restricted Stock Unit Award.

"**Restriction Period**" shall mean the period of time for which Common Stock subject to a Restricted Stock Award shall be subject to Restrictions, as set forth in the applicable Restricted Stock Award Agreement.

"**Restrictions**" shall mean forfeiture, transfer and/or other restrictions applicable to Common Stock awarded to an Employee, Director or Consultant under the Plan pursuant to a Restricted Stock Award and set forth in a Restricted Stock Award Agreement.

"**Rule 16b-3**" shall mean Rule 16b-3 promulgated by the Securities and Exchange Commission under the Exchange Act, as such may be amended from time to time, and any successor rule, regulation or statute fulfilling the same or a substantially similar function.

"**Stock Appreciation Right**" shall mean an Award granted under ARTICLE XIII of a right, granted alone or in connection with a related Option, to receive a payment on the date of exercise.

"**Stock Appreciation Right Award Agreement**" shall mean a written agreement between the Company and a Holder with respect to a Stock Appreciation Right.

"**Tandem Stock Appreciation Right**" shall mean a Stock Appreciation Right granted in connection with a related Option, the exercise of which shall result in termination of the otherwise entitlement to purchase some or all of the Common Stock under the related Option, all as set forth in Section 13.2.

"**Ten Percent Stockholder**" shall mean an Employee who, at the time an Option is granted to him or her, owns stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or of any parent corporation or subsidiary corporation thereof (both as defined in Section 424 of the Code), within the meaning of Section 422(b)(6) of the Code.

"**Units**" shall mean bookkeeping units, each of which represents such monetary amount as shall be designated by the Committee in each Performance Stock Unit Award Agreement, or represents one (1) share of Common Stock for purposes of each Restricted Stock Unit Award.

"**Unrestricted Stock Award**" shall mean an Award granted under ARTICLE IX of Common Stock which are not subject to Restrictions.

"**Unrestricted Stock Award Agreement**" shall mean a written agreement between the Company and a Holder with respect to an Unrestricted Stock Award.

ARTICLE III
EFFECTIVE DATE OF PLAN

The Plan shall be effective as of the date on which the U.S. Securities and Exchange Commission declares the Company's Registration Statement on Form S-1 (File No. 333-[__]) effective under the Securities Act of 1933, as amended (the "**Effective Date**").

ARTICLE IV
ADMINISTRATION

Section 4.1. **Administration**. The Plan shall be administered by the Committee.

Section 4.2. **Powers**. Subject to the provisions of the Plan, the Committee shall have the sole authority, in its discretion, to make all determinations under the Plan, including, but not limited to, determining which Employees, Directors or Consultants shall receive an Award, the time or times when an Award shall be made (the date of grant of an Award shall be the date on which the Award is awarded by the Committee), what type of Award shall be granted, the term of an Award, the date or dates on which an Award vests (including acceleration of vesting), the form of any payment to be made pursuant to an Award, the terms and conditions of an Award (including the forfeiture of the Award (and/or any financial gain) if the Holder of the Award violates any applicable restrictive covenant thereof), the Restrictions under a Restricted Stock Award and the number of Common Stock which may be issued under an Award, all as applicable. In making such determinations, the Committee may take into account the nature of the services rendered by the respective Employees, Directors and Consultants, their present and potential contribution to the Company's (or the Affiliate's) success and such other factors as the Committee, in its discretion, shall deem relevant.

Section 4.3. **Additional Powers**. The Committee shall have such additional powers as are delegated to it under the other provisions of the Plan. Subject to the express provisions of the Plan, the Committee is authorized to construe the Plan and the respective Award Agreements executed hereunder, to prescribe such rules and regulations relating to the Plan as it may deem advisable to carry out the intent of the Plan, and to determine the terms, restrictions and provisions of each Award, including such terms, restrictions and provisions as shall be requisite in the judgment of the Committee to cause designated Options to qualify as Incentive Stock Options, and to make all other determinations necessary or advisable for administering the Plan. The Committee may correct any defect or supply any omission or reconcile any inconsistency in any Award Agreement in the manner and to the extent it shall deem expedient to carry it into effect. The determinations of the Committee on the matters referred to in this ARTICLE IV shall be conclusive and binding on the Company and all Holders.

Section 4.4. **Delegation**. The Committee may delegate to one or more officers or Directors of the Company, subject to such terms, conditions and limitations as the Committee may establish, in its sole discretion, the authority to grant Awards; provided, however, that the Committee shall not delegate such authority (i) with regard to grants of Awards to be made to officers of the Company or any Affiliate who are subject to Section 16 of the Exchange Act, or (ii) in such a manner as would cause the Plan not to comply with the requirements of applicable law or applicable exchange rules.

Section 4.5. **Power and Authority of the Board**. Notwithstanding anything to the contrary contained herein, (i) the Board may, at any time and from time to time, without any further action of the Committee, exercise the powers and duties of the Committee under the Plan, unless the exercise of such powers and duties by the Board would cause the Plan not to comply with the requirements of Rule 16b-3, other applicable law or applicable exchange rules, and (ii) only the Committee (or another committee of the Board comprised of directors who qualify as independent directors within the meaning of the independence rules of any applicable securities exchange where the shares of Common Stock are then listed) may grant Awards to Directors who are not also Employees.

ARTICLE V
STOCK SUBJECT TO PLAN AND LIMITATIONS THEREON

Section 5.1. **Stock Grant and Award Limits**. The Committee may from time to time grant Awards to one or more Employees, Directors and/or Consultants determined by it to be eligible for participation in the Plan in accordance with the provisions of ARTICLE VI. Subject to ARTICLE XIV, the aggregate number of shares of Common Stock (including shares of Common Stock underlying Options designated as Incentive Stock Options) that may be issued under the Plan shall not exceed **six hundred thousand (600,000)** shares of Common Stock. The Common Stock shall be deemed to have been issued under the Plan solely to the extent actually issued and delivered pursuant to an Award. To the extent that an Award lapses, expires, is canceled, is terminated unexercised or ceases to be exercisable for any reason, or the rights of its Holder terminate, any Common Stock subject to such Award shall again be available for the grant of a new Award.

Section 5.2. **Prior Stock Plan**. On and after stockholder approval of this Plan, no awards shall be granted under that certain Innovative Health Solutions, Inc. 2017 Stock Compensation Plan dated as of October 12, 2017, as amended on each of September 13, 2019, September 9, 2021, and November 1, 2022 (as amended, the "**Prior Plan**"), but all outstanding awards previously granted under the Prior Plan shall remain outstanding and subject to the Prior Plan's terms. However, to the extent that an award under the Prior Plan lapses, expires, is canceled, is terminated unexercised or ceases to be exercisable for any reason, or the rights of its holder terminate, any Common Stock subject to such award shall again be available for the grant of a new Award under this Plan.

Section 5.3. **Common Stock Offered**. The Common Stock to be offered pursuant to the grant of an Award may be authorized but unissued Common Stock or Common Stock previously issued and outstanding and reacquired by the Company.

ARTICLE VI
ELIGIBILITY FOR AWARDS

Awards made under the Plan may be granted solely to persons who, at the time of grant, are Employees, Directors or Consultants (or any such person to whom an offer of employment or engagement with the Company or any Affiliate is extended). An eligible person must be a natural person, and may only be granted an Award in connection with the provision of services. An Award may be granted on more than one occasion to the same Employee, Director or Consultant, and, subject to the limitations set forth in the Plan, such Award may include a Non-Qualified Stock Option, a Restricted Stock Award, an Unrestricted Stock Award, a Distribution Equivalent Right Award, a Performance Stock Unit Award, a Stock Appreciation Right, a Tandem Stock Appreciation Right, any combination thereof or, solely for Employees, an Incentive Stock Option.

ARTICLE VII
OPTIONS

Section 7.1. **Option Period**. The term of each Option shall be as specified in the Option Agreement; provided, however, that except as set forth in Section 7.3, no Option shall be exercisable after the expiration of ten (10) years from the date of its grant.

Section 7.2. **Limitations on Exercise of Option**. An Option shall be exercisable in whole or in such installments and at such times as specified in the Option Agreement.

Section 7.3. **Special Limitations on Incentive Stock Options**. To the extent that the aggregate Fair Market Value (determined at the time the respective Incentive Stock Option is granted) of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by an individual during any calendar year under all plans of the Company and any parent corporation or subsidiary corporation thereof (both as defined in Section 424 of the Code) which provide for the grant of Incentive Stock Options exceeds One Hundred Thousand Dollars ($100,000) (or such other individual limit as may be in effect under the Code on the date of grant), the portion of such Incentive Stock Options that exceeds such threshold shall be treated as Non-Qualified Stock Options. Incentive Stock Options shall be granted to Employees only. The Committee shall determine, in accordance with applicable provisions of the Code, Treasury Regulations and other administrative pronouncements, which of a Holder's Options, which were intended by the Committee to be Incentive Stock Options when granted to the Holder, will not constitute Incentive Stock Options because of such limitation, and shall notify the Holder of such determination as soon as practicable after such determination. No Incentive Stock Option shall be granted to an Employee if, at the time the Incentive Stock Option is granted, such Employee is a Ten Percent Stockholder, unless (i) at the time such Incentive Stock Option is granted the Option price is at least one hundred ten percent (110%) of the Fair Market Value of the Common Stock subject to the Incentive Stock Option, and (ii) such Incentive Stock Option by its terms is not exercisable after the expiration of five (5) years from the date of grant. No Incentive Stock Option shall be granted more than ten (10) years from the date on which the Plan is approved by the Company's stockholders. The designation by the Committee of an Option as an Incentive Stock Option shall not guarantee the Holder that the Option will satisfy the applicable requirements for "incentive stock option" status under Section 422 of the Code.

Section 7.4. **Option Agreement**. Each Option shall be evidenced by an Option Agreement in such form and containing such provisions not inconsistent with the provisions of the Plan as the Committee from time to time shall approve, including, but not limited to, provisions intended to qualify an Option as an Incentive Stock Option. An Option Agreement may provide for the payment of the Option price, in whole or in part, by the delivery of a number of Common Stock (plus cash if necessary) that have been owned by the Holder for at least six (6) months and having a Fair Market Value equal to such Option price, or such other forms or methods as the Committee may determine from time to time, in each case, subject to such rules and regulations as may be adopted by the Committee. Each Option Agreement shall specify the effect of termination of employment, Director status or Consultant status on the exercisability of the Option. Moreover, without limiting the generality of the foregoing, an Option Agreement may provide for a "cashless exercise" of the Option, in whole or in part, by (a) establishing procedures whereby the Holder, by a properly-executed written notice, directs (i) an immediate market sale or margin loan as to all or a part of Common Stock to which he is entitled to receive upon exercise of the Option, pursuant to an extension of credit by the Company to the Holder of the Option price, (ii) the delivery of the Common Stock from the Company directly to a brokerage firm, and (iii) the delivery of the Option price from sale or margin loan proceeds from the brokerage firm directly to the Company, or (b) reducing the number of Common Stock to be issued upon exercise of the Option by the number of such shares having an aggregate Fair Market Value equal to the Option price (or portion thereof to be so paid) as of the date of the Option's exercise. Each Option Agreement shall specify the effect of the termination of the Holder's Continuous Service on the exercisability of the Option. An Option Agreement may also include provisions relating to (i) subject to the provisions hereof, accelerated vesting of Options, including, but not limited to, upon the occurrence of a Change of Control, (ii) tax matters (including provisions covering any applicable Employee wage withholding requirements), and (iii) any other matters not inconsistent with the terms and provisions of the Plan that the Committee shall, in its sole discretion, determine. The terms and conditions of the respective Option Agreements need not be identical.

Section 7.5. **Option Price and Payment**. The price at which shares of Common Stock may be purchased upon exercise of an Option shall be determined by the Committee and shall not be less than the Fair Market Value of a share of Common Stock on the date of grant of such Option; provided, however, that such Option price as determined by the Committee shall be subject to adjustment as provided in ARTICLE XIV. The Option price or portion thereof shall be paid in full in the manner prescribed by the Committee as set forth in the Plan and the applicable Option Agreement, which manner, with the consent of the Committee, may include the withholding of Common Stock otherwise issuable in connection with the exercise of the Option, for purposes of Section 7.4(b). Separate stock certificates shall be issued by the Company for Common Stock acquired pursuant to the exercise of an Incentive Stock Option and for Common Stock acquired pursuant to the exercise of a Non-Qualified Stock Option.

Section 7.6. **Stockholder Rights and Privileges**. The Holder of an Option shall be entitled to all the privileges and rights of a stockholder of the Company solely with respect to such Common Stock as have been purchased under the Option and for which stock certificates have been registered in the Holder's name.

Section 7.7. **Options and Rights in Substitution for Stock or Stock Options Granted by Other Corporations**. Options may be granted under the Plan from time to time in substitution for stock or stock options held by individuals employed by entities who become Employees as a result of a merger or consolidation of the employing entity with the Company or any Affiliate, or the acquisition by the Company or an Affiliate of the assets of the employing entity or the acquisition by the Company or an Affiliate of stock of the employing entity with the result that such employing entity becomes an Affiliate.

Section 7.8. **Prohibition Against Repricing**. Except to the extent (i) approved in advance by holders of a majority of the shares of the Company entitled to vote generally in the election of directors, or (ii) as a result of any Change of Control or any adjustment as provided in ARTICLE XIV and subject to Section 409A of the Code, the Committee shall not have the power or authority to reduce, whether through amendment or otherwise, the exercise price under any outstanding Option or Stock Appreciation Right, or to grant any new Award or make any payment of cash in substitution for or upon the cancellation of Options and/or Stock Appreciation Rights previously granted.

ARTICLE VIII
RESTRICTED STOCK AWARDS

Section 8.1. **Restriction Period**. At the time a Restricted Stock Award is made, the Committee shall establish the Restriction Period applicable to such Award. Each Restricted Stock Award may have a different Restriction Period, in the discretion of the Committee. The Restriction Period applicable to a particular Restricted Stock Award shall not be changed except as permitted by Section 8.2

Section 8.2. **Other Terms and Conditions**. Common Stock awarded pursuant to a Restricted Stock Award shall be represented by a stock certificate registered in the name of the Holder of such Restricted Stock Award. If provided for under the Restricted Stock Award Agreement, the Holder shall have the right to vote Common Stock subject thereto and to enjoy all other stockholder rights, including the entitlement to receive dividends on the Common Stock during the Restriction Period, except that (i) the Holder shall not be entitled to delivery of the stock certificate until the Restriction Period shall have expired, (ii) the Company shall retain custody of the stock certificate during the Restriction Period (with a stock power endorsed by the Holder in blank), (iii) the Holder may not sell, transfer, pledge, exchange, hypothecate or otherwise dispose of the Common Stock during the Restriction Period, and (iv) a breach of the terms and conditions established by the Committee pursuant to the Restricted Stock Award Agreement shall cause a forfeiture of the Restricted Stock Award. At the time of such Award, the Committee may, in its sole discretion, prescribe additional terms and conditions or restrictions relating to Restricted Stock Awards, including, but not limited to, rules pertaining to the effect of termination of employment, Director status or Consultant status prior to expiration of the Restriction Period. Such additional terms, conditions or restrictions shall be set forth in a Restricted Stock Award Agreement made in conjunction with the Award. Such Restricted Stock Award Agreement may also include provisions relating to (I) subject to the provisions hereof, accelerated vesting of Awards, including, but not limited to, accelerated vesting upon the occurrence of a Change of Control, (II) tax matters (including provisions covering any applicable Employee wage withholding requirements), and (III) any other matters not inconsistent with the terms and provisions of the Plan that the Committee shall, in its sole discretion, determine. The terms and conditions of the respective Restricted Stock Agreements need not be identical.

Section 8.3. **Payment for Restricted Stock**. The Committee shall determine the amount and form of any payment from a Holder for Common Stock received pursuant to a Restricted Stock Award, if any, provided that in the absence of such a determination, a Holder shall not be required to make any payment for Common Stock received pursuant to a Restricted Stock Award, except to the extent otherwise required by law.

Section 8.4. **Restricted Stock Award Agreements**. At the time any Award is made under this ARTICLE VIII, the Company and the Holder shall enter into a Restricted Stock Award Agreement setting forth each of the matters contemplated hereby and such other matters as the Committee may determine to be appropriate.

ARTICLE IX
UNRESTRICTED STOCK AWARDS

Pursuant to the terms of the applicable Unrestricted Stock Award Agreement, a Holder may be awarded (or sold) Common Stock which are not subject to Restrictions, in consideration for past services rendered thereby to the Company or an Affiliate or for other valid consideration.

ARTICLE X
RESTRICTED STOCK UNIT AWARDS

Section 10.1. **Terms and Conditions**. The Committee shall set forth in the applicable Restricted Stock Unit Award Agreement the individual service-based vesting requirement which the Holder would be required to satisfy before the Holder would become entitled to payment pursuant to Section 10.2 and the number of Units awarded to the Holder. At the time of such Award, the Committee may, in its sole discretion, prescribe additional terms and conditions or restrictions relating to Restricted Stock Unit Awards, including, but not limited to, rules pertaining to the effect of termination of employment, Director status or Consultant status prior to expiration of the applicable vesting period. The terms and conditions of the respective Restricted Stock Unit Award Agreements need not be identical.

Section 10.2. **Payments**. The Holder of a hypothetical Common Stock unit ("**Restricted Stock Unit**") shall be entitled to receive a cash payment equal to the Fair Market Value of shares of Common Stock, or one (1) shares of Common Stock, as determined, in the sole discretion, of the Committee and as set forth in the Restricted Stock Unit Award Agreement, for each Restricted Stock Unit subject to such Restricted Stock Unit Award, if the Holder satisfies the applicable vesting requirement.

ARTICLE XI
PERFORMANCE STOCK UNIT AWARDS

Section 11.1. **Terms and Conditions**. The Committee shall set forth in the applicable Performance Stock Unit Award Agreement the performance goals and objectives (and the period of time to which such goals and objectives shall apply) which the Holder and/or the Company would be required to satisfy before the Holder would become entitled to payment pursuant to Section 11.2, the number of Units awarded to the Holder and the dollar value assigned to each such Unit. At the time of such Award, the Committee may, in its sole discretion, prescribe additional terms and conditions or restrictions relating to Performance Stock Unit Awards, including, but not limited to, rules pertaining to the effect of termination of employment, Director status or Consultant status prior to expiration of the applicable performance period. The terms and conditions of the respective Performance Stock Unit Award Agreements need not be identical.

Section 11.2. **Payments**. The Holder of a Performance Stock Unit shall be entitled to receive a cash payment equal to the dollar value or number of shares of Common Stock assigned to such Unit under the applicable Performance Stock Unit Award Agreement if the Holder and/or the Company satisfy (or partially satisfy, if applicable under the applicable Performance Stock Unit Award Agreement) the performance goals and objectives set forth in such Performance Stock Unit Award Agreement.

ARTICLE XII
DISTRIBUTION EQUIVALENT RIGHTS

Section 12.1. **Terms and Conditions**. The Committee shall set forth in the applicable Distribution Equivalent Right Award Agreement the terms and conditions applicable to such Award, including whether the Holder is to receive credits currently in cash, is to have such credits reinvested (at Fair Market Value determined as of the date of reinvestment) in additional Common Stock or is to be entitled to choose among such alternatives. Distribution Equivalent Rights may be settled in cash or in Common Stock, as set forth in the applicable Distribution Equivalent Right Award Agreement. A Distribution Equivalent Right may, but need not, be awarded in tandem with another Award, whereby, if so awarded, such Distribution Equivalent Right shall expire, terminate or be forfeited by the Holder, as applicable, under the same conditions as under such other Award.

Section 12.2. **Interest Equivalents**. The Distribution Equivalent Rights Award Agreement for a Distribution Equivalent Right may provide for the crediting of interest on a Distribution Equivalent Right to be settled in cash at a future date, at a rate set forth in the applicable Distribution Equivalent Rights Award Agreement, on the amount of cash payable thereunder.

ARTICLE XIII
STOCK APPRECIATION RIGHTS

Section 13.1. **Terms and Conditions**. The Committee shall set forth in the applicable Stock Appreciation Right Award Agreement the terms and conditions of the Stock Appreciation Right, including (i) the base value (the "**Base Value**") for the Stock Appreciation Right, which for purposes of a Stock Appreciation Right which is not a Tandem Stock Appreciation Right, shall be not less than the Fair Market Value of a Common Stock on the date of grant of the Stock Appreciation Right, (ii) the number of Common Stock subject to the Stock Appreciation Right, (iii) the period during which the Stock Appreciation Right may be exercised; *provided, however*, that no Stock Appreciation Right shall be exercisable after the expiration of ten (10) years from the date of its grant, and (iv) any other special rules and/or requirements which the Committee imposes upon the Stock Appreciation Right. Upon the exercise of some or all of the portion of a Stock Appreciation Right, the Holder shall receive a payment from the Company, in cash or in the form of Common Stock having an equivalent Fair Market Value or in a combination of both, as determined, in the sole discretion of the Committee, equal to the product of:

(a) The excess of (i) the Fair Market Value of a share of Common Stock on the date of exercise, over (ii) the Base Value, multiplied by;

(b) The number of Common Stock with respect to which the Stock Appreciation Right is exercised.

Section 13.2. **Tandem Stock Appreciation Rights**. If the Committee grants a Stock Appreciation Right which is intended to be a Tandem Stock Appreciation Right, the Tandem Stock Appreciation Right shall be granted at the same time as the related Option, and the following special rules shall apply:

(a) The Base Value shall be equal to or greater than the per share of Common Stock exercise price under the related Option;

(b) The Tandem Stock Appreciation Right may be exercised for all or part of the Common Stock which are subject to the related Option, but solely upon the surrender by the Holder of the Holder's right to exercise the equivalent portion of the related Option (and when shares of Common Stock is purchased under the related Option, an equivalent portion of the related Tandem Stock Appreciation Right shall be cancelled);

(c) The Tandem Stock Appreciation Right shall expire no later than the date of the expiration of the related Option;

(d) The value of the payment with respect to the Tandem Stock Appreciation Right may be no more than one hundred percent (100%) of the difference between the per share of Common Stock exercise price under the related Option and the Fair Market Value of the Common Stock subject to the related Option at the time the Tandem Stock Appreciation Right is exercised, multiplied by the number of the Common Stock with respect to which the Tandem Stock Appreciation Right is exercised; and

(e) The Tandem Stock Appreciation Right may be exercised solely when the Fair Market Value of the Common Stock subject to the related Option exceeds the per share of Common Stock exercise price under the related Option.

ARTICLE XIV
RECAPITALIZATION OR REORGANIZATION

Section 14.1. **Adjustments to Common Stock**. The shares with respect to which Awards may be granted under the Plan are Common Stock as presently constituted; provided, however, that if, and whenever, prior to the expiration or distribution to the Holder of Common Stock underlying an Award theretofore granted, the Company shall effect a subdivision or consolidation of the Common Stock or the payment of a Common Stock dividend on Common Stock without receipt of consideration by the Company, the number of Common Stock with respect to which such Award may thereafter be exercised or satisfied, as applicable, (i) in the event of an increase in the number of outstanding Common Stock, shall be proportionately increased, and the purchase price per share of Common Stock shall be proportionately reduced, and (ii) in the event of a reduction in the number of outstanding Common Stock, shall be proportionately reduced, and the purchase price per share of Common Stock shall be proportionately increased. Notwithstanding the foregoing or any other provision of this ARTICLE XIV, any adjustment made with respect to an Award (x) which is an Incentive Stock Option, shall comply with the requirements of Section 424(a) of the Code, and in no event shall any adjustment be made which would render any Incentive Stock Option granted under the Plan to be other than an "incentive stock option" for purposes of Section 422 of the Code, and (y) which is a Non-Qualified Stock Option, shall comply with the requirements of Section 409A of the Code, and in no event shall any adjustment be made which would render any Non-Qualified Stock Option granted under the Plan to become subject to Section 409A of the Code.

Section 14.2. **Recapitalization**. If the Company recapitalizes or otherwise changes its capital structure, thereafter upon any exercise or satisfaction, as applicable, of a previously granted Award, the Holder shall be entitled to receive (or entitled to purchase, if applicable) under such Award, in lieu of the number of Common Stock then covered by such Award, the number and class of shares and securities to which the Holder would have been entitled pursuant to the terms of the recapitalization if, immediately prior to such recapitalization, the Holder had been the holder of record of the number of Common Stock then covered by such Award.

Section 14.3. **Other Events**. In the event of changes to the outstanding Common Stock by reason of extraordinary cash dividend, reorganization, merger, consolidation, combination, split-up, spin-off, exchange, stock split, reverse stock split or other relevant changes in capitalization occurring after the date of the grant of any Award and not otherwise provided for under this ARTICLE XIV, any outstanding Awards and any Award Agreements evidencing such Awards shall be adjusted by the Committee, in such manner as the Committee shall deem equitable or appropriate taking into consideration the applicable accounting and tax consequences, as to the number and price of Common Stock or other consideration subject to such Awards. In the event of any adjustment pursuant to Section 14.1, Section 14.2 or this Section 14.3, the aggregate number of Common Stock available under the Plan pursuant to Section 5.1 may be appropriately adjusted by the Committee, the determination of which shall be conclusive. In addition, the Committee may make provision for a cash payment to a Holder or a person who has an outstanding Award. The number of Common Stock subject to any Award shall be rounded to the nearest whole number.

Section 14.4. **Powers Not Affected**. The existence of the Plan and the Awards granted hereunder shall not affect in any way the right or power of the Board or of the stockholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change of the Company's capital structure or business, any merger or consolidation of the Company, any issue of debt or equity securities ahead of or affecting Common Stock or the rights thereof, the dissolution or liquidation of the Company or any sale, lease, exchange or other disposition of all or any part of its assets or business or any other corporate act or proceeding.

Section 14.5. **No Adjustment for Certain Awards**. Except as hereinabove expressly provided, the issuance by the Company of shares of any class or securities convertible into shares of any class, for cash, property, labor or services, upon direct sale, upon the exercise of rights or warrants to subscribe therefor or upon conversion of shares or obligations of the Company convertible into such shares or other securities, and in any case whether or not for fair value, shall not affect previously granted Awards, and no adjustment by reason thereof shall be made with respect to the number of Common Stock subject to Awards theretofore granted or the purchase price per share of Common Stock, if applicable.

ARTICLE XV
AMENDMENT AND TERMINATION OF PLAN

The Plan shall continue in effect, unless sooner terminated pursuant to this ARTICLE XV, until the tenth (10th) anniversary of the date on which it is adopted by the Board (except as to Awards outstanding on that date). The Board, in its discretion, may terminate the Plan at any time with respect to any shares for which Awards have not theretofore been granted; provided, however, that the Plan's termination shall not materially and adversely impair the rights of a Holder with respect to any Award theretofore granted without the consent of the Holder. The Board shall have the right to alter or amend the Plan or any part hereof from time to time; *provided, however,* stockholder approval shall be required for ay modification of the Plan that (i) requires stockholder approval under the rules or regulations of the Securities and Exchange Commission or any securities exchange applicable to the Company, (ii) increases the number of shares authorized under the Plan as specified in Section 5.1, or (iii) amends, modifies or suspends Section 7.8 (repricing prohibitions) or this ARTICLE XV. In addition, unless otherwise permitted under the Award Agreement, no change in any Award theretofore granted may be made which would materially and adversely impair the rights of a Holder with respect to such Award without the consent of the Holder.

ARTICLE XVI
MISCELLANEOUS

Section 16.1. **No Right to Award**. Neither the adoption of the Plan by the Company nor any action of the Board or the Committee shall be deemed to give an Employee, Director or Consultant any right to an Award except as may be evidenced by an Award Agreement duly executed on behalf of the Company, and then solely to the extent and on the terms and conditions expressly set forth therein.

Section 16.2. **No Rights Conferred**. Nothing contained in the Plan shall (i) confer upon any Employee any right with respect to continuation of employment with the Company or any Affiliate, (ii) interfere in any way with any right of the Company or any Affiliate to terminate the employment of an Employee at any time, (iii) confer upon any Director any right with respect to continuation of such Director's membership on the Board, (iv) interfere in any way with any right of the Company or an Affiliate to terminate a Director's membership on the Board at any time, (v) confer upon any Consultant any right with respect to continuation of such Consultant's consulting engagement with the Company or any Affiliate, or (vi) interfere in any way with any right of the Company or an Affiliate to terminate a Consultant's consulting engagement with the Company or an Affiliate at any time.

Section 16.3. **Other Laws; No Fractional Shares; Withholding**. The Company shall not be obligated by virtue of any provision of the Plan to recognize the exercise of any Award or to otherwise sell or issue Common Stock in violation of any laws, rules or regulations, and any postponement of the exercise or settlement of any Award under this provision shall not extend the term of such Award. Neither the Company nor its directors or officers shall have any obligation or liability to a Holder with respect to any Award (or Common Stock issuable thereunder) (i) that shall lapse because of such postponement, or (ii) for any failure to comply with the requirements of any applicable law, rules or regulations, including, but not limited to, any failure to comply with the requirements of Section 409A of the Code. No fractional Common Stock shall be delivered, nor shall any cash in lieu of fractional Common Stock be paid. The Company shall have the right to deduct in cash (whether under this Plan or otherwise) in connection with all Awards any taxes required by law to be withheld and to require any payments required to enable it to satisfy its withholding obligations. In the case of any Award satisfied in the form of Common Stock, no Common Stock shall be issued unless and until arrangements satisfactory to the Company shall have been made to satisfy any tax withholding obligations applicable with respect to such Award. Subject to such terms and conditions as the Committee may impose, the Company shall have the right to retain, or the Committee may, subject to such terms and conditions as it may establish from time to time, permit Holders to elect to tender, Common Stock (including Common Stock issuable in respect of an Award) to satisfy, in whole or in part, the amount required to be withheld.

Section 16.4. **No Restriction on Corporate Action**. Nothing contained in the Plan shall be construed to prevent the Company or any Affiliate from taking any corporate action which is deemed by the Company or such Affiliate to be appropriate or in its best interest, whether or not such action would have an adverse effect on the Plan or any Award made under the Plan. No Employee, Director, Consultant, beneficiary or other person shall have any claim against the Company or any Affiliate as a result of any such action.

Section 16.5. **Restrictions on Transfer**. No Award under the Plan or any Award Agreement and no rights or interests herein or therein, shall or may be assigned, transferred, sold, exchanged, encumbered, pledged or otherwise hypothecated or disposed of by a Holder except (i) by will or by the laws of descent and distribution, or (ii) except for an Incentive Stock Option, by gift to any Family Member of the Holder. An Award may be exercisable during the lifetime of the Holder only by such Holder or by the Holder's guardian or legal representative unless it has been transferred by gift to a Family Member of the Holder, in which case it shall be exercisable solely by such transferee. Notwithstanding any such transfer, the Holder shall continue to be subject to the withholding requirements provided for under Section 16.3.

Section 16.6. **Beneficiary Designations**. The Committee may also establish procedures as it deems appropriate for a Holder to designate a person or persons, as beneficiary or beneficiaries, to exercise the rights of the Holder and receive any property distributable with respect to any Award in the event of the Holder's death. In the absence of any such written beneficiary designation, for purposes of the Plan, a Holder's beneficiary shall be the Holder's estate.

Section 16.7. **Rule 16b-3**. It is intended that the Plan and any Award made to a person subject to Section 16 of the Exchange Act shall meet all of the requirements of Rule 16b-3. If any provision of the Plan or of any such Award would disqualify the Plan or such Award under, or would otherwise not comply with the requirements of, Rule 16b-3, such provision or Award shall be construed or deemed to have been amended as necessary to conform to the requirements of Rule 16b-3.

Section 16.8. **Section 409A**. Notwithstanding anything in the Plan or any Award to the contrary, to the extent that any amount or benefit that constitutes "deferred compensation" to a Holder under Section 409A of the Code and applicable guidance thereunder is otherwise payable or distributable to a Holder under the Plan or any Award solely by reason of the occurrence of a change in control event or due to the Holder's Disability or "separation from service" or similar terms under this Plan, such amount or benefit will not be payable or distributable to the Holder by reason of such circumstance unless the Committee determines in good faith that (i) the circumstances giving rise to such change in control event, Disability or separation from service meet the definition of a change in control event, Disability or separation from service, as the case may be, in Section 409A of the Code and applicable proposed or final regulations, or (ii) the payment or distribution of such amount or benefit would be exempt from the application of Section 409A of the Code by reason of the short-term deferral exemption or otherwise. Any payment or distribution that otherwise would be made to a Holder who is a "specified employee" (as defined under Section 409A of the Code) on account of separation from service may not be made before the date which is six (6) months after the date of the specified employee's separation from service (or if earlier, upon the specified employee's death) unless the payment or distribution is exempt from the application of Section 409A of the Code by reason of the short-term deferral exemption or otherwise.

Section 16.9. **Indemnification**. Each person who is or shall have been a member of the Board or of the Committee shall be indemnified and held harmless by the Company against and from any loss, cost, liability or expense that may be imposed upon or reasonably incurred thereby in connection with or resulting from any claim, action, suit or proceeding to which such person may be made a party or may be involved by reason of any action taken or failure to act under the Plan and against and from any and all amounts paid thereby in settlement thereof, with the Company's approval, or paid thereby in satisfaction of any judgment in any such action, suit or proceeding against such person; provided, however, that such person shall give the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive and shall be independent of any other rights of indemnification to which such persons may be entitled under the Company's Certificate of Incorporation or By-laws, by contract, as a matter of law, or otherwise.

Section 16.10. **Other Plans**. No Award, payment or amount received hereunder shall be taken into account in computing an Employee's salary or compensation for the purposes of determining any benefits under any pension, retirement, life insurance or other benefit plan of the Company or any Affiliate, unless such other plan specifically provides for the inclusion of such Award, payment or amount received. Nothing in the Plan shall be construed to limit the right of the Company to establish other plans or to pay compensation to its employees, directors and other service providers, in cash or property, in a manner which is not expressly authorized under the Plan.

Section 16.11. **Limits of Liability**. Any liability of the Company with respect to an Award shall be based solely upon the contractual obligations created under the Plan and the Award Agreement. None of the Company, any member of the Board nor any member of the Committee shall have any liability to any party for any action taken or not taken, in good faith, in connection with or under the Plan.

Section 16.12. **Governing Law**. Except as otherwise provided herein, the Plan shall be construed in accordance with Delaware law, without regard to principles of conflicts of law.

Section 16.13. **Severability of Provisions**. If any provision of the Plan is held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision of the Plan, and the Plan shall be construed and enforced as if such invalid or unenforceable provision had not been included in the Plan.

Section 16.14. **No Funding**. The Plan shall be unfunded. The Company shall not be required to establish any special or separate fund or to make any other segregation of funds or assets to ensure the payment of any Award.

Section 16.15. **Headings**. Headings used throughout the Plan are for convenience only and shall not be given legal significance.

Section 16.16. **Terms of Award Agreements**. Each Award shall be evidenced by an Award Agreement. The terms of the Award Agreements utilized under the Plan need not be the same.

MANUFACTURING SERVICES AGREEMENT

THIS MANUFACTURING SERVICES AGREEMENT (the "Agreement") is dated as of the 21st day of August, 2020 (the "Effective Date") by and between **Innovative Health Solutions, Inc.**, an Indiana corporation having a place of business at 829 S Adams Street, Versailles, Indiana 47042 (**"IHS"**), and **GMI Corporation**, an Indiana corporation having a place of business at 700 International Dr., Franklin, IN 46131 (**"GMI"**) (each of IHS and GMI, a **"Party"** and collectively, the **"Parties"**).

RECITALS

GMI is a Contract Manufacturer that furnishes the necessary personnel, material, equipment, services and facilities to Manufacture certain of IHS's products in accordance with detailed specifications provided by IHS and other third parties.

IHS is a Specification Developer and company engaged in the business of Medical Device design, distribution, and sales.

IHS desires to engage GMI to Manufacture certain of IHS's Products in accordance with orders to be issued from time to time.

GMI is willing to enter into this Agreement and to accept orders to Manufacture IHS's Products upon terms and conditions herein.

GMI will be the exclusive supplier of the Product for IHS provided that it can meet the terms of this Agreement and agreed upon manufacturing and delivery schedules.

The Parties hereto desire to enter into this Agreement upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual agreements hereinafter set forth, it is hereby agreed between the Parties hereto as follows:

1. DEFINITIONS

a) Applicable Law: "Applicable Law" means any and all laws, ordinances, rules, regulations, statutes, restrictions, judgments, orders or decrees, requirements, and standards of any governmental authority, domestic or international body, applicable to the activities contemplated by this agreement, as adopted, amended, issued or decreed from time-to time, including without limitation, the federal Food, Drug & Cosmetic Act, 21 USC 301, et seq., and regulations and guidance promulgated thereunder, United States Pharmacopeia ("USP") standards, International Organization for Standardization ("ISO") standards, and The International Council for Harmonisation ("ICH") guidelines.

b) Change of Control: "Change of Control" means the sale of all or substantially all the assets of a Party; any merger, consolidation or acquisition of a Party with, by or into another corporation, entity or person; or any change in the ownership of more than fifty percent (50%) of the voting capital stock of a Party in one or more related transactions.

c) Defect: "Defect" means any defect in a Product that results from GMI'S failure to comply with the applicable specifications and FDA requirements.

d) FDA: "FDA" means the U.S. Food and Drug Administration, which has the responsibility and authority to enforce the federal Food, Drug and Cosmetic (FD&C) Act of 1976 as amended, relating to medical devices, including but not limited to Quality System Regulations contained in 21 CFR Part 820.

e) Finished Device: A "Finished Device" means any device or accessory to any device that is suitable for use or capable of functioning, whether or not it is packaged, labeled or sterilized.

f) Inventory: "Inventory" means the material and components required to Manufacture the IHS Products.

g) Manufacture: "Manufacture" or "Manufacturing" is the term defined by 21 CFR § 807.3(d).

h) Contract Manufacturer: A "Contract Manufacturer" is an entity that physically Manufactures a Finished Device under the terms of a contract, and meets the requirements for registering as a "contract manufacturer" pursuant to 21 CFR Part 807. Contract Manufacturers of Finished Devices shall comply with applicable requirements of the Quality System Regulations.

i) Medical Device: "Medical Device" means an instrument, apparatus, implement, machine, contrivance, implant, in vitro reagent, or other similar or related article, including a component part, or accessory which is:

   i. Recognized in the official National Formulary, or the United States Pharmacopoeia, or any supplement to them,

   ii. Intended for use in the diagnosis of disease or other conditions, or in the cure, mitigation, treatment, or prevention of disease, in man or other animals, or

   iii. Intended to affect the structure or any function of the body of man or other animals, and which does not achieve any of its primary intended purposes through chemical action within or on the body of man or other animals and which is not dependent upon being metabolized for the achievement of any of its primary intended purposed.

j) NCNR Inventory: "NCNR Inventory" means all Inventory that is: (i) on order and not cancelable; or (ii) in GMI's possession and not returnable to the vendor/supplier or usable..

k) Order: "Order" means an order, in writing, meeting the requirements of this Agreement submitted by IHS for acceptance by GMI.

l) Product Schedule: "Product Schedule" means a schedule, as amended from time to time by mutual agreement of the Parties, that: (i) references this Agreement and is executed by the Parties hereto, (ii) sets forth information relating to a Product to be Manufactured pursuant to this Agreement and applicable Orders, and (iii) is attached to this Agreement and incorporated herein by reference.

m) Products: "Product" or "Products" mean the product(s) that GMI will produce for IHS pursuant to this Agreement as set forth in applicable Product Schedules.

n) Purchase Price: "Purchase Price" means the unit price for a Product as set forth in the applicable Product Schedule.

o) Quality: "Quality" means the totality of features and characteristics that bear on the ability of a device to satisfy fitness-for-use, including safety and performance.

p) Quality Agreement: "Quality Agreement" means an agreement between the Parties that describes the Parties' quality control, technical, quality assurance and regulatory responsibilities relating to the manufacture and release of Product. Additional provisions include IHS's audit rights, record retention, recalls, complaints, regulatory audits and inspections, manufacturing changes, and other quality related matters.

q) Quality System: "Quality System" means the organizational structure, responsibilities, procedures, processes, and resources for implementing quality management.

r) Quality System Regulation: The Quality System Regulation is in Part 820 of Title 21 of the Code of Federal Regulations (CFR). These regulations cover quality management and organization, device design, buildings, equipment, purchase and handling of components, production, process controls, packaging and labeling control, device evaluation, distribution, installation, complaint handling, servicing and records. The QSR requirements are intended to ensure that the Finished Devices are safe and effective.

s) Regulatory Authority: "Regulatory Authority" shall mean any federal (including FDA), state, local, and foreign bodies charged with enforcing laws, rules or regulations governing the Manufacture, sale and/or marketing of medical devices.

t) Specification: "Specification" means any requirement for which a product, process, service, or other activity must conform.

u) Specification Developer: "Specification Developers" provide specifications for a Finished Device that is distributed under the establishment's own name but performs no manufacturing. In essence, the Specification Developer provides device specifications to contract manufacturers, who produce devices to meet the specifications.

2. STATEMENT OF WORK

a) IHS hereby engages GMI, and GMI agrees to use best commercially reasonable efforts to furnish the necessary personnel, material, equipment, services and facilities to Manufacture Products in accordance with the applicable Specifications as set forth in the Quality Agreement. GMI's manufacturing services shall be performed in accordance with the applicable regulatory and performance standards as defined on each Product Schedule.

b) Roles and responsibilities of IHS and GMI as to Quality matters are defined in the Quality Agreement.

c) IHS will, during the term of this Agreement, provide and make available to GMI for use by GMI at its manufacturing facility located at 700 International Dr., Franklin, IN 46131 (the "Facility"), the equipment identified and described in Schedule B attached hereto and incorporated herein by reference (collectively, the "Equipment"). GMI agrees that the Equipment shall be used only at the Facility and shall not be moved from the Facility, including to any facility operated by any affiliate of GMI, without the prior written consent of IHS. The Equipment shall be used by GMI in connection with and to facilitate the performance of its obligations under this Agreement, and for no other purpose, including any other commercial purpose. GMI shall not remove and shall cause to remain intact any and all signage, labels, logos, tags, stickers, and markers on the Equipment that identify the Equipment as being the property of IHS.

d) At all times, title to the Equipment, the IHS Product (as defined in this Agreement), and the Consigned Materials (as defined in this Agreement) shall remain with IHS, and nothing in this Agreement is intended or shall be deemed to be a grant or transfer of title or ownership in or to the Equipment, the IHS Product, or the Consigned Materials, to GMI. Neither GMI nor any of its creditors nor any administrative, administrative receiver, or other receiver or equivalent, shall be entitled to any lien or other possessory title or security over the Equipment, the IHS Product, or the Consigned Materials, which shall remain the property of IHS. GMI shall use its best efforts to provide such notices to its creditors as may be required to avoid the establishment of any lien on the Equipment, the IHS Product, or the Consigned Materials in accordance with local law. To the extent reasonably possible or practicable, GMI shall maintain the Equipment, the IHS Product, and the Consigned Materials in a segregated area, and restrict access thereto only to appropriate GMI personnel. No representatives of any third parties shall have access to the Equipment, the IHS Product, or the Consigned Materials.

e) GMI shall bear the risk of loss of and damage to the Equipment, the Consigned Materials, and, to the extent provided by Applicable Law, any IHS Product that is stored at GMI's facility at the request of IHS pursuant to this Agreement. GMI shall maintain a "bailee liability" or similar policy of insurance from a reputable insurer sufficient to fully insure the Equipment, the Consigned Materials, and, to the extent provided immediately above, the IHS Product, against damage or loss, and shall provide IHS with a certificate of insurance evidencing such coverage upon request;

provided, however, that GMI's liability for any breach of its obligations under this this Agreement shall not be limited by the amount of GMI's insurance coverage.

f) For avoidance of doubt, in those instances where this Agreement requires a "writing" to be provided, written communication via email between the parties can satisfy the writing requirement to the following email addresses: aaron.barr@gmicorp.com and dan@i-h-s.com.

3. TERM AND TERMINATION

a) Term: Unless sooner terminated as set forth in this Section 3, the term of this Agreement shall commence on the Effective Date and continue for an initial term of 24 months and shall automatically renew for renewal terms of twelve (12) months unless either Party provides a written termination notice to the other Party one hundred eighty (180) days prior to the end of the then-current terms or pursuant to Section 3(b).

i. Termination:

(a) IHS shall have the right to terminate this Agreement immediately upon a Change of Control of GMI. GMI shall promptly notify IHS of any attempt to effect a Change of Control.

(b) Either Party may terminate this Agreement:

(i) For any reason, upon at least twelve (12) months prior written notice to the other Party;

(ii) At any time pursuant to the provisions of Section 11 below regarding force majeure where the Party affected by the occurrence of such force majeure event has not, through the exercise of commercially reasonable efforts, been able to remedy or remove such event after a period of sixty (60) consecutive days;

(iii) At any time upon the material breach of the other Party if such breach is not cured within sixty (60) days of receipt of written notice. For purposes of a breach by GMI, "material breach" includes without limitation: GMI's failure to satisfy its obligation to deliver the Product as specified in any IHS Order for two consecutive months; GMI's failure to maintain DHFs for Products in accordance with Applicable Laws; GMI's material breach of the Quality Agreement, including, without limitation, GMI's failure to incorporate IHS's input into responses to regulatory inspections relating to the Product, and IHS reasonably believes in good faith that such omissions may adversely affect the health and safety of its customers; and GMI's termination of employees who, in IHS's sole discretion, are critical to the performance of

services arising under this Agreement if GMI does not notify the IHS Board of Directors in writing within 10 days.

(iv) Immediately upon the written notice to the other Party if the other Party admits an inability to pay debts as they become due; is, or is deemed for the purpose of any applicable law, to be insolvent or unable to pay its debts as they fall due; suspends making payments on any of its debts, or announces an intention to do so; by reason of actual or anticipated financial difficulties, begins negotiations with any creditor for the rescheduling of any of its indebtedness outside the ordinary course of business; is in breach of any covenant or other term of a loan or financial facility and a counter Party under such loan or financial facility accelerates or calls for repayment of any outstanding indebtedness as a result of such breach; becomes insolvent, or the fair value of its assets is less than its liabilities (taking into account contingent and prospective liabilities and disregarding inter-company loans between affiliates); makes an assignment for the benefit of creditors; has a moratorium declared in respect of any of its indebtedness; or has a receiver, guardian, conservator or trustee in bankruptcy appointed to take charge of all or part of its property; or is adjudicated bankrupt.

(v) Upon a Change of Control, provided that such termination shall occur sixty (60) days after such Change of Control, unless rights new ownership and the other Party agree to assignment pursuant to section 18(c).

b) Effect of Termination: In general, the expiration or termination of this Agreement shall not affect any obligations that exist as of the date of termination, including without limitation accepted Orders under Section 6; provided, however, if IHS terminates this Agreement for cause, it shall only be obligated to pay for and accept delivery of conforming ordered Products that GMI has as of that date completed or placed into actual production, and for materials that both GMI and IHS agree in a separate writing will be guaranteed for payment. GMI shall, in any event, be required to complete and deliver to IHS all Products Manufactured or in process at the time of the termination of this Agreement pursuant to the terms of this Agreement. Upon the expiration or earlier termination of this Agreement for any reason, and without notice or demand by IHS, GMI shall promptly return to IHS all of IHS's Proprietary Information as set forth in Section 12(a), as well as the Equipment, the Consigned Materials, and all Inventory paid for by IHS.

c) Winding-Down Obligations: Following the expiration or termination of this Agreement, GMI shall cooperate with IHS and provide reasonable assistance to effect the orderly and efficient transfer of the manufacturing of Products from GMI to IHS or a third Party designated by IHS ("Successor Manufacturer") and without disruption to IHS's business ("Transfer Assistance"). Transfer Assistance shall

include, but not be limited to: (a) the continued manufacture of the Products by GMI after the termination or expiration date for a transition period and on terms mutually agreeable to the Parties; (b) the transfer of the complete DHF for each of the Products to the Successor Manufacturer; (c) the transfer of a complete bill of materials, and a complete list of all vendors included on the bill of materials, to the Successor Manufacturer; and (d) the transfer of the Equipment to the Successor Manufacturer or IHS and a full description of such Equipment. The provisions of this Section 3(c) shall survive the termination or expiration of this Agreement. Transfer costs will be borne by IHS, including GMI employees' hours spent on the transfer above and beyond reasonable assistance.

4. DOCUMENTATION

Documentation supplied to GMI shall be in electronic format and generally includes the following:

- Assembly Drawing
- Schematic
- Parts List in Excel format and Approved Vendor Listing (AVL)
- Bill of Material in Excel or ASCII Delimited
- Gerber of bare board along with Native CAD data
- Bare Board fabrication drawing
- SMT Stencil data to be Gerber File or 1:1 Film of paste layer(s) including fiducials
- SMT placement data to be ASCII Delimited coordinate information consisting of X,Y, and rotational (Theta) circuit reference and Part Number
- Test Specifications

5. RELIANCE ON DESIGNS

IHS acknowledges and recognizes that GMI must rely on the design that IHS furnishes to GMI and that GMI shall be paid its original contracted price for any Product that is defective due to IHS's design error.

6. ORDERING

a) Orders: Performance under this Agreement shall be initiated by Orders issued by IHS and accepted by GMI. IHS shall be under no obligation to purchase, and GMI shall be under no obligation to Manufacture, Products hereunder unless and until IHS issues an Order and GMI has accepted IHS's Order. GMI shall accept or reject IHS's Orders in writing within two (2) business days. IHS's Orders shall include the following information set forth on the Product Schedule at Schedule A.

b) Acceptance: GMI shall use reasonable commercial efforts to accept all of IHS's Orders. No Order shall be deemed accepted unless GMI provides IHS written notice accepting the Order as provided in subparagraph (a).

c) Modification, Cancellation, or Deferment by IHS: Orders may be modified or cancelled, and scheduled shipments may be deferred, only: (i) upon IHS's prior

written notice and GMI'S written acknowledgment; and (ii) upon terms satisfactory to GMI that compensate GMI for all costs incurred, or credit IHS with cost savings experienced, by reason of such modification, cancellation or deferment, which shall take into account, among other things, the cost of any NCNR Inventory, any vendor cancellation charges (including restocking fees) and any nonrecurring engineering or production costs and the impact on the Purchase Price of Products not cancelled including the reasonable carrying cost of inventory. Orders or portions of Orders may not be modified, cancelled, or deferred inside of the 30-day window described in Section of 6(e) without financial penalty to IHS and without specific agreement by GMI. Notwithstanding the above, GMI shall use its best efforts to sell NCNR Inventory, or any other raw material inventory on hand to its other existing customers or return to suppliers. The cost of such inventory that cannot be either sold or returned would be charged back to IHS under this Section 6(c) within a reasonable time not to exceed three (3) months from the notification of the modified, cancelled or deferred order from IHS.

d) GMI will grant acceleration requests when reasonably possible. Accelerations may be limited by material availability, equipment capacity, and personnel resources. GMI will make reasonable efforts to accommodate accelerations impacted by material constraints; however, IHS and GMI will mutually agree if accelerations result in increased costs due to procurement of material from distribution, purchase price variance, pull-ins of production, overtime premiums of personnel, or express handling that IHS and GMI will negotiate in good faith the required additional price to cover these costs. Cancellation of shipments scheduled inside thirty (30) days is not authorized; therefore, cancellations of such shipments will incur charges equal to 100% of the purchase price of such Products.

e) IHS may cancel any Order, or Portion of an Order, without penalty, more than thirty (30) days from production of the Order (if there is a single production date for the Order) or portion of the Order (if there are multiple production dates for the Order) by giving written notice to GMI. IHS shall only pay a penalty if cancellation occurs 30 days or less from the scheduled ship date(s). Cancellation charges shall be based upon material on hand, material on order which cannot be cancelled, restocking, cancellation, or other charges arising from suppliers reschedule cancellation or restocking charges, subject to the limitations otherwise provided in this subparagraph (c) and GMI will use reasonable commercial efforts to return unused Inventory and to cancel pending orders for such inventory, and to otherwise mitigate the amounts payable by IHS.

f) Subcontractors: GMI shall use only those subcontractors involved in Manufacturing approved by IHS and which have entered a confidentiality agreement with IHS relating to IHS's Proprietary Information. For avoidance of doubt, "subcontractors" do not include suppliers of raw materials or unfinished components that are not manufactured per design requirements derived from IHS's Proprietary information.

g) Alternate Manufacturers: Nothing in this Agreement shall preclude IHS from requesting and qualifying an alternate supplier to Manufacture Products. IHS shall not use an alternate supplier during Term of the Agreement provided that GMI can satisfy the terms of this Agreement and agreed upon manufacturing and delivery schedules. GMI shall, at IHS's request and direction, provide reasonable assistance to IHS with regard to IHS efforts to have such alternative manufacturing solutions in place by (1) providing IHS or such designee with copies of all requested Manufacturing documentation and (ii) making relevant personnel available within reason for consultation. IHS will reimburse GMI for all documented direct costs and expenses properly and reasonably incurred by GMI in connection with all such requested technology transfer activities.

7. SHIPMENTS AND DELIVERY

GMI shall ship Products to IHS or its designee consistent with Orders from IHS in accordance with each accepted Order, or to customers if directed by IHS, subject to the terms and conditions of all shipments shall be F.O.B. origin (GMI's dock). Title to, and risk of loss for, Products shall pass to IHS at the time of delivery of possession of the Products to a common carrier, IHS, or IHS's designee or customer. In the event of a planned or pending Change of Control, GMI will provide IHS notice in accordance with Section 19(i) of this Agreement and make arrangements to ship and deliver IHS Product in accordance with IHS instructions, if requested by IHS prior to the Change in Control.

8. ACCEPTANCE

The Product shall be deemed accepted when GMI has: (i) tested and inspected the Product in accordance with the contracted level of testing and inspections, and such Products have passed the testing and inspections, as set forth in the applicable Product Schedule; and (ii) IHS or its designee has received, inspected and approved such products as being conforming goods as defined in the Uniform Commercial Code (UCC). Provided IHS or its designees shall inspect such goods within thirty (30) days of actual delivery and notify GMI if such goods are non-conforming or defective. The cost of returning non-conforming or defective Product shall be the responsibility of GMI unless GMI demonstrates conformity with the Specifications in accordance with this Agreement.

9. PRICES; OTHER COSTS; PRICE CHANGES; INVOICING

a) Prices and Taxes: IHS shall pay GMI the Purchase Price set forth in the applicable Product Schedule for Orders of Products received by GMI, which Purchase Price may be adjusted from time to time pursuant to the terms of this Agreement. The Purchase Price is exclusive of the costs of packaging, shipping, and insurance and any applicable federal, state, and local taxes, which shall be borne by IHS.

b) Price Changes: In addition to other provisions in this Agreement allowing for changes in the Purchase Price, if significant fluctuations occur at any time in the costs of Inventory, GMI and IHS will review the impact of such fluctuations and mutually agree to an increase or decrease in the Purchase Price arising

therefrom for Products whose costs are affected by such fluctuations and have not yet been produced or shipped.

c) Tooling/Non-Recurring Expenses: IHS shall pay for, or obtain and consign to GMI, any Product specific tooling and shall repay other non-recurring expenses as agreed to in advance by IHS.

d) Routine maintenance and repairs of IHS owned manufacturing equipment at GMI will be paid for by IHS. GMI will follow recommended manufacturer maintenance schedules and notify IHS of any equipment condition changes.

e) Invoicing and Payment: GMI shall invoice IHS concurrently with each shipment of Products from GMI to IHS or its designee. To be considered valid under this agreement, an invoice shall be transmitted in writing and include GMI's name and invoice date, the Order number, the total price and the name (if applicable), title, complete mailing address or wire transfer instructions for where payment is to be sent and must be submitted to the appropriate invoice address listed in the applicable Product Schedule or Order. IHS shall pay all invoices within thirty (30) days of the date of the invoice or shipment (whichever is earlier) unless otherwise agreed to in writing. Any payment or part of a payment that is not paid when due shall bear interest at the rate of eighteen percent (1.5% per month), or at the highest contract rate allowed by law, whichever is less, from its due date until paid. Payments shall be in U.S. dollars.

f) Consigned Materials: Consigned materials include those products ordered by, but not yet delivered to, and any other materials that GMI and IHS have agreed in will be held on consignment. Upon request by IHS or automatically following the expiration or termination of this Agreement for any reason, GMI shall return all Consigned Materials paid for by IHS.

10. QUALITY AGREEMENT

The Parties will enter into a Quality Agreement. The Quality Agreement shall be subject to, and not inconsistent with, the terms of this Agreement. In the event of a conflict between the terms of the documents, the terms of the Quality Agreement will govern as to all quality-related matters, and this Agreement will govern as to all other matters.

11. FORCE MAJEURE

Neither Party shall be liable for its failure to perform hereunder due to any occurrence beyond its reasonable control, including acts of God, fires, floods, wars, terror, sabotage, accidents, labor disputes or shortages, governmental laws, ordinances, rules and regulations, whether valid or invalid (including, but not limited to, priorities, requisitions, allocations, and price adjustment restrictions), inability to obtain material, equipment or transportation (unless such liability is attributable to the cash flow limitations of GMI), and any other similar or different occurrence, in each case against which it would have been unreasonable for the affected Party to take precautions.

The Party whose performance is prevented by any such occurrence shall notify the other Party thereof in writing as soon as is reasonably possible after the commencement of such occurrence, and shall promptly give written notice to the other Party of the cessation of such occurrence. The Party affected by such occurrence shall use reasonable commercial efforts to remedy or remove such event of force majeure as expeditiously as possible.

12. INTELLECTUAL PROPERTY

a) Ownership of Intellectual Property; License: Title to and ownership of all of the technology, trade secrets, know-how, and information regarding the Products and the Manufacture of the Products supplied by IHS directly or by suppliers on behalf of IHS to GMI hereunder shall remain in IHS. IHS hereby grants GMI a limited, non-transferable, non-exclusive, revocable license to use IHS's software, technology, trade secrets, know-how, and other proprietary information ("IHS's Proprietary Information") for the purposes of this Agreement, free of any claim or allegation of any IHS intellectual property rights covering IHS's Proprietary Information. All rights in IHS's Proprietary Information other than those specifically granted herein are reserved to IHS for its own use and benefit. GMI acknowledges that it shall not acquire any rights of whatsoever nature in IHS's Proprietary Information as a result of GMI's use thereof, and that all use of IHS's Proprietary Information by GMI shall inure to the benefit of GMI. IHS shall solely and exclusively own all other rights in, derived from, under or related to IHS's Proprietary Information. IHS may, but shall have no obligation to, register any copyrights, trademarks, or design rights or to prosecute any patents. GMI'S rights and freedom of use in connection with the Manufacturer of Products for IHS hereunder shall endure only for the term of this Agreement. After the termination or expiration of this Agreement: (1) such license shall expire and GMI shall have no further rights to use IHS's Proprietary Information; (2) GMI shall return to IHS all written documents and other materials relating to IHS's Proprietary Information; (3) GMI shall remove all IHS Proprietary Information from its computers; and (4) GMI shall certify to IHS in writing that it has complied with the return and removal of IHS Proprietary Information as contemplated above. Notwithstanding the forgoing, title to and ownership of any software, technology, trade secrets, know-how, and information of GMI ("GMI'S Proprietary Information") used by GMI hereunder shall remain the property of GMI.

If intellectual property is created or contributed to by GMI personnel through the course of this SOW, those individuals will be listed as inventors on any patent as appropriate. Any intellectual property created in association with this SOW will be owned by Customer. The specific manufacturing processes developed during the course of this SOW will be owned by Customer. However, GMI reserves the right to retain and use any manufacturing methods, techniques and/or know-how developed during the course of this SOW and Customer agrees to provide GMI any and all rights and licenses necessary to allow GMI to use such manufacturing methods, techniques, and/or know-how with non-competitive products.

b) Confidentiality: The Parties acknowledge that each Party's Proprietary Information contains valuable trade secrets that are the sole and exclusive property of the other Party. Each Party agrees that it will maintain and protect the confidentiality of the other Party's Proprietary Information, which in no event shall be less than reasonable care. The obligation to keep each Party's Proprietary Information confidential shall survive the termination or expiration of this Agreement. Each Party shall be liable to the other for damages incurred, including, but not limited to, lost profits which result from the improper disclosure of Proprietary Information by the receiving Party.

13. REPRESENTATIONS AND WARRANTIES

a) By IHS. IHS hereby represents and warrants to GMI that, to the best of its knowledge:

i. IHS has the requisite intellectual property and legal rights related to the Product and to the material and equipment provided by IHS to GMI to authorize the performance of GMI's obligations under this Agreement, and the Quality Agreement;

ii. There is no actual or threatened infringement claim made by a third-Party relating to the Products.

b) By GMI. GMI hereby represents and warrants to IHS that, to the best of its knowledge:

i. GMI has the requisite Intellectual Property rights in the and facility, to be able to perform its obligations under this Agreement, and the Quality Agreement;

ii. GMI's use of GMI's facility and GMI's equipment as contemplated in this agreement will not give rise to a cause of action by a third-Party against IHS for infringement or another violation of intellectual property rights;

iii. Product will not be adulterated or misbranded within the meaning of the federal Food, Drug, & Cosmetic Act;

iv. GMI and GMI personnel shall comply with all Applicable Laws and regulations relating to its activities under this agreement;

v. GMI will not enter into any agreements, contracts, or other arrangements that would conflict with its obligations under this agreement;

vi. During the term of this Agreement, GMI shall obtain and maintain in good order, at its sole expense, such governmental registrations, permits and licenses as are required by the FDA and/or other governmental authorities, as are necessary to permit the GMI to perform the manufacturing, record

keeping and processing activities as set forth in this Agreement and the Quality Agreement;

vii. Products Manufactured hereunder will conform to the Specifications and will be free from Defects in workmanship for a period of one (1) year from the date of delivery of the Products to IHS. IHS shall promptly notify GMI in writing of any malfunction or other non-conformity in the Products, which notification shall describe the malfunction or non-conformity in sufficient detail to permit GMI to isolate the malfunction or non-conformity. Upon notification from IHS, GMI will provide IHS with instructions on returning the Product under a warranty claim. Upon receipt of any Products returned by IHS, GMI shall test the Products in accordance with the contracted level of testing as set forth in the applicable Product Schedule in order to isolate any malfunctions or non-conformity in the Product. If GMI determines that the malfunction is not due to nonconformity with the Specifications or Defect, then GMI will seek instructions from -the IHS regarding whether GMI should return the Product to IHS or dispose of it. If GMI determines that the malfunction or non-conformity is due to non-conformity with Specifications or Defect, it shall provide substitute products to IHS at GMI'S expense. If GMI is unable to isolate any malfunctions in the Product using the contracted level of testing as set forth in the applicable Product Schedule, then IHS is solely responsible for isolation of the malfunction and GMI will seek instructions from the IHS regarding whether IHS will authorize additional testing on the returned Product or whether GMI should return the Product to IHS or dispose of it. Provided, however, if IHS disputes GMI'S test results relating to Product malfunction or defects in workmanship, that IHS may, at IHS's election, have such products tested by an independent contractor approved by IHS and consented to by GMI. The determination of the independent contractor shall be binding on the Parties. If any returned Product contains malfunctions due to non-conformity with the Specifications or Defects in workmanship, then IHS's exclusive remedy and GMI'S sole liability under this warranty will be for GMI, at its sole option and expense, to correct and replace the nonconforming or defective Product. This warranty does not apply to: (i) any first articles, prototypes, pre-production units, test units of a Product; (ii) any Products which have been repaired by IHS or a third Party; (iii) any Products which have been altered or modified in any way by IHS or third Party; or (iv) any Products which have been subject to misuse, abnormal use or neglect.

c) **Mutual Representations and Warranties.** Each Party hereby represents and warrants to the other Party that:

i. this Agreement has been authorized, executed and delivered and constitutes such Party's legal, valid and binding obligation enforceable against it in accordance with its terms subject, as to enforcement, to bankruptcy, insolvency, reorganization, and other laws of general

applicability relating to or affecting creditor's rights and to the availability of particular remedies under general equity principles;

ii. the delivery of this agreement does not require any consent, approval, or authorization of, or notice, declaration filing or registration with, any governmental or Regulatory Authority and the execution, delivery or performance of this agreement will not violate any law, rule or regulation applicable to such Party;

iii. the execution, delivery, and performance by a Party and its compliance with the terms and provisions hereof does not and will not conflict with or result in a breach of any of the terms and provisions of or constitute a default under:

(a) A loan agreement, guaranty, financing agreement, agreement affecting a product or other agreement or instrument binding or affecting it or its property;

(b) The provision of its charter documents or bylaws; or

(c) Any order, write, injunction or decree of any court or governmental authority entered against it or by which any of its property is bound;

iv. it has the power and authority to execute and delivery this Agreement and to perform its obligations hereunder;

v. the execution, delivery and performance of this Agreement has been duly authorized by all requisite corporate action;

vi. it is a corporation duly organized and validly existing under the laws of the state or other jurisdiction of incorporation or formation;

vii. it has obtained and will maintain all applicable approvals as required by all applicable local, county, state, federal, foreign or other laws, statutes, rules, treaties, conventions, legislations, codes, regulations, restrictions, ordinances, orders, approvals and directives of, or issued by any national, federal, state, provincial, county, municipal or local government, foreign or domestic, or the government of any political subdivision of any of the foregoing, or any entity, authority, agency, arbitral body, ministry, court or other similar body exercising executive, legislative, judicial, regulatory or administrative authority or functions of or pertaining to government, including any authority or other quasi-governmental authority established to perform any of such functions, necessary for the manufacturing, record keeping and processing activities as set forth in this Agreement and the Quality Agreement.

d) Disclaimer: THE WARRANTY STATED ABOVE IS IN LIEU OF ALL OTHER WARRANTIES, CONDITIONS OR OTHER TERMS, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, INCLUDING WITHOUT LIMITATION ANY IMPLIED

WARRANTIES OF TERMS AS TO QUALITY, FITNESS FOR PARTICULAR PURPOSE, MERCHANTABILITY OR OTHERWISE, WHETHER IMPLIED BY CUSTOM OR LAW. Without limiting the foregoing disclaimer, IHS understands, acknowledges, and agrees that GMI does not warrant any parts, components or other materials used in the Manufacture of the Products.

14. LIMITATION OF LIABILITY

EXCEPT AS EXPRESSLY PROVIDED IN SECTION 15 (INDEMNIFICATION) OF THIS AGREEMENT, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES OF ANY KIND OR NATURE ARISING OUT OF OR RELATING TO THIS AGREEMENT OR CONNECTED WITH OR RESULTING FROM THE MANUFACTURE, SALE, DELIVERY, RESALE, REPAIR, REPLACEMENT, OR USE OF ANY PRODUCTS OR THE FURNISHING OF ANY SERVICE OR PART THEREOF, WHETHER SUCH LIABILITY IS BASED IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR OTHERWISE, EVEN IF SUCH PARTY HAD BEEN WARNED OF THE POSSIBILITY OF ANY SUCH DAMAGES.

15. INDEMNIFICATION

a) IHS shall defend, indemnify and hold GMI and its parent companies, subsidiaries, affiliates, officers, directors, employees, agents and representatives harmless from any and all claims, demands, liabilities, actions, suits, proceedings, losses, injuries, death including damages, judgments, expenses and/or costs (including without limitation reasonable attorney's fees and related costs) based on or arising out of: (i) any claims or demands that use of IHS's Proprietary Information or equipment in manufacturing the Products constitutes infringement of third parties rights; (ii) any claims or demands relating to the design of the Products; (iii) any claims or demands by any third Party that there was a failure to warn of any foreseeable use, improper use, misuse or defects of any Products; (iv) any claims or demands relating to IHS's negligence, use, ownership, maintenance, transfer, transportation, or disposal of the Products; (v) any claims or demands of IHS's violation or alleged violation of any federal, state, or local laws or regulation, including without limitation, the laws and regulations governing product safety, labeling, packaging and labor practices; or (vi) any claims or demands arising out of a breach by IHS of any of the terms and conditions of this Agreement. GMI shall give written notice of any claim or potential claim to IHS within a reasonable time following the time at which GMI first became aware of the circumstances which gave rise to such claim for indemnification hereunder. IHS may, at its option, have control of any litigation and appointment of counsel in defense of any third Party claims for which GMI seeks indemnification hereunder. No suit or proceeding shall be settled or compromised without the prior written consent of GMI. The obligation to indemnify under this Section 15(a) shall survive the termination or expiration of this Agreement.

b) GMI agrees to indemnify, defend and hold harmless IHS, its officers, agents and employees form any and all claims, costs, reasonable attorney fees, fines, and similar expenses of whatsoever kind or character, including, but not

limited to, those resulting from injury or death to persons or damage to property to the extent due to any negligence or willful misconduct of GMI, its officers, employees, subcontractors, or agents acting on GMI'S behalf in connection with GMI'S obligations under this Agreement. No suit or proceeding shall be settled or compromised without the prior written consent of IHS.

c) Except as otherwise provided in this subparagraph (c), GMI agrees to defend, at its expense and with counsel chosen by it, any suits brought against IHS based upon the claim that any of the Product or any process in manufacturing the Product, infringes or violates any patent, copyright, trade secret, or other intellectual property right -- other than those alleged infringements or violations instructed or requested by IHS in the Specifications -- and to pay all liabilities, costs, and damages finally determined in any such suit against IHS. IHS shall promptly notify GMI in writing of any such suit and shall provide reasonable assistance to GMI in connection with defending such suit. If the use and sale of any of IHS Products is enjoined as a result of such suit, GMI, at its option and at no expense to IHS, shall either obtain for IHS the right to use and sell the Products or shall substitute an equivalent Product which is acceptable to and qualified by IHS. This Section 15(c) does not extend to any suit based upon any infringement or alleged infringement of any patent, copyright, trade secret or any other intellectual property right (i) caused by any article of IHS's Specifications, or (ii) the use of any manufacturing process licensed to GMI by IHS. No suit or proceeding shall be settled or compromised without the prior written consent of IHS.

16. NON-SOLICITATION OF EMPLOYEES

Without the prior written permission of the other Party, each Party agrees, during the term of this Agreement and for a period of twelve (12) months following termination or expiration, not to directly or indirectly solicit for employment or hire any employees of the other Party with whom such Party had contact, or become known to such Party, in connection with this Agreement; provided, however, that such Party shall not be prohibited from hiring any such employee who contacts such Party on his or her own initiative and without any direct or indirect solicitation by such Party. A general advertisement for an employment position shall not be deemed to be a direct or indirect solicitation for the purposes of this provision. This agreement shall in no way, however, be construed to restrict, limit, or encumber the rights of any employee granted by law.

17. NON-COMPETITION

During the term of this Agreement and for a period of one (1) year after termination of this Agreement, GMI shall not produce products capable of being used for the same purposes as IHS's Products for sale to any competitor of IHS in any market where MS does business as set forth from time to time on Schedule 2.

18. MISCELLANEOUS

a) Notices: All notices and other communications required or permitted to be given under this Agreement shall be in writing and hand-delivered, mailed by first-class mail postpaid, e-mailed, faxed, or sent by an overnight courier with a reliable tracing system, to each of the Parties to their respective addresses as noted in the first paragraph of this Agreement. Notices that are mailed shall be deemed to have been given as of the fourth business day following the date of mailing and notices that are hand-delivered or sent by overnight courier are deemed to be given the next business day. Either Party may change its address for the giving of notice by so notifying the other Party by ten (10) days prior written notice given in the manner set forth in this Section 18. Notice will be provide to:

For IHS:

Name: Dan Clarence

Address: 823 S. Adams St., P.O. Box 397, Versailles, IN 47042

Email: Dan@i-h-s.com

Fax: 812-689-0796

For GMI:

Name: Aaron Barr

Address: 700 International Dr., Franklin IN 46131

E-mail: aaron.barr@gmicorp.com

Fax: 317-736-5125

b) Written Modifications: No amendment, modification, or release from any provision of this Agreement, the Product Schedules attached hereto, or Orders issued hereunder shall be of any force or effect unless it is in writing and signed by both Parties hereto and specifically refers to this Section 18(b).

c) No Assignment: This Agreement or any portion thereof, including by merger, consolidation, dissolution, operation of law, or any other manner, shall not be assigned without the prior written consent of the other Party which shall not be unreasonably withheld. However, either Party may, without prior written consent of the other, assign all of its rights under this Agreement to an entity which it owns at least 50% ownership interest and will provide a written notice of such assignment to the other Party. Any attempt to assign this Agreement in violation of this provision shall be void and of no effect. This Agreement shall bind and insure to the benefit of the Parties and their respective successors and permitted assigns that meet the preceding criteria. Any successor means any person, firm, corporation or other business entity which at any time, whether by purchase,

merger or otherwise, directly or indirectly acquires all or substantially all of the assets or business of a Party.

d) No Waiver: A failure to exercise any right hereunder with respect to any breach shall not constitute a waiver of such right with respect to any subsequent breach.

e) Independent Contractor: Each Party is acting as an independent contractor and not as agent, partner, or joint venturer with the other Party for any purpose. Except as provided in this Agreement neither Party shall have any right, power, or authority to act or to create any obligation, express or implied, on behalf of the other.

f) Security Interest: In order to secure its obligations under this Agreement, IHS hereby grants GMI a purchase money security interest (the "Security Interest") in all Products sold by GMI to IHS or Inventory purchased on behalf of IHS, and to any proceeds thereof, under the Uniform Commercial Code as adopted in the jurisdiction identified in Section 18(j) (the "UCC"), until all of IHS's payment obligations under this Agreement have been paid in full. IHS agrees that GMI shall have and may exercise any and all remedies IHS may have with regard to the Security Interest. IHS authorizes GMI to file one or more financing statements determined by GMI to be necessary to perfect the Security Interest. IHS agrees to execute any documents GMI may request in order to protect and perfect GMI'S Security Interest. GMI recognizes and consents to IHS's lender(s) also filing a form UCC-1 Financing Statement with respect to Products and Inventory purchased by IHS regardless of whether such Products and Inventory has been delivered to IHS.

g) Insurance. GMI shall maintain insurance on all Product and Inventory for which IHS is obligated to make payment under this Agreement while in the possession of GMI in an amount equal to IHS's investment or obligation with respect to such Product and Inventory required by this Agreement. Without limiting the generality of the foregoing, GMI shall also obtain and, throughout the term of this Agreement, shall maintain, at GMI's own cost and expense, the following policies of insurance, with a reputable insurer(s): (i) Commercial General Liability ($1 million per occurrence/$5 million annual aggregate), to include coverage arising from premises, operations, products and completed operations, personal injury, advertising injury, bodily injury and property damage, including contractual liability; and (ii) Professional Errors & Omissions Liability ($1 million per claim/$5 million annual aggregate), to include coverage for GMI and its employees, as applicable, arising from performance or failure to perform any services arising under this Agreement, including errors, omissions, wrongful acts, and negligent acts. The coverage limits required herein may be satisfied through any combination of primary and umbrella/excess insurance. IHS shall maintain insurance on all IHS Products that GMI is storing at IHS's request pursuant to this Agreement.

h) Fair Labor Standards Act: All Products furnished hereunder will be Manufactured in accordance with Fair Standards Labor Act of 1938, as amended, and the regulations and orders of the U.S. Department of Labor issued thereunder.

i) Notification of Change in Control: Each Party shall notify the other in writing of any agreement, arrangement, or action that will result in a Change of Control, including but not limited to signing or intended signing of an Agreement that would result in a Change of Control, and will provide no less than fourteen (14) days from the date of written notification to the Change in Control taking effect.

j) Governing Law: The validity, interpretation, and performance of this Agreement shall be governed by the State of Indiana without regard to such state's conflicts of laws principles.

k) Counterparts: This Agreement may be executed in counterpart copies, all of which counterparts shall have the same force and effects as if all the Parties were to have executed a single copy of this Agreement.

l) Entire Agreement: The terms and conditions of this Agreement, including all Product Schedules and accepted Orders, constitute the entire agreement between the Parties hereto with respect to the subject matter hereof and supersede all previous communication, either oral or written, between the Parties hereto. There are not understandings, representations or warranties of any kind whatsoever, except as expressly set forth herein.

IN WITNESS WHEREOF, the Parties hereunto have caused this Agreement to be executed as of the Effective Date.

INNOVATIVE HEALTH SOLUTIONS, INC.	**GMI CORPORATION**
By: */s/ Brian Carrico*	By: */s/ Aaron Barr*
Brian Carrico, CEO	Aaron Barr, President

SCHEDULE A: Product Schedule

1.	Name of Product(s)	IB-Stim and NeuroStim
2.	De Novo / 510(k) Number(s)	DEN180057 (IB-Stim); K140530 (NeuroStim)
3.	Pricing Terms:	See SOW Dated June 23, 2020 for current terms. See Section 9 for other future pricing terms.

NOTE #1: Price includes: Product Assembly, Material Procurement for BOM Release A3, Packing 10 per Box, Labeling, New Production Introduction/Project Management, Warehousing, Fulfillment, Price is subject to change as Material prices increase or decrease.

NOTE #2: Number of units and delivery schedule will be agreed to in writing by GMI and IHS as required for Orders

IN WITNESS WHEREOF, the Parties hereunto have executed this Product Schedule as of the Effective Date.

INNOVATIVE HEALTH SOLUTIONS, INC.

By: */s/ Brian Carrico*
Brian Carrico, CEO

GMI CORPORATION

By: */s/ Aaron Barr*
Aaron Barr, President

SCHEDULE B: Equipment

- Tooling and Test NRE Sonic Welder
- Automatic Blister Package
- Power Unload conveyer
- Try Alignment Mechanism
- Spare Parts Kit
- Sealing Fixtures (set of 8)
- Matching Re-lead Face Plate
- Magazine for Blister Tray Feeder
- Magazine for Cover Feeder
- Vacuum Plate Assembly
- Aluminum Product Tray Tooling
- Ear Component Dial Weld Machine

IN WITNESS WHEREOF, the Parties hereunto have executed this Equipment Schedule as of the Effective Date.

INNOVATIVE HEALTH SOLUTIONS, INC.	**GMI CORPORATION**
By: */s/ Brian Carrico*	By: */s/ Aaron Barr*
Brian Carrico, CEO	Aaron Barr, President

QUALITY AGREEMENT

THIS QUALITY AGREEMENT (the "Agreement"), made this 24th day of August 2020 (the "Effective Date") by and between Innovative Health Solutions, Inc. ("IHS"), and GMI Corporation (the "Company").

RECITALS

WHEREAS, IHS has engaged the Company to manufacture NeuroStim and IB-Stim, IHS products (the "Products"), provide the services, and/or separate purchase orders relating to Products and/or services(the "Services") as set forth in that certain manufacturing services agreement between IHS and the Company dated **[24 August-2020]** (the "MSA"); and

WHEREAS, the Company desires to make such Products and/or provide Services for IHS on the terms and conditions set forth below;

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

DEFINITIONS

The definitions in the MSA are hereby incorporated by reference. The following additional definitions apply:

a) Complaint: "Complaint" means any written, electronic, or oral communication that alleges deficiencies related to the identity, quality, durability, reliability, safety, effectiveness, or performance of a device after it is released for distribution.

b) Complaint File Establishment: "Complaint File Establishment" means an FDA-registered location that maintains required records under 21 C.F.R. 820.198. Also, for the purposes of this Agreement, the registered Complaint File Establishment shall also be the location that maintains Medical Device Reporting records under 21 C.F.R. Part 803 and Removal and Correction Reports (recalls) under 21 C.F.R. Part 806 for the Products.

c) Specification Developer: Develops specifications for a device that is distributed under the establishment's own name but performs no manufacturing. This includes establishments that, in addition to developing specifications, also arrange for the manufacturing of devices labeled with another establishment's name by a contract manufacturer.

d) Contract Manufacturer: A "Contract Manufacturer" is an entity that physically Manufactures a Finished Device under the terms of a contract and meets the requirements for registering as a "contract manufacturer" pursuant to 21 CFR Part 807. Contract Manufacturers of Finished Devices shall comply with applicable requirements of the Quality System Regulations.

e) Device History Record: "Device History Record" or "DHR" means a record of the history of the manufacture of the device, as specified in 21 CFR 820.184.

f) Device Master Record: "Device Master Record" or "DMR" means a compilation of records containing the procedures and specifications for a Finished Device.

g) Design History File: "Design History File" or "DHF" means a compilation of records which describes the design history of a Finished Device.

h) Design Input: "Design Input" means the physical and performance requirements of a device that are used as a basis for device design.

i) Design Output: "Design Output" means the results of a design effort at each design phase and at the end of the total design effort. The finished design output is the basis for the Device Master Record. The total finished design output consists of the device, its packaging and labeling, and the Device Master Record.

j) Design Review: "Design Review" means a documented, comprehensive, systematic examination of a design to evaluate the adequacy of the design requirements, to evaluate the capability of the design to meet these requirements, and to identify problems.

k) Medical Device Reporting: "Medical Device Reporting" means a reportable adverse event or potential adverse event which the Finished Device may have caused or contributed to, as defined in 21 CFR Part 803.

l) Quality Audit: "Quality Audit" means a systematic, independent examination of a Manufacturer's Quality System that is performed at defined intervals and at sufficient frequency to determine whether both Quality System activities and the results of such activities comply with Quality System procedures, that these procedures are implemented effectively, and that these procedures are suitable to achieve Quality System objectives.

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AGREEMENT

1. **Specifications**. IHS has provided the Company certain proprietary design, drawings and specifications for the Products in June/July 2020 ("Specifications"), which are to be used and followed by the Company solely for the purposes contemplated by this Agreement and the MSA. The Company hereby agrees to test each Product and perform quality assurance services as required in certain testing protocols approved by IHS and provided to the Company to ensure that each Product complies with the Specifications and other requirements of IHS. The Company agrees that Specifications, along with any modifications thereto, are confidential information, subject to the confidentiality provisions of the MSA, and are the sole property of IHS. The Company hereby agrees that the Specifications will be held in strict confidence and shall be treated in the same manner as the Company treats its own confidential information. The Specifications may from time to time be revised and updated upon the mutual agreement of the parties without the necessity of re-executing this Agreement.

2. **Compliance with Laws.**

   a) IHS shall register as a "Specifications Developer" and "Complaint File Establishment" with FDA, and the Company shall register as a "Contract Manufacturer" as those terms are defined, herein, and in the MSA.

   b) During the term of this Agreement, the Company shall obtain and maintain in good order, at its sole expense, such governmental registrations, permits and licenses as are required by the FDA and/or other governmental authorities, as are necessary to permit the Company to perform the manufacturing, record keeping and processing activities as set forth in this Agreement. The Company shall provide to IHS evidence of establishment registration and Product listing with FDA, and do so each year upon renewal.

   c) The Company and IHS shall maintain compliance with such procedures as required by the FDA Quality System Regulations ("QSR"), 21 CFR Part 820, as amended from time to time. The Company shall cooperate with IHS in order to maintain compliance with QSR, including, without limitation, promptly removing obsolete records to prevent the unintentional use of such records

   d) The Company has adopted quality policies and objectives and during the term of this Agreement the Company shall establish and maintain a quality system appropriate for the manufacturing, record keeping and processing activities as set forth in this Agreement in accordance with the current good manufacturing practice ("CGMP") requirements set forth in the FDA Quality Systems Regulations ("QSR") as well as other Applicable Law. All aspects of the Company quality system and any changes thereto shall be documented by the Company in quality system documents in accordance with QSR requirements as well as other applicable

regulatory requirements. At the request of IHS, copies of all records required to be maintained by QSR ("Quality Records") prepared by the Company related directly or indirectly to the Products shall be promptly provided to IHS and shall become the property of IHS. Without limitation, the quality records related to the Products prepared by the Company shall be provided to IHS as necessary to enable IHS to maintain complete records as required by the QSR. The division of responsibilities between IHS and the Company as related to the QSR and CGMP requirements is summarized in Appendix A, attached hereto and incorporated herein by reference.

3. **Quality Systems**. The Quality System established by the Company shall include a quality unit that is independent of production and that fulfills both quality assurance and quality control responsibilities. The Company's quality unit shall not delegate its responsibility and authority to a non-quality function or to a third-party without prior approval of IHS. The Company shall include, without limitation, the following as well as all other requirements and the specifications of the QSR:

a) Inspections and Audits.

1. The Company shall establish and maintain procedures for Quality Audits designed to assure that the Quality System related to the Products is in compliance with the Company's established quality system requirements and to determine the effectiveness of the Company's quality system. IHS shall, upon request, have access to any Quality Audit records and reports, including any records and reports from any Third-Party Quality Audit. A "Third Party Quality Audit" is (a) any quality audit of the Company or a corporate affiliate of the Company conducted by a certifying body or a government regulatory agency; or (b) any quality audit of a supplier of raw materials or component parts for the Product that is conducted by or on behalf of the Company or a corporate affiliate of the Company.

2. The Company shall permit representatives of IHS to inspect the Company's facilities and review and audit such records that pertain to the Products and/or Services and the Company's ability to manufacture such Products and/or perform such Services, once per year upon at least five (5) business days' advance written notice. IHS may conduct for-cause audits of the Company at any time without prior written notice to the Company. IHS shall cause any inspector(s) to adhere to and comply with all standard work rules and safety measures the Company requires of its employees and to execute a written agreement to maintain in confidence all information obtained during the course of any such inspection, in accordance with the confidentiality provisions of the MSA. IHS shall have access to review the Company's training records, quality system documents, Quality Audit reports, records and reports from third party audits, quality agreements with subcontract suppliers, contractors and consultants, and Device History Records applicable to the Products made and/or Services performed by the Company. IHS retains the right to show government regulators the results of any audit, if required by such regulatory agency.

3. Without prior announcement or notification, the Company shall permit IHS's Notified, Conformity Assessment Body or any other applicable regulatory agency to inspect the Company's facilities for conformity with applicable regulations and review and audit such records that pertain to the Products and/or Services and the Company's ability to manufacture such Products and/or perform such Services.

4. The Company shall immediately notify IHS of any notice of planned or unplanned regulatory inspections directly or indirectly related to the Products (i.e., product performance, intended use, design controls, Specification development, process validation development and "for cause" inspections relating to the Products), including, without limitation, inspections by the FDA or any comparable foreign, domestic state, or domestic local authority. IHS shall have the right to have a reasonable number of its personnel present during any inspection that directly affects the Products. The Company shall provide IHS with a copy of any written reports (or excerpts directly relating to such Product or the manufacture or processing) within a reasonable time after receipt. Should the FDA or any comparable foreign, domestic state, or domestic local authority issue a warning letter, untitled letter, or any Product-related observations (e.g., Form FDA-483) to the Company, a copy of such documents will be promptly forwarded to IHS to the extent such document relates to the Products. If necessary, to protect confidential or proprietary information, the Company may black out names of other customers or products or proprietary processes. The Company will provide IHS with draft copies of any official response to the governmental authority's observations relating to the Product or the manufacture or processing of such Products within three business days prior to submittal to the governmental authority such that inputs from IHS can be adequately reviewed and incorporated. The Company shall work in good faith with IHS to incorporate IHS's input on any draft responses that relate to the Products, specifically any of the Company's commitments related to the Products. Should the Company fail to reasonably incorporate IHS's input into the responses, and IHS reasonably believes in good faith that such omissions may adversely affect the health and safety of its customers, this Agreement and the MSA may be terminated by IHS immediately and the Company will immediately release any Products in its control to IHS. Redacted copies of any response letters from the Company to the FDA or any comparable foreign authority that relate to the Products will also be promptly forwarded to IHS. IHS shall promptly notify the Company of any regulatory action regarding the Products (including any Product-related requests, inquiries or actions by the FDA).

5. To the extent IHS reasonably determines during any such inspection, review or audit that the Company is not in compliance with the CGMPs or such other manufacturing standards set forth by other regulatory requirements, IHS shall provide the Company with written notice detailing such non-

compliance. Upon receipt of such notice, the Company shall, as soon as practicable, remedy or cause to be remedied such non-compliance in accordance with a mutually agreed-upon schedule. Within 15 business days of receipt of IHS's written notice under this subsection, the Company shall submit a written response to IHS that details the Company's planned remediation and applicable timelines for implementation. IHS shall, if requested by the Company, assist the Company by providing reasonably detailed information about such non-compliance. The Company shall provide IHS with progress reports, at intervals mutually agreed-upon by IHS and the Company, of its corrective actions and reasonable documentation and other evidence that such non-compliance items have been corrected.

b) Design Controls. IHS shall be responsible for Design Inputs in the development of the Products and shall ensure that the Products are fit for the uses and purposes for which IHS intends to use them and shall ensure that each Product design is correctly translated into such Product's specifications. The Company shall maintain the Design History File for each Product from the state in which it was received from IHS. The Company will utilize its QMS for design changes and obtain approval from IHS before implementing those changes, in accordance with paragraph (f), below. The Company shall provide IHS notice of any proposed design changes at least 30 business days before planned implementation. IHS will approve or reject that change within 15 business days of receipt of the Company's request. The Company must respond promptly to any of IHS's reasonable requests for information related to a design change. The Company shall perform such product development services and provide such deliverables (including, without limitation, pre-production Products and any associated documentation) as mutually agreed upon by the parties subject to IHS's review and approval. IHS will submit any applicable reports and/or supplements to FDA regarding changes to the Products' design.

c) Design Transfer. The Company shall perform such design transfer activities (including, without limitation, test method qualifications, gauge repeatability and reproducibility studies, supplier qualifications and process validations) in accordance with the Company's Quality Management System ("QMS"). Such design transfer activities may include: establishing and testing production specifications that ensure manufactured devices are repeatedly and reliably produced within the applicable Product and process capabilities; and other transfer activities in accordance with the Company's QMS (including, without limitation, acceptable run rates and scrap rates as mutually agreed upon by the Parties.) IHS and the Company shall ensure that the Product design is correctly translated into production specifications and that such production specifications conform to any regulatory submittals by IHS relating to the Product. The Company shall provide IHS copies of Device Master Records for approval at least 30 business days before manufacturing Product in accordance with the Device Master Records. IHS shall approve or reject such records within 15 business days of IHS's receipt of the records. The Company shall

ensure that only approved production specifications are used to manufacture production Products.

Notwithstanding the above, the Company may provide IHS with pre-production Products not conforming to finally approved production specifications; provided, however, IHS shall ensure that its use of such pre-production Products complies with all Applicable Laws. Sections 3(f) through 3(q) shall only apply to production Products and not pre-production Products.

d) Device History Record. The Company shall compile and maintain the Device History Record containing the production history of the Products as required by the Quality System Regulations, and shall designate employees to review and approve DHR, and to make DHR available at all Company locations for which they are used. DHR shall be the property of IHS. IHS grants the Company access to, and the right to make and retain copies of the DHR appropriate to document the Company's compliance with the QSR. The Company will also provide IHS a copy of the DHR prior to the product leaving the Company's possession.

e) Device Master Record. In a timely manner, the Company shall provide to IHS all documentation in the Company's possession necessary for IHS to compile device master records ("DMRs") pursuant to the Quality System Regulations, to include the Specifications, production process specification, quality assurance procedures, packaging and labeling specifications and installation, maintenance and servicing products for each type of Product.

f) Design/Material/Process Changes. The Company shall have a formal change control process to administer changes to the Products and their manufacture, including, without limitation, changes to procedures, specifications, equipment, systems, and batch, manufacturing, packaging and support processes and records. In the event of a change to the Products, the Company shall deliver to IHS updated drawings, engineering specifications or documentation of all temporary deviations for purposes of ensuring that all materials purchased or otherwise provided conform to the Specifications and are from suppliers acceptable to IHS, and to comply with all record keeping and all other requirements of the QSR, prior to the manufacture of any Products which may include the modifications. The Company shall provide IHS such information, in writing, 30 business days in advance of manufacturing Product with any such a change. If the timing of such activities can impact production, the company will make efforts in good faith to maintain production schedules to the best as is practically possible.

The Company shall not proceed with any change until the Parties have agreed upon the changes to the applicable Product's Specifications, delivery schedule and Product pricing and any additional costs to be borne by IHS or the Company, including, without limitation, the cost of inventory that becomes obsolete as a result of the change. If a change order results in Product pricing mutually agreed to by the Parties, then IHS shall revise all applicable Blanket Purchase Orders. IHS and the Company shall each maintain records of changes to the Products and each change order in accordance with the QSR as defined in Section 2(d) of this Agreement.

IHS shall approve or reject any design, material, or process changes within 15 business days of receipt of the Company's notice of such change.

No changes or modifications to the Products, processes, components, or materials shall be made by the Company without the prior written approval of IHS. Additionally, the Company shall notify IHS of all changes occurring at suppliers to the Company which impact IHS's Products, regardless of impact to the Products. The Company shall notify IHS of any supplier changes at least 15 calendar days in advance of making such supplier changes. The Company is responsible for performing validation activities, where appropriate, for any design, material, or process changes.

g) Purchasing controls. The Company shall establish and maintain procedures to ensure that all components and services incorporated into the Products conform to specifications and shall establish and maintain procedures to qualify and manage such subcontract suppliers and service providers, which includes, without limitation, documenting their ability to meet the specified quality requirements. The Company shall qualify suppliers, continually evaluate and monitor supplier performance, maintain an approved supplier list, and maintain supplier records for all suppliers used by the Company for IHS products. These supplier records shall be made available to IHS upon request. The Company shall not subcontract to a third party any manufacturing or processing services entrusted to it relating to the Products without IHS's prior written approval. Changes of subcontract suppliers require written notice to and approval by IHS prior to execution, which approval shall not be unreasonably withheld. The Company must inform IHS of any temporary or permanent disruption of supply. The Company shall establish and maintain procedures for acceptance of incoming product. The Company shall inspect, test, or otherwise verify incoming product as conforming to specified requirements, which shall be mutually agreed upon by IHS and the Company. The Company shall maintain records of its approval or rejection of incoming materials in accordance with the timeframe specified in paragraph (q), below.

h) Production and Process Controls. The Company shall conduct, control and monitor production processes designed to ensure that the Products comply with specifications. The Company shall document all instructions, standard operating procedures and methods that define and control the manner of production of the Products. Where environmental conditions could reasonably be expected to have an adverse effect on product quality, the Company shall establish and maintain procedures to adequately control these environmental conditions. The Company shall periodically inspect environmental control system(s) to verify that the system, including necessary equipment, is adequate and functioning properly. The Company shall document these activities which shall be reviewed by appropriate quality personnel. The Company shall establish and maintain requirements for the health, cleanliness, personal practices and clothing of personal if contact of such personnel and product or environment could reasonably be expected to have an adverse effect on product quality.

i) Inspection, Measuring and Test Equipment. The Company shall ensure that all inspection, measuring and test equipment is routinely inspected and calibrated to appropriate standards for the purpose of producing valid results for each Product acceptance activities in accordance with the Company's QMS.

j) Process Validation. Validation of Processes related to the Products and associated costs shall be mutually agreed upon between the Company and IHS and shall be completed prior to completion of design transfer activities. The Company shall have a documented process in place to monitor and control process parameters for validated processes to ensure that specific requirements continue to be met after validation is completed. Where necessary the Company shall perform periodic revalidation of such processes in accordance with the Company's Master Validation Plan. The Company's Master Validation Plan for IHS's products shall be mutually agreed upon by the Parties. The Company shall maintain records of validation activities in accordance with the timeframe specified in paragraph (q), below.

k) Final Product Acceptance. The Company shall have a documented process for reviewing processing records prior to the release of Products from its facility. This process shall provide evidence that each production run, lot or batch meets all acceptance criteria and is approved for release by authorized personnel. This review shall include records of investigations into any applicable deviations and out-of-specification investigations.

l) Non-Conforming Products. The Company shall establish and maintain procedures to control Products that do not comply with the Specifications and other requirements of IHS hereafter agreed to by the Company, including identification, documentation, segregation, disposition, and any rework, retesting and re-evaluation of all nonconforming Products after rework to ensure compliance with the Specifications and other requirements of IHS hereafter agreed to by the Company. The Company shall report to IHS in writing regarding all Products produced by the Company during the term of this Agreement that do not comply with the Specifications and other requirements of IHS hereafter agreed to by the Company. The reports shall be in a reasonable format specified by the Company and acceptable to IHS. IHS's approval is required for any non-conforming products which require rework, reprocessing, and/or repackaging, and/or will be released for sale or use in a non-conforming state. On the first business day of every calendar month, the Company shall provide a report to IHS of non-conformances/deviations opened during the previous calendar month Within 15 calendar days, IHS shall provide input regarding the remediation of those deviations to the Company. The Company shall work in good faith with IHS to incorporate IHS's input on remediating deviations that have or may result in non-conforming products. This may include a reasonable number of IHS personnel being physically present at the Company's facilities to assist investigating deviations. The Company shall maintain records of non-conformances, related investigations and CAPAs in accordance with the timeframe specified in paragraph (q), below. The Company

must document in the DHR any rework and reevaluation activities the Company performs.

m) Training. The Company shall establish and maintain procedures to ensure that each person engaged in the manufacturing, processing, packaging or testing of the Products, including related quality unit personnel, shall be trained in accordance with QSR, ISO 13485 and all other applicable regulatory requirements, including, without limitation, training in the employee's specific job function. The Company shall establish and maintain training records for the period specified in Section 3(q), herein.

n) Corrective Action and Preventative Action ("CAPA"). The Company agrees to take appropriate actions necessary to correct and prevent any Product nonconformity, system deficiency or potential system deficiency related to Products or processes affecting Products. The nonconformity, system deficiency or potential system deficiency may be identified by the Company or by IHS and consented to by the Company. On the first business day of every calendar month, the Company shall provide a report to IHS of CAPAs opened during the previous calendar month. For each CAPA, the Company will present to IHS a plan including root cause and proposed corrective or preventive action by a due date agreed upon by the parties. Implementation of the CAPAs at the Company shall occur after IHS's approval of the CAPA plan. IHS shall notify the Company of such approval or rejection within 15 calendar days of receipt of the notification of the CAPA. The Company is responsible for verifying the effectiveness of any CAPAs after they are implemented. The Company shall maintain CAPA records in accordance with the timeframe specified in paragraph (q), below.

o) Handling, Storage, and Distribution. The Company shall establish and maintain procedures to ensure that mix-ups, damage, deterioration, contamination or other adverse effects to the Products do not occur during material receipt, production, handling, storage and distribution. The Company shall hold product in quarantine until it is released for final distribution. The Company shall ensure that Product packaging and shipping containers are designed and constructed to protect the Product from alteration or damage during the customary conditions of processing, storage, handling, and distribution. The Company shall maintain distribution records in accordance with the timeframes specified in paragraph (q), below.

p) Product Labeling. IHS shall develop and be responsible for the text and regulatory compliance of all package labels, inserts, instructions and warnings used in connection with the Products in accordance with QSR, ISO 13485, and all applicable regulatory requirements, including, without limitation, all sales and promotional literature. The Company shall label the Products as directed by IHS and shall establish and maintain procedures to control labeling to prevent mix-ups, and the labeling used for each production unit should be documented in the DHR.

q) Traceability/Records. The Company shall jointly with IHS establish and maintain procedures for identifying each finished Product, and component, as required by 21 CFR 820.65, with a control number, which shall be documented in the Device History Record. The Company shall have records that identify Products during all stages of receipt, production and distribution, as appropriate ("Device History Records"). These records will be available for review by IHS, and FDA, unless otherwise exempt from review by FDA. Records will be maintained so that they are protected from deterioration, damage or loss. If records are not maintained for at least the retention period listed below, then and, in any event, the Company shall contact IHS about options to transfer the records prior to destruction. Computerized systems used to create, modify, maintain, or transmit CGMP regulated electronic records (e.g., raw data) must have appropriate procedures and controls (e.g., validation, audit trails) to ensure the authenticity, integrity, and (when appropriate) confidentiality of those records. Company shall ensure computer systems comply with 21 CFR Part 11, FDA's, and other similarly applicable regulatory bodies', regulations and guidance governing data integrity. The Company shall, as reasonably determined by IHS, provide training to IHS on, and allow IHS access to, its electronic document and data management system. Such access shall be limited to data and documentation related to the Products and services contemplated by this Agreement and the MSA. The Company shall, jointly with IHS, establish and maintain procedures for the electronic sharing of data and information between IHS and Company. When computers or automated data processing systems are used as part of production or the quality system, the Company shall validate computer software for its intended use according to an established protocol, and shall validate all software changes before approval and issuance, which validation the Company shall document.

- Product Quality Planning documents (purchase orders, specifications, material certifications or analysis reports, validation reports, gauge R&R, calibration records, change control records, supplier management records, Device Master Records, other Quality System Records). Interval: Product life +5 years.
- Non-Conformance Records (problem solving CAPA reports). Interval: Product life +5 years.
- Personnel Training Records. Interval: 5 years after employee termination.
- Internal Audit Records. Interval: 5years
- Work Instructions (assembly, packaging, handling and servicing Product). Interval: Product life + 5 years.
- Quality Assurance Procedures and Instructions: Product life+ 5 years.
- Device History Records as specified by IHS: Product life + 5year.

r) Complaints. IHS, at its expense, shall be responsible for handling all Complaints, inquiries and reporting requirements related to the Products (including any related investigation), including Medical Device Reporting, and applicable Product testing.

IHS shall establish and maintain procedures for reviewing and evaluating Complaints with respect to Products and to determine whether an event has occurred which is required to be reported to the FDA under 21 CFR, Part 803 or other applicable regulations. At the written request of IHS, the Company shall investigate Products associated with Complaints and provide a written report (including a CAPA plan, if applicable) to IHS within a reasonable time period to be agreed upon by the parties. If the result of the investigation concludes that the Complaint was due to workmanship issues performed by the Company, the investigation and any associated remedial actions will be conducted at the Company's expense. If the Company receives any information regarding real or potential defects of any Product or any information that might otherwise constitute a Complaint about any Product, the Company shall within a reasonable time provide to IHS all information that it has concerning the same. Additionally, the Company shall report to IHS any known reportable events related to the Products in a timeframe that allows IHS to notify regulatory authorities. IHS shall have the sole responsibility to perform any post-sale warnings, recalls and regulatory reporting, including, but not limited to, filing five-day reports, malfunction reports, and correction and removal reports.

s) Recalls and Regulatory Notifications. IHS is solely responsible for any Product recall, the decision to recall, and the type of recall. IHS is solely responsible for all notifications to regulatory agencies. The Company will cooperate with IHS in the management of the recall or notification process. Each party shall be responsible for its own financial obligations associated with a recall.

t) Calibration of Equipment. The Company must have an appropriate equipment calibration and maintenance system in compliance with 21 CFR Part 820.

4. **Key Contacts.** Any provision under this Agreement which requires Company to notify IHS regarding quality or regulatory matters must be made to the IHS Quality and Regulatory Director and the IHS Quality Manager, or their respective designees. IHS Quality and Regulatory Director is Dr. Thomas J. Carrico, CRO. IHS respective designee is Dan Clarence, COO.

5. **Term and Termination**. This Agreement shall become effective on the Effective Date and, unless terminated as provided herein, shall remain in effect until the termination or expiration of the MSA. Except as provided in Section 3(a)(4) either party may terminate this Agreement if the other party has breached a material term of this Agreement, and the breaching party has failed to remedy such breach within thirty (30) calendar days following written notice from the non-breaching party. Any material breach of a material term of this Agreement also shall constitute a material breach of the MSA.

6. **Miscellaneous.**

a) Independent Contractors. The relationship between IHS and the Company shall be that of independent contractors for all purposes hereunder.

b) Notices. Subject to Section 4, all other notices, demands or other writings shall be deemed sufficiently given if personally delivered or deposited in the United States

mail in a properly stamped envelope, certified or registered mail, return receipt requested, or delivered to an overnight mail service, addressed to the party to whom it is given at the addresses or numbers set forth below or such other persons or addresses or numbers as shall be given by written notice of any party:

To IHS: IHS
829 South Adams Street
Versailles, IN 47042
Attn: Dan Clarence

To Company: GMI Corporation
700 International Drive
Franklin, IN 46131
Attn: Brice Siemons

c) Governing Law. This Agreement and all disputes and issues arising out of relating to or in connection with, this Agreement shall be governed by, and construed and enforced in accordance with, the internal laws of the State of Indiana, without regard to its provisions concerning choice of law, choice of forum or any principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction. Any action under this Agreement, or otherwise relating to or arising under the creation or performance by the parties under this Agreement whether federal or state must be brought only in the federal or state court in Indianapolis, Indiana. Neither party shall raise, and the parties hereby waive, any defenses based upon venue, inconvenience of forum, lack of personal jurisdiction, or the like in any such action or suit.

d) Entire Agreement. This Agreement supersedes any and all other agreements, either oral or in writing, between IHS and the Company with respect to the subject matter of this Agreement. In the event of a conflict between the terms of this Agreement and the MSA, the terms of this Agreement will govern as to all Quality-related matters, and the MSA will govern as to all other matters.

e) Amendment. This Agreement may not be changed orally, and may only be amended by an agreement in writing signed by both parties.

f) No Rights or Liabilities in Third Parties. This Agreement is not intended to, nor shall it be construed to, create any rights or liabilities in any third parties.

g) Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.

h) Waiver. The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver or deprive that party

of the right thereafter to that term or any other term of this Agreement. No amendment, supplement or termination of this Agreement shall affect or impair any rights or obligations which shall have theretofore matured hereunder.

i) Interpretation. All references made and pronouns used herein shall be construed in the singular or plural, and in such gender, as the sense and circumstances require. The language in all parts of this Agreement shall be construed, in all cases, according to its fair meaning. The parties acknowledge that each party and its counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement. The headings contained herein are for reference only, and are not intended to define, limit or describe the scope or intent of any provision of this Agreement.

j) Assignment. Neither party shall assign this Agreement, or any part thereof, or delegate the obligations set forth herein without the prior written consent of the other party.

k) Survival. Provisions of this Agreement which, by their terms or by reasonable implication, are to be performed after the termination or expiration of this Agreement shall survive the termination or expiration of this Agreement.

l) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which shall together constitute one agreement.

[Signatures to Follow]

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized officers to sign this Agreement on the date first written above.

COMPANY **GMI CORPORATION**	**INNOVATIVE HEALTH SOLUTIONS, INC.**
/s/ Aaron Barr	***/s/ Brian Carrico***
Signature	Signature
Aaron Barr	Brian Carrico
Printed Name	Printed Name
President	C.E.O
Title	Title

Appendix A: Responsibilities

Process	IHS	Company
Design Controls	X (User Needs, Design Inputs, Design Plans, Design Validation/Verification, Design Review)	X
Document Controls	X	X
Design Change	X (as approver)	X (draft/approve)
Validation of software used in manufacturing Products		X
Design History File		X
Final Determination of Product Regulatory Requirements	X	
Device Master Record	X (as approver)	X (draft/approve)
Product Prints and Specifications	X (as approver)	X (draft/approve)
Quality Control Plans/Inspection Criteria	X (as approver)	X (draft/approve)
Production Bill of Materials	X (as approver)	X (draft/approve)
Supplier Qualification, Approval and Control	X (as approver)	X (qualification and control)
Production Work Instructions	X (as approver)	X (draft/approve)
Material Specifications	X (as approver)	X (draft/approve)
Manufacturing Process Validation at the Company	X (as approver)	X (draft/approve) (execute)
Manufacturing Fixtures/Tools Qualification, Maintenance and Calibration		X (draft/approve) (execute)
Operator Training		X
Pilot Run Performance Summary		X
Identification and Traceability		X
Production and Process Changes	X (as approver)	X (draft/approve)
Environmental Controls, Personnel, Equipment and Facility Maintenance		X
Perform Acceptance Activities		X
Nonconforming Product Control	X (as approver)	X (draft/approve)

Process	IHS	Company
Corrective and Preventive Action	X (as approver)	X (draft/approve)
Labeling and Packaging Control	X (as approver)	X (draft/approve)
Handling, Storage, and Distribution	X	X
Device History Record		X
Complaint Files	X	X
Return Procedures	X (as approver)	X (draft/approve)
Sterilization Validation	X (as approver)	X
Maintenance of Sterilization Validation	X (as approver)	X
Release of Product for distribution	X (as approver)	X
Perform Return Activities		X
FDA registration and listing	X (Specification Developer and Complaint File Establishment)	X (Contract Manufacturer)
Clinical study/marketing authorization submissions	X	
Service and Installation requirements		X
Calibration and other quality system related records for associated activities		X
Malfunction and Adverse Event Reporting (all Regulatory Bodies), including Medical Device Reporting.	X	Will provide reasonable support as needed
Removals and Corrections: Advisory, Warnings and Recall Reporting (all Regulatory Bodies)	X	Will provide reasonable support as needed
Other regulatory reporting (e.g., reporting design/material/manufacturing changes to FDA)	X	Will provide reasonable support as needed

EXCHANGE LISTING

CAPITAL MARKET
ADVISORY AGREEMENT

THIS AGREEMENT, dated as March 3, 2022, between Innovative Health Solutions (the "Company"), having its principal place of business at 8029 South Adams Way, Versailles, IN 47042 and Exchange Listing, LLC ("Consultant"), having its principal place of business at 515 E. Las Olas Blvd, Suite 120, Fort Lauderdale, Florida 33301.

RECITALS

WHEREAS, Consultant is engaged in the business of providing advisory services and advising companies in connection with their business; and

WHEREAS, the Company desires to engage Consultant to perform certain advisory and consulting services for the Company and Consultant desires to perform the services for the Company, subject to the terms and conditions of this Agreement;

THEREFORE, for the mutual promises contained herein, the parties hereto agree as follows:

AGREEMENT

1. **ENGAGEMENT BY CONSULTANT.** Company hereby engages Consultant and Consultant hereby agrees to hold himself available to render, and to render at the reasonable request of the Company, independent advisory and consulting services for the Company to the best of his ability (the "Services"), upon the terms and conditions hereinafter set forth.

A. *Duties*. Consultant shall perform those services as reasonably requested by the Company, including but not limited to the Services described herein. Consultant shall devote Consultant's commercially reasonable efforts and attention to the performance of the Services for the Company on a timely basis. Consultant shall also make himself available to answer questions, provide advice and Services to the Company upon reasonable request and notice from the Company. It is mutually understood that the Consultant shall not be accountable for operational duties.

B. *Responsibilities*. Assist with the strategic analysis of the Company's business objectives and specific advice on balancing these objectives with the expectations of the US capital markets.

C. *Scope of Work.*

1. Capital Market Advisory – Provide an array of capital markets services enabling the Company to better achieve its financial goals of trading on a Senior Exchange, which shall mean to be publicly listed on the Nasdaq or NYSE (the "Senior Exchange Listing") whether by initial public offering, merger, or otherwise.

Specific scope of services:

1.1. Assist the Company with a capital market road map that includes strategy, development and execution;
1.2. Assisting the Company with structuring its cap table and preparing for the Senior Exchange Listing;
1.3. Assisting the Company with its corporate presentation and financial model;
1.4. Introducing the Company to the best of class service providers, including Investment Bankers, investor relations firms, legal counsel, accounting, auditing, transfer agent, EDGAR agent and others;
1.5. Assisting the Company with its filings with the Securities and Exchange Commission ("SEC") for the Senior Exchange Listing;
1.6. Manage the Senior Exchange Listing application process;

1.7. Rendering advice on methods of structuring financing, assisting the Company in identifying and working with selected investors, placement agents and/or underwriters; and

1.8. Reviewing the Company's financial position and projections relating to the Company's capital requirements, analyzing the pro forma effects of a potential financing on such projections;

2. Corporate Governance.

2.1 Assisting the Company and counsel with development of its Corporate Governance Policy;

2.2 Assisting the Company and counsel with adoption of a Corporate Governance Manual; and

2.3 Assisting the Company and counsel with development of its complete corporate governance certification documents.

3. Organizational Meetings. Organizational meetings with the working team to review developments, discuss any potential challenges and establish action steps, results, timelines and responsibilities.

2. **TERM.** The term of this Agreement shall commence on the execution date and shall continue until the later of six (6) months or until the Company is trading on a Senior Exchange or as otherwise extended by both parties or terminated.

3. **COMPENSATION.** The Company agrees to compensate the Consultant in the following manner as consideration of the Services to be rendered hereunder:

A. $5,000 per month commencing upon execution of this Agreement which such amount to be accrued until the sooner of the following: (i) the Company has raised at least $1,000,000 in debt or equity financing ("Bridge"); or (ii) the Company completes the Senior Exchange Listing. In the event that the Company completes the Bridge, the Company will pay the accured amounts and commence the monthly $5,000 payments which will be made upon the 1st of each month;

B. $50,000 payable upon the Senior Exchange Listing, whether by initial public offering, merger, or otherwise;

C. Upon completion of the Senior Exchange Listing, the Company agrees to issue to the Consultant, or its designees, shares of Company common stock equal to one and a half percent (1.5%) of the Company's post listing shares. The Company agrees to include the shares in any registration statement to be filed by the Company with the SEC following the Senior Exchange Listing;

D. Upon completion of the Senior Exchange Listing, the Company will issue warrants to the Consultant or its designees equal to two (2%) percent of the Company on a fully diluted post listing basis exercisable for a period of five (5) years at the price of the financing simultaneous with the Senior Exchange Listing. The Company agrees to include the shares underlying the warrants in any registration statement to be filed by the Company with the SEC following the Senior Exchange Listing. The warrants shall have a cashless exercise provision in the event that the shares underlying the warrants are not registered in an effective registration statement.;

E. The Company shall promptly reimburse Consultant for any pre-approved costs and expenses incurred by Consultant in connection with any Services specifically requested by Company and performed by Consultant pursuant to the terms of the Agreement.

If after sixty (60) days from the date of this Agreement, the the Company terminates the Agreement because it decides not to pursue a Senior Exchange Listing for any reason and terminates the Agre, then the Company shall pay the Consultant a break-up fee of $100,000 plus any accrued fees owed under 3(A) above. In the event that the Company terminates the Agreement for any reason and the completes a Senior Exchange Listing within one (1) year from the termination then all compensation set forth in Section 3 shall be due and owed immediately to the Consultant.

4. **INDEPENDENT CONTRACTOR.**

It is expressly agreed that Consultant is acting as an independent contractor in performing its services hereunder, and this Agreement is not intended to, nor does it create, an employer-employee relationship nor shall it be construed as

creating any joint venture or partnership between the Company and Consultant. Consultant shall be responsible for all applicable federal, state and other taxes related to Consultant's compensation hereunder and Company shall not withhold or pay any such taxes on behalf of Consultant, including without limitation social security, federal, state and other local income taxes. Since Consultant is acting solely as an independent contractor under this Agreement, Consultant shall not be entitled to insurance or other benefits normally provided by Company to its employees. While the foregoing duties and responsibilities of Consultant may in a technical legal sense cause Consultant to be deemed an agent of Company, Consultant shall have no authority to, nor shall he in any way attempt to, bind the Company to any agreements nor be responsible for its operations.

5. ASSIGNMENT.

This Agreement is being entered into in reliance upon and in consideration of the singular skill and qualifications of Consultant. Neither Consultant nor the Company shall voluntarily, or by operation of law assign or otherwise transfer the obligations incurred on its part pursuant to terms of this Agreement without the prior written consent of the other party, except that Company may assign this Agreement to its parent or any successor without the prior written consent of Consultant which shall be considered given by Consultant's entry into this Agreement. Except as aforesaid, any attempt at assignment or transfer by either party of its obligations hereunder, without such consent, shall be null and void.

6. PROPRIETARY INFORMATION; WORK PRODUCT; NON-DISCLOSURE.

A. Company has conceived, developed and owns, and continues to conceive and develop, certain property rights and information, including but not limited to its business plans and objectives, client and customer information, financial projections, marketing plans, marketing materials, logos, and designs, and technical data, processes, know-how, formulae, databases, computer programs, and other trade secrets, intangible assets and industrial or proprietary property rights which may or may not be related directly or indirectly to Company's business and all documentation, media or other tangible embodiment of or relating to any of the foregoing and all proprietary rights therein of Company are hereinafter referred to as "Proprietary Information"

B. *General Restrictions on Use*. Consultant agrees to hold all Proprietary Information in confidence and not to, directly or indirectly, disclose, use, copy, publish, summarize, or remove from Company's premises and/or control any Proprietary Information (or remove from the control of Company any other property of Company), except (i) during the consulting relationship to the extent authorized and necessary to carry out Consultant's responsibilities under this Agreement, and (ii) after termination of the consulting relationship, only as specifically authorized in writing by Company. Notwithstanding the foregoing, such restrictions shall not apply to: (x) information which Consultant can show was rightfully in Consultant's possession at the time of disclosure by Company; (y) information which Consultant can show was received from a third party who lawfully developed the information independently of Company or obtained such information from Company under conditions which did not require that it be held in confidence; or (z) information which, at the time of disclosure, is generally available to the public.

C. *Ownership of Work Product*. All Work Product as defined hereinafter shall be considered work(s) made by Consultant for hire for Company and shall belong exclusively to Company and its designees. If by operation of law, any of the Work Product, including all related intellectual property rights, is not owned in its entirety by Company automatically upon creation thereof, then Consultant agrees to assign, and hereby assigns, to Company and its designees the ownership of such Work Product, including all related intellectual property rights. "Work Product" shall mean any writings (including excel, power point, emails, etc.), programming, documentation, data compilations, reports, and any other media, materials, or other objects produced as a result of Consultant's work or delivered by Consultant in the course of performing that work.

7. TERMINATION.

This Agreement may also be terminated on the occurrence of the following events:

A. A material breach of this Agreement by Consultant, which breach has not been cured within thirty (30) days after a written demand for such performance is delivered to Consultant by the Company that specifically identifies the manner in which the Company believes that Consultant has breached this Agreement;

B. Any material acts or events which inhibit Consultant from fully performing its responsibilities to the Company in good faith, such as (i) a felony criminal conviction; (ii) any other criminal conviction involving Consultant's lack of honesty or Consultant's moral turpitude; (iii) drug or alcohol abuse; or (iv) acts of dishonesty, gross carelessness or gross misconduct.

Upon a termination pursuant to 7A or 7B above, Company will not be required to pay Consultant any additional compensation that may be due as of the date of termination, notwithstanding that a future Senior Exchange Listing may occur.

8. DISCLAIMER OF RESPONSIBILITY FOR ACTS OF COMPANY.

The obligations of the Consultant described in this Agreement consist solely of the furnishing of information and advice to the Company. All final decisions with respect to acts of the Company or its affiliates, whether or not made pursuant to or in reliance on information or advice furnished by Consultant hereunder, shall be those of the Company or such affiliates and Consultant shall under no circumstances be liable for any expenses incurred or loss suffered by the Company as a consequence of such decisions except as provided in Section 10 below.

9. GENERAL PROVISIONS.

A. *Governing Law and Jurisdiction*. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Florida. Each of the parties hereto consents to such jurisdiction for the enforcement of this Agreement and matters pertaining to the transaction and activities contemplated hereby.

B. *Attorneys' Fees*. In the event a dispute arises with respect to this Agreement, the party prevailing in such dispute shall be entitled to recover all expenses, including, without limitation, reasonable attorneys' fees and expenses incurred in ascertaining such party's rights, in preparing to enforce or in enforcing such party's rights under this Agreement, whether or not it was necessary for such party to institute suit.

C. *Complete Agreement*. This Agreement supersedes any and all of the other agreements, either oral or in writing, between the Parties with respect to the subject matter hereof and contains all of the covenants and agreements between the parties with respect to such subject matter in any manner whatsoever. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, oral or otherwise, have been made by any party, or anyone herein, and that no other agreement, statement or promise not contained in this Agreement shall be valid or binding. This Agreement may be changed or amended only by an amendment in writing signed by all of the Parties or their respective successors-in-interest.

D. *Binding*. Except as aforesaid, this Agreement shall be binding upon and inure to the benefit of the successors-in-interest, assigns and personal representatives of the respective Parties.

E. *Notices*. All notices and other communications provided for or permitted hereunder shall be made by hand delivery, first class mail, telex or telecopied, addressed as follows:

Company: Innovative Health Solutions
8029 South Adams Way
Versailles, IN 47042
Attn: Brian Carrico, CEO
brian@i-h-s.com

Advisor:
Exchange Listing, LLC
515 E. Las Olas Blvd,
Suite 120
Fort Lauderdale, Florida 33301
Attn: Peter Goldstein
peter@exchangelistingllc.com

All such notices and communications shall be deemed to have been duly given: when delivered by hand, if personally delivered; five (5) business days after deposit in any Post Office in the continental United States or Canada, postage prepaid, if mailed; when answered back, if telexed; and when receipt is acknowledged or confirmed, if telefaxed; and the day after an electronic mail is sent and no electronic mail failure to deliver notification has been received back.

F. *Unenforceable Terms*. Any provision hereof prohibited by law or unenforceable under the law of any jurisdiction in which such provision is applicable shall as to such jurisdiction only be ineffective without affecting any other provision of this Agreement. To the full extent, however, that such applicable law may be waived to the end that this Agreement be deemed to be a valid and binding agreement enforceable in accordance with its terms, the Parties hereto hereby waive such applicable law knowingly and understanding the effect of such waiver.

G. *Execution in Counterparts*. This Agreement may be executed in several counterparts and when so executed shall constitute one agreement binding on all the Parties, notwithstanding that all the Parties are not signatory to the original and same counterpart.

H. *Further Assurance*. From time to time each Party will execute and deliver such further instruments and will take such other action as any other Party may reasonably request in order to discharge and perform their obligations and agreements hereunder and to give effect to the intentions expressed in this Agreement.

I. *Miscellaneous Provisions*. The various headings and numbers herein and the grouping of provisions of this Agreement into separate articles and paragraphs are for the purpose of convenience only and shall not be considered a party hereof. The language in all parts of this Agreement shall in all cases be construed in accordance with its fair meaning as if prepared by all Parties to the Agreement and not strictly for or against any of the Parties.

J. *Entire Agreement*. This Agreement, together with the documents and exhibits referred to herein, embodies the entire understanding among the parties and merges all prior discussions or communications among them, and no party shall be bound by any definitions, conditions, warranties, or representations other than as expressly stated in this Agreement, or as subsequently set forth in writing, signed by the duly authorized representatives of all of the parties hereto. This agreement, when executed shall supersede and render null and void any and all preceding oral or written understandings and agreements.

K. *No Oral Change; Waiver*. This Agreement may only be changed, modified, or amended in writing by the mutual consent of the parties hereto. The provisions of this Agreement may only be waived in or by a writing signed by the party against whom enforcement of any waiver is sought.

L. *Not Acting as a Broker-Dealer/Legal.* The Company hereby acknowledges that Consultant is not a licensed broker-dealer and is not raising capital for the Company. The Company also acknowledges that the Consultant is not providing any legal services on behalf of the Company.

M. *Right of Participation.* For a period of 12 months from the Execution of this Agreement or until such time a Senior Exchange is completed, the Company will not, directly or indirectly, effect an offering of any shares of capital stock, convertible securities, rights, options, warrants or any other kind of its securities in a financing (a "**Subsequent Financing**"), unless in each case the Company shall have, in the manner prescribed in this Section offered to sell to Consultant on the same terms and conditions as offered to the investors in such Subsequent Financing an amount of such offered securities equal to ten percent (10%) of the total amount of the Subsequent Financing (the "**Right of Participation**").

For purposes of this Section, Consultant's "Right of Participation" shall equal the amount of the Subsequent Financing, inclusive of the Consultant's acquisition of securities in such Subsequent Financing.

At least five (5) Business Days prior to any proposed or Subsequent Financing, the Company shall deliver to Consultant a written notice of its proposal or intention to effect a Subsequent Financing (each such notice, a "Pre-Notice"), which Pre-Notice shall not contain any information other than: (i) a statement that the Company proposes or intends to effect a Subsequent Financing, and (ii) a statement informing Consultant that it is entitled to receive an Offer Notice (as defined below) with respect to such Subsequent Financing upon its written request. Upon the written request of Consultant within three (3) Business Days after the Company's delivery to Consultant of such Pre-Notice, and only upon a written request by Consultant, the Company shall promptly, but no later than one (1) Business Day after such request, deliver to Consultant an irrevocable written notice (the "Offer Notice") of any proposed or intended issuance or sale or exchange (the "Offer") of the securities being offered (the "Offered Securities") in a Subsequent Financing, which Offer Notice shall (w) identify and describe the Offered Securities, (x) describe the price and other terms upon which they are to be issued, sold or exchanged, and the number or amount of the Offered Securities to be issued, sold or exchanged, (y) identify the Persons (if known) to which or with which the Offered Securities are to be offered, issued, sold or exchanged and (z) offer to issue and sell to or exchange with Consultant in accordance with the terms of the Offer an amount of such Offered Securities sufficient to fulfill Consultant's Right of Participation.

To accept an Offer, in whole or in part, Consultant must deliver a written notice to the Company prior to the end of the fourth (4th) Business Day after Consultant's receipt of the Offer Notice (the "Offer Period"), setting forth the portion of the Basic Amount that Consultant elects to purchase and, if Consultant shall elect to purchase all of its Basic Amount, any additional number, if any, that Consultant elects to purchase (the "Notice of Acceptance"); provided, however, that the Company shall only be obligated under this Section to sell to the Consultant that number of Offered Securities included in a Notice of Acceptance up to the Basic Amount. Notwithstanding the foregoing, if the Company desires to modify or amend the terms and conditions of the Offer (including a change in the number of Offered Securities) prior to the expiration of the Offer Period, the Company must deliver to Consultant a new Offer Notice and a new Offer Period shall expire on the fourth (4th) Business Day after Consultant's receipt of such new Offer Notice. Any prior Notice of Acceptance shall be null and void upon receipt of the new Offer Notice.

Upon the closing of the issuance, sale or exchange of all or less than all of the Refused Securities, Consultant shall acquire from the Company, and the Company shall issue to Consultant, the number or amount of Offered Securities specified in its Notice of Acceptance. The purchase by Consultant of any Offered Securities is subject in all cases to the preparation, execution and delivery by the Company and Consultant of a separate purchase agreement relating to such Offered Securities reasonably satisfactory in form and substance to Consultant and its counsel.

10. INDEMNIFICATION.

Consultant agrees to indemnify and hold harmless the Company and its affiliates and their directors, officers and employees from and against all taxes, losses, damages, liabilities, costs and expenses, including attorneys' fees and other legal expenses, arising directly or indirectly from or in connection with (i) any negligent, reckless or intentionally wrongful act of Consultant or Consultant's assistants, employees, contractors or agents, (ii) a determination by a court or agency that the Consultant is not an independent contractor, (iii) any material breach by the Consultant or Consultant's assistants, employees, contractors or agents of any of the covenants contained in this Agreement and corresponding Confidential Information, (iv) any failure of Consultant to perform the Services in accordance with all applicable laws, rules and regulations, or (v) any violation of a third party's rights resulting in whole or in part from the Company's use of the deliverables of Consultant under this Agreement.

Company agrees to indemnify and hold harmless the Consultant and its affiliates and their directors, officers and employees from and against all taxes, losses, damages, liabilities, costs and expenses, including attorneys' fees and other legal expenses, arising directly or indirectly from or in connection with any negligent, reckless or intentionally wrongful act of the Company or the Company's officers, directors, employees, contractors or agents.

11. WARRANTIES AND REPRESENTATIONS.

Consultant's advisory services are provided on a best-efforts basis and are based on his personal experience and expertise. There are no guarantees, warranties or representations of any kind that Consultant's advice or services will produce any specific results for the benefit of the Company. Actual results may substantially and materially differ from those suggested by Consultant. Consultant represents and warrants to Company that (a) he is under no contractual or legal restriction or other restrictions or obligations that are inconsistent with this Agreement, the performance of his duties and the covenants hereunder, and (b) he is under no physical or mental disability that would interfere with his keeping and performing all of the agreements, covenants and conditions to be kept or performed hereunder.

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

"**COMPANY**"	"**CONSULTANT**"
INNOVATIVE HEALTH SOLUTIONS	**EXCHANGE LISTING, LLC**
By: /s/ Brian Carrico Brian Carrico, CEO	By: /s/ Peter Goldstein Peter Goldstein, CEO
Date: 3-3-22	Date: 3/3/2022

EXCHANGE LISTING

PRE-IPO COMMUNICATIONS/OUTREACH
ADVISORY AGREEMENT

THIS AGREEMENT, dated as June 20th, 2022 ("Execution Date"), between NeurAxis, Inc. (the "Company"), having its principal place of business at 829 S Adams St., Versailles, IN 47042, and Exchange Listing, LLC ("Advisor"), having its principal place of business at 515 E. Las Olas Blvd, Suite 120, Fort Lauderdale, Florida 33301; together known as ("The Parties").

RECITALS

WHEREAS, the Company desires to obtain independent advisory and consulting services in connection with its business;

WHEREAS, the Advisor is engaged in the business of providing advisory services and advising companies in connection with their business as hereinafter set out; and

WHEREAS, the Company desires to engage Advisor to perform certain consulting services for it, and Advisor desires to perform consulting services for the Company, subject to the terms and conditions of this Agreement.

NOW THEREFORE, for the mutual promises contained herein, the parties hereto agree as follows:

AGREEMENT

1. ENGAGEMENT BY ADVISOR.

The Company hereby engages Advisor and Advisor hereby agrees to hold itself available to render, and to render at the reasonable request of the Company, independent advisory, and consulting services for the Company to the best of its ability (the "Services"), upon the terms and conditions hereinafter set forth.

2. SCOPE OF WORK - HIGH-LEVEL APPROACH AND DELIVERABLES

It is important to note that the Advisor's approach is a highly collaborative and cooperative process.

It is understood by all The Parties of this Agreement that the following scope of work will be implemented. The Advisor will work closely with the Company on all PR/IR, communication, media, and investor outreach that is implemented throughout this program.

Pre-IPO marketing is focused on the company's equity story, management team and development of usual and customary company marketing practices. During this time, we will also collect contact data for retargeting efforts. We streamline the process to deliver effective and efficient results to create a foundation for the corporate communications program.

The full Pre-IPO Outreach program is designed to meet the following objectives

1. Investor awareness in preparation for when listed
2. Develop a pipeline of potential investors pre-listing
3. Prepare company leadership team for the communications requirements to remain compliant when a public company
4. Gather contact information of interested investors and analysts for re-targeting and to identify the ideal target investor to build a mirror database
5. Define and refine the company's investor focused story

To achieve the above objectives, Pre-IPO Marketing is focused on

1. Building the foundation of a compelling equity story
2. Testing and refining of the company's investor-focused story

3. Set company standards of outreach communications
4. Highlighting a strong management team
5. Development of an investor/analyst database for post-IPO outreach efforts
6. Building an inventory marketing asset (e.g., images, videos, copy, ad formats, etc.) that are proven to work for post-IPO marketing

The following is a chronological outline highlights the programs key activities and deliverables. *At times Exchange Listing will be working with outside specialists during aspects of this program. There will be full transparency with the Company when working with outside resources. All costs of these outside resources are included in this proposal, unless noted otherwise.*

(Phase I) Weeks 1-4: Situational Audit and Foundation for Pre-IPO Communications Program

- Through meetings with leadership determine the current thinking on companies' purpose, G2M timeline & key differentiators, and agree on forward-looking thinking that will be implemented in Pre-IPO marketing
- Introductions to IR Agencies and Digital Media/Marketing Firms *(Optional, costs are included in full program pricing below)*
- Create tools for mapping all marketing communications
    - 90-day forward looking timeline of all projected corporate announcements and key events
    - Corporate USP's and differentiators
    - Leadership team bio's
- Crafting a document of Feeder Copy that will be leveraged for all marketing purposes
- Create a high-level media buy schedule, broken down by channel, includes timing and pricing
- Create a High-level Social Media plan with costs
- Create a lead funnel for lead management and retargeting purposes, including 1 month of follow-up correspondence
    - Set up will be on HubSpot
- Create Investor Pitch Deck to be integrated with the investment bankers before listing
    - Including bios of leadership team
- Create 1-pager on the company
- Buildout a landing page and any needed secondary lead collection pages
- Buildout an IR website designed to support the Pre-IPO marketing, this site can be standalone and/or accessible from a link on the corporate website (with or without password protection)
- Inventory, assessment, and creation of a shared folder of all marketing support assets (e.g., logos, images, video, etc…)
- Recommendation for the creation/purchase of needed assets to support the Pre-IPO campaign with an explanation of the purpose, expected ROI and costs

(Phase II) Weeks 5-12: Execution of Marketing Communications & Outreach Program

- Begin corporate marketing campaign
    - Establish "customary and usual" marketing efforts
- Create an "opportunity buzz" with targeted investor communities
    - Digital Marketing
    - Influencers
    - Publishing
    - Social

  - Email / SMS
  - Etc.
- Capture investor contact information for retargeting efforts
- Continuous refining of messaging
  - Marketing
  - IR Website
  - Corporate Website (advise only, not actual changes)
  - Re-targeting
  - Landing Page
  - Feeder Copy given to media/publishing partners
  - Etc.
- Management and refinement of the HubSpot funnel
  - Follow-up emails/SMS
  - Funnel content and flow
- Development of mirror audience in preparation of post listing marketing

3. COMPENSATION.

The parties agree that the Advisor will be compensated by the Company for its professional fees at the rate of $7,500 per month for work performed in accordance with this agreement, for a total of 4 payment. Payments will be made on the 1st of each month commencing on the Execution Date of this agreement.

In addition to the above professional fees there is a onetime set up fee of $41,000 due at the signing of this Agreement that covers the development of the items listed under "(Phase I) Weeks 1-4: Situational Audit and Foundation for Pre-IPO Communications Program" above.

Total Commitment for Phase I: $63,500 (Initial Payment Requirement $48,500)

Engaging Exchange Listing for Phase II under "Scope of Work" above is an option, and at the sole discretion of the Company. The Company must notify Exchange Listing within 5-weeks of the Engagement Date if they will engage Exchange Listing to implement Phase II of this Agreement. If Phase II is initiated by the Company, the costs will be as follows. If the company choose not to engage Exchange Listing for Phase II, this will not terminate this Agreement and the above monthly payment to Exchange Listings will remain in effect until the conclusion of the Term of this Agreement.

Phase II payment will be made directly to Exchange Listing Partners as follows. These payments will be due as follows:

- Media/Digital Marketing Company (includes the purchase of all advertising and media)
  - Day 1, Month 2: $28,333
  - Day 1, Month 3: $28,333
- IR/PR Agency
  - Day 1, Month 2: $8,000
  - Day 1, Month 3: $8,000

Total Commitment for Phase II: $62,666

Price for Full PRE-IPO COMMUNICATIONS/OUTREACH Program (Phases I & II) $136,166

If there is a delay in the listing date, this program may continue monthly at the rates stated above for Media and Digital Marketing and/or IR/PR Agency. If one and/or both of these monthly services are continued the monthly Advisor retainer will continue until both these services are no longer active, or the Company has listed, whichever is sooner.

Upon the execution of this Agreement, the Company agrees to sell to the Advisor, or its designees, at par value, 25,000 shares of the Company's common stock. The Company agrees to provide piggyback registration rights for the issued shares of common stock.

The Company will reimburse the Advisor for any pre-approved expenses incurred, which may include external costs such as travel. For these expenses the Advisor will submit an itemized statement and the Company will pay the Advisor the amount due within fourteen (14) days of receipt.

4. AGREEMENT TERM.

This Agreement will be for 3 months beginning on the Execution Date and cannot be terminated without cause during the 3 months. The Agreement will not automatically renew. This agreement shall govern all services provided by the Advisor and any additional services as agreed by the parties.

5. CONFIDENTIALITY.

The Advisor recognizes that certain confidential information concerning the Company will be furnished by the Company to the Advisor in connection with the Project ("Confidential Information"). the Advisor agrees that it will disclose Confidential Information only to those of its employees, advisors or agents who have a need to know such information, or to advisors to the Company. Confidential Information shall not include information that (i) is in the possession of the Advisor prior to its receipt of such information from the Company, (ii) is or becomes publicly available other than as a result of a breach of this agreement by the Advisor, or (iii) is or can be independently acquired or developed by the Advisor without violating any of its obligations under this agreement.

6. LOCATION WHERE SERVICES WILL BE RENDERED.

The Advisor will perform services in accordance with this contract at a location of the Advisor's discretion.

7. INDEPENDENT CONTRACTOR.

It is expressly agreed that the Advisor is acting as an independent contractor in performing its services hereunder, and this Agreement is not intended to, nor does it create, an employer-employee relationship nor shall it be construed as creating any joint venture or partnership between the Company and Advisor. Advisor shall be responsible for all applicable federal, state and other taxes related to Advisor's compensation hereunder and Company shall not withhold or pay any such taxes on behalf of Advisor, including without limitation social security, federal, state and other local income taxes. Since Advisor is acting solely as an independent contractor under this Agreement, Advisor shall not be entitled to insurance or other benefits normally provided by the Company to its employees. While the foregoing Duties and Responsibilities of Advisor may in a technical legal sense cause Advisor to be deemed an agent of Company, Advisor shall have no authority to, nor shall he in any way attempt to, bind the Company to any agreements nor be responsible for its operations.

8. INTEGRATION.

This Agreement constitutes and expresses the entire agreement of the parties with respect to the subject matter hereof and supersedes and cancels all prior negotiations, discussions, agreements, and understandings relating to such subject matter. This Agreement may not be modified or amended except by an instrument in writing executed by both parties hereto.

9. REPRESENTATION AND WARRANTIES.

The Company represents that they have full power, capacity, and authority to execute and deliver this Agreement and that the execution and delivery thereof will constitute a legal, valid, and binding obligation of the Company.

10. ASSIGNMENT.

This Agreement is being entered into in reliance upon and in consideration of the singular skill and qualifications of Advisor. Neither Advisor nor the Company shall voluntarily, or by operation of law assign or otherwise transfer the obligations incurred on its part pursuant to terms of this Agreement without the prior written consent of the other party, except that Company may assign this Agreement to its parent or any successor without the prior written consent of Advisor which shall be considered given by Advisor's entry into this Agreement. Except as aforesaid, any attempt at assignment or transfer by either party of its obligations hereunder, without such consent, shall be null and void.

11. PROPRIETARY INFORMATION; WORK PRODUCT; NON-DISCLOSURE.

a. Company has conceived, developed and owns, and continues to conceive and develop, certain property rights and information, including but not limited to its business plans and objectives, client and customer information, financial projections, marketing plans, marketing materials, logos, and designs, and technical data, processes, know-how, formulae, databases, computer programs, and other trade secrets, intangible assets and industrial or proprietary property rights which may or may not be related directly or indirectly to Company's business and all documentation, media or other tangible embodiment of or relating to any of the foregoing and all proprietary rights therein of Company are hereinafter referred to as "Proprietary Information"

b. *General Restrictions on Use*. Advisor agrees to hold all Proprietary Information in confidence and not to, directly or indirectly, disclose, use, copy, publish, summarize, or remove from Company's premises and/or control any Proprietary Information (or remove from the control of Company any other property of Company), except (i) during the consulting relationship to the extent authorized and necessary to carry out Advisor's responsibilities under this Agreement, and (ii) after termination of the consulting relationship, only as specifically authorized in writing by Company. Notwithstanding the foregoing, such restrictions shall not apply to: (x) information which Advisor can show was rightfully in Advisor's possession at the time of disclosure by Company; (y) information which Advisor can show was received from a third party who lawfully developed the information independently of Company or obtained such information from Company under conditions which did not require that it be held in confidence; or (z) information which, at the time of disclosure, is generally available to the public.

c. *Ownership of Work Product*. All Work Product as defined hereinafter shall be considered work(s) made by Advisor for hire for Company and shall belong exclusively to Company and its designees. If by operation of law, any of the Work Product, including all related intellectual property rights, is not owned in its entirety by Company automatically upon creation thereof, then Advisor agrees to assign, and hereby assigns, to Company and its designees the ownership of such Work Product, including all related intellectual property rights. "Work Product" shall mean any writings (including excel, power point, emails, etc.), programming, documentation, data compilations, reports, and any other media, materials, or other objects produced as a result of Advisor's work or delivered by Advisor in the course of performing that work.

12. TERMINATION.

This Agreement may also be terminated on the occurrence of the following events:

a. A material breach of this Agreement by Advisor, which breach has not been cured within thirty (30) days after a written demand for such performance is delivered to Advisor by the Company that specifically identifies the manner in which the Company believes that Advisor has breached this Agreement.

b. Any material acts or events which inhibit Advisor from fully performing its responsibilities to the Company in good faith, such as (i) a felony criminal conviction; (ii) any other criminal conviction involving Advisor's lack of honesty or Advisor's moral turpitude; (iii) drug or alcohol abuse; or (iv) acts of dishonesty, gross carelessness, or gross misconduct.

Upon a termination pursuant to 3 and/or 4 above, Company will not be required to pay Advisor additional compensation due as of the date of termination, notwithstanding future services by the Advisor that may occur.

13. DISCLAIMER OF RESPONSIBILITY FOR ACTS OF COMPANY.

The obligations of the Advisor described in this Agreement consist solely of the furnishing of information and advice to the Company. All final decisions with respect to acts of the Company or its affiliates, whether or not made pursuant to or in reliance on information or advice furnished by Advisor hereunder, shall be those of the Company or such affiliates and Advisor shall under no circumstances be liable for any expenses incurred or loss suffered by the Company as a consequence of such decisions except as provided in Section 16 below.

14. GENERAL PROVISIONS.

a. *Governing Law and Jurisdiction*. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Florida. Each of the parties hereto consents to such jurisdiction for the enforcement of this Agreement and matters pertaining to the transaction and activities contemplated hereby.

b. *Attorneys' Fees*. In the event a dispute arises with respect to this Agreement, the party prevailing in such dispute shall be entitled to recover all expenses, including, without limitation, reasonable attorneys' fees and expenses incurred in ascertaining such party's rights, in preparing to enforce or in enforcing such party's rights under this Agreement, whether or not it was necessary for such party to institute suit.

c. *Complete Agreement*. This Agreement supersedes any and all of the other agreements, either oral or in writing, between the Parties with respect to the subject matter hereof and contains all of the covenants and agreements between the parties with respect to such subject matter in any manner whatsoever. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, oral or otherwise, have been made by any party, or anyone herein, and that no other agreement, statement or promise not contained in this Agreement shall be valid or binding. This Agreement may be changed or amended only by an amendment in writing signed by all of the Parties or their respective successors-in-interest.

d. *Binding*. Except as aforesaid, this Agreement shall be binding upon and inure to the benefit of the successors-in-interest, assigns and personal representatives of the respective Parties.

e. *Notices*. All notices and other communications provided for or permitted hereunder shall be made by hand delivery, first class mail, telex or telecopied, addressed as follows:

Company:	NeurAxis, Inc. 829 S Adams St. Versailles, IN 47042 Phone: (812) 689-0791 Attn: Brian Carrico bcarrico@neuraxis.com
Advisor:	Exchange Listing, LLC 515 E. Las Olas Blvd, Suite 120 Fort Lauderdale, Florida 33301 Attn: Peter Goldstein peter@exchangelistingllc.com

All such notices and communications shall be deemed to have been duly given when delivered by hand, if personally delivered; five (5) business days after deposit in any Post Office in the continental United States or Canada, postage prepaid,

if mailed; when answered back, if telexed; and when receipt is acknowledged or confirmed, if telefaxed. Notices may also be sent via computer generated electronic mail (so-called "email") to the email addresses set forth above with written receipt acknowledged by the recipient.

f. *Unenforceable Terms*. Any provision hereof prohibited by law or unenforceable under the law of any jurisdiction in which such provision is applicable shall as to such jurisdiction only be ineffective without affecting any other provision of this Agreement. To the full extent, however, that such applicable law may be waived to the end that this Agreement be deemed to be a valid and binding agreement enforceable in accordance with its terms, the Parties hereto hereby waive such applicable law knowingly and understanding the effect of such waiver.

g. *Execution in Counterparts*. This Agreement may be executed in several counterparts and when so executed shall constitute one agreement binding on all the Parties, notwithstanding that all the Parties are not signatory to the original and same counterpart.

h. *Further Assurance*. From time to time each Party will execute and deliver such further instruments and will take such other action as any other Party may reasonably request in order to discharge and perform their obligations and agreements hereunder and to give effect to the intentions expressed in this Agreement.

i. *Miscellaneous Provisions*. The various headings and numbers herein and the grouping of provisions of this Agreement into separate articles and paragraphs are for the purpose of convenience only and shall not be considered a party hereof. The language in all parts of this Agreement shall in all cases be construed in accordance with its fair meaning as if prepared by all Parties to the Agreement and not strictly for or against any of the Parties.

j. *Entire Agreement*. This Agreement, together with the documents and exhibits referred to herein, embodies the entire understanding among the parties and merges all prior discussions or communications among them, and no party shall be bound by any definitions, conditions, warranties, or representations other than as expressly stated in this Agreement, or as subsequently set forth in writing, signed by the duly authorized representatives of all of the parties hereto. This agreement, when executed shall supersede and render null and void any and all preceding oral or written understandings and agreements.

k. *No Oral Change; Waiver*. This Agreement may only be changed, modified, or amended in writing by the mutual consent of the parties hereto. The provisions of this Agreement may only be waived in or by a writing signed by the party against whom enforcement of any waiver is sought.

l. *Non-Circumvent.* The Company hereby expressly covenants and agrees not to engage in any discussions or negotiations or to execute any agreement, understanding or undertaking whatsoever with any person or entity that introduced by the Advisor, without the consent and approval of the Advisor including third parties who may be interested in providing or receiving financing of any kind (a "Financing") or in entering into a transaction, including, without limitation, a merger, acquisition or sale of stock or assets (in which the Company may be the acquiring or the acquired entity), joint venture, collaboration, strategic alliance or other similar transaction (any such transaction, a "Transaction").

m. *Not Acting as a Broker-Dealer/Legal.* The Company hereby acknowledges that Advisor is not a licensed broker-dealer and is not raising capital for the Company. The Company also acknowledges that the Advisor is not providing any legal services on behalf of the Company.

15. INDEMNIFICATION.

Advisor agrees to indemnify and hold harmless the Company and its affiliates and their directors, officers and employees from and against all taxes, losses, damages, liabilities, costs and expenses, including attorneys' fees and other legal expenses, arising directly or indirectly from or in connection with (i) any negligent, reckless or intentionally wrongful act of Advisor or Advisor's assistants, employees, contractors or agents, (ii) a determination by a court or agency that the

Advisor is not an independent contractor, (iii) any material breach by the Advisor or Advisor's assistants, employees, contractors or agents of any of the covenants contained in this Agreement and corresponding Confidential Information, (iv) any failure of Advisor to perform the Services in accordance with all applicable laws, rules and regulations, or (v) any violation of a third party's rights resulting in whole or in part from the Company's use of the deliverables of Advisor under this Agreement.

Company agrees to indemnify and hold harmless the Advisor and its affiliates and their directors, officers and employees from and against all taxes, losses, damages, liabilities, costs and expenses, including attorneys' fees and other legal expenses, arising directly or indirectly from or in connection with any negligent, reckless or intentionally wrongful act of the Company or the Company's officers, directors, employees, contractors or agents.

16. WARRANTIES AND REPRESENTATIONS.

Advisor's advisory services are provided on a best-efforts basis and are based on his personal experience and expertise. There are no guarantees, warranties or representations of any kind that Advisor's advice or services will produce any specific results for the benefit of the Company. Actual results may substantially and materially differ from those suggested by Advisor. Advisor represents and warrants to Company that (a) he is under no contractual or legal restriction or other restrictions or obligations that are inconsistent with this Agreement, the performance of his duties and the covenants hereunder, and (b) he is under no physical or mental disability that would interfere with his keeping and performing all of the agreements, covenants and conditions to be kept or performed hereunder.

17. MISCELLANEOUS.

The invalidity or unenforceability of any particular provisions of this Agreement shall not affect the other provisions hereof; and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

This agreement will survive Bankruptcy, sale of company and/or change in company structure.

Nothing in this Agreement shall be construed to make the parties partners, joint venture's, representatives, or agents of each other, nor shall either party so hold itself out.

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

"COMPANY"	"ADVISOR"
NEURAXIS, INC.	**EXCHANGE LISTING, LLC**
By: /s/ Brian Carrico Brian Carrico, CEO	By: /s/ Peter Goldstein Peter Goldstein, CEO
Date: 6/20/22	Date: 06/20/2022

AMENDMENT TO PRE-IPO COMMUNICATIONS/OUTREACH ADVISORY AGREEMENT

THIS AMENDMENT TO PRE-IPO COMMUNICATIONS/OUTREACH ADVISORY AGREEMENT (this "Amendment") is entered into as of December 22, 2022 by and between Neuraxis, Inc. (the "Company") and Exchange Listing, LLC ("Advisor").

RECITALS

WHEREAS, the Company and Advisor, (collectively the "Parties") entered into that certain Pre-IPO Communications/Outreach Advisory Agreement dated June 20, 2022, whereby the Company engaged Advisor to perform certain services as enumerated therein (the "Agreement") in exchange for certain consideration as enumerated therein (any capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Agreement); and

WHEREAS, the Parties wish to amend Section 3 of the Agreement to clarify the timing and conditions that must be satsified before the Company would be obligated to convey certain of its common stock to Advisor as compensation for the services Advisor is obligated to provide in the Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the Parties hereby agree as follows:

AGREEMENT

1. Amendments. The penultimate paragraph of Section 3 of the Agreement is hereby deleted and restated in its entirety as follows:

   a. Contingent and effective upon the completion of an initial public offering of the Company's common stock on the Nasdaq or the New York Stock Exchange (a "**Senior Exchange Listing**"), Advisor may require Company to convey Advisor, or its designees, at par value, 25,000 shares (the "**Shares**") of the Company's common stock. The Company agrees to provide piggyback registration rights for the Shares.

Other than the amendment set forth herein, the terms and conditions of the Agreement shall remain the same.

2. Governing Law; Jurisdiction. This Amendment shall be governed by and construed in accordance with the laws of Florida without giving effect to any choice or conflict of law provision or rule (whether of Florida or any other jurisdiction). Any legal proceeding arising out of or based upon this Amendment shall be instituted in the courts of Florida and each party irrevocably submits to the exclusive jurisdiction of such courts in any such proceeding.

3. Counterparts. This Amendment may be executed in several counterparts, each of which shall be deemed to be an original copy and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the date first written above by their respective officers thereunto duly authorized.

ADVISOR: **EXCHANGE LISTING, LLC**	**COMPANY:** **NEURAXIS, INC**
By: /s/ Peter Goldstein Name: Peter Goldstein Title: Managing Member	By: /s/ Brian Carrico Name: Brian Carrico Title: Chief Executive Officer

Exhibit 14.1

CODE OF ETHICS
OF
NEURAXIS, INC.

1. Introduction

The Board of Directors of Neuraxis, Inc. (the "Company") has adopted this code of ethics (the "Code"), which is applicable to all directors, officers and employees of the Company, with the intent to:

- promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- promote the full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, the Securities and Exchange Commission (the "SEC"), as well as in other public communications made by or on behalf of the Company;
- promote compliance with applicable governmental laws, rules and regulations;
- deter wrongdoing; and
- require prompt internal reporting of breaches of, and accountability for adherence to, this Code.

This Code may be amended only by resolution of the Company's Board of Directors. In this Code, references to the "Company" include, in appropriate context, the Company's subsidiaries, if any.

2. Honest, Ethical and Fair Conduct

Each person owes a duty to the Company to act with integrity. Integrity requires, among other things, being honest, fair and candid. Deceit, dishonesty and subordination of the Company's interests to personal interests are inconsistent with integrity. Service to the Company should never be subordinated to personal gain or advantage.

Each person must:

- Act with integrity, including being honest and candid while still maintaining the confidentiality of the Company's information where required or in the Company's interests.
- Observe all applicable governmental laws, rules and regulations.
- Comply with the requirements of applicable accounting and auditing standards, as well as Company policies, in order to maintain a high standard of accuracy and completeness in the Company's financial records and other business-related information and data.
- Adhere to a high standard of business ethics and not seek competitive advantage through unlawful or unethical business practices.
- Deal fairly with the Company's customers, suppliers, competitors and employees.
- Refrain from taking advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.
- Protect the assets of the Company and ensure their proper use.
- Refrain from taking for themselves personally opportunities that are discovered through the use of corporate assets and refrain from using corporate assets, information, or position for general personal gain outside the scope of employment with the Company.

- Avoid conflicts of interest, wherever possible, except under guidelines or resolutions approved by the Board of Directors (or the appropriate committee of the Board of Directors). Anything that would be a conflict for a person subject to this Code also will be a conflict if it is related to a member of his or her family or a close relative. Examples of conflict of interest situations include, but are not limited to, the following:
    - any significant ownership interest in any supplier or customer;
    - any consulting or employment relationship with any customer, supplier, or competitor;
    - any outside business activity that detracts from an individual's ability to devote appropriate time and attention to his or her responsibilities with the Company;
    - the receipt of any money, non-nominal gifts or excessive entertainment from any company with which the Company has current or prospective business dealings;
    - being in the position of supervising, reviewing, or having any influence on the job evaluation, pay, or benefit of any close relative;
    - selling anything to the Company or buying anything from the Company, except on the same terms and conditions as comparable officers or directors are permitted to so purchase or sell; and
    - any other circumstance, event, relationship or situation in which the personal interest of a person subject to this Code interferes, or even appears to interfere, with the interests of the Company as a whole.

3. Disclosure

The Company strives to ensure that the contents of and the disclosures in public communications and in the reports and documents that the Company files with the SEC shall be full, fair, accurate, timely and understandable in accordance with applicable disclosure standards, including standards of materiality, where appropriate. Each person must:

- not knowingly misrepresent, or cause others to misrepresent, facts about the Company to others, whether within or outside the Company, including to the Company's independent auditors, governmental regulators, self-regulating organizations and other governmental officials, as appropriate; and
- in relation to his or her area of responsibility, properly review and critically analyze proposed disclosure for accuracy and completeness.

In addition to the foregoing, the Chief Executive Officer and Chief Financial Officer (or Principal Financial Officer) of the Company and each subsidiary of the Company (or persons performing similar functions), if any, and each other person that typically is involved in the financial reporting of the Company must familiarize himself or herself with the disclosure requirements applicable to the Company as well as the business and financial operations of the Company.

Each person must promptly bring to the attention of the Chairman of the Audit Committee of the Company's Board of Directors (or the Chairman of the Company's Board of Directors if no Audit Committee exists) any information he or she may have concerning (a) significant deficiencies in the design or operation of internal and/or disclosure controls which could adversely affect the Company's ability to record, process, summarize and report financial data or (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's financial reporting, disclosures, or internal controls.

4. Compliance

It is the Company's obligation and policy to comply with all applicable governmental laws, rules and regulations. It is the personal responsibility of each person to, and each person must, adhere to the standards and restrictions imposed by those laws, rules, and regulations, including those relating to accounting and auditing matters.

5. Reporting and Accountability

The Board of Directors or Audit Committee, if one exists, of the Company is responsible for applying this Code to specific situations in which questions are presented to it and has the authority to interpret this Code in any particular situation. Any person who becomes aware of any existing or potential breach of this Code is required to notify the Chairman of the Board of Directors or Audit Committee promptly. Failure to do so is itself a breach of this Code.

Specifically, each person must:

- Notify the Chairman promptly of any existing or potential violation of this Code.
- Not retaliate against any other person for reports of potential violations that are made in good faith.
- The Company will follow the following procedures in investigating and enforcing this Code and in reporting on the Code:
    - The Board of Directors or Audit Committee, if one exists, will take all appropriate action to investigate any breaches reported to it.
    - If the Audit Committee (if one exists) determines by majority decision that a breach has occurred, it will inform the Board of Directors.
    - Upon being notified that a breach has occurred, the Board of Directors by majority decision will take or authorize such disciplinary or preventive action as it deems appropriate, after consultation with the Audit Committee (if one exists) and/or the Company's counsel, up to and including dismissal or, in the event of criminal or other serious violations of law, notification of the SEC or other appropriate law enforcement authorities.

No person following the above procedure shall, as a result of following such procedure, be subject by the Company or any officer or employee thereof to discharge, demotion suspension, threat, harassment or, in any manner, discrimination against such person in terms and conditions of employment.

6. Waivers and Amendments

Any waiver (defined below) or an implicit waiver (defined below) from a provision of this Code for the principal executive officer, principal financial officer, principal accounting officer or controller, and persons performing similar functions or any amendment (as defined below) to this Code is required to be disclosed in the Company's Annual Report on Form 10-K or in a Current Report on Form 8-K filed with the SEC.

A "waiver" means the approval by the Company's Board of Directors of a material departure from a provision of the Code. An "implicit waiver" means the Company's failure to take action within a reasonable period of time regarding a material departure from a provision of the Code that has been made known to an executive officer of the Company. An "amendment" means any amendment to this Code other than minor technical, administrative or other non-substantive amendments hereto.

All persons should note that it is not the Company's intention to grant or to permit waivers from the requirements of this Code. The Company expects full compliance with this Code.

7. Other Policies and Procedures

Any other policy or procedure set out by the Company in writing or made generally known to employees, officers or directors of the Company prior to the date hereof or hereafter are separate requirements and remain in full force and effect.

8. Inquiries

All inquiries and questions in relation to this Code or its applicability to particular people or situations should be addressed to the Company's Secretary.

Exhibit 21.1

List of Subsidiaries of Neuraxis, Inc.

None.

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the inclusion in this Registration Statement of Neuraxis, Inc. on Form S-1 of our report dated September, 27, 2022, except for the effects of the restatement discussed in note 17 to the financial statements, as to which the date is November 9, 2022, which includes an explanatory paragraph as Nueuraxis, Inc.'s ability to continue as a going concern, with respect to our audits of the consolidated financial statements of Neuraxis, Inc. as of December 31, 2021 and 2020 and for each of the two years in the period ended December 31, 2021, which report appears in the Prospectus, which is part of this Registration Statement.

We also consent to the reference to our Firm under the heading "Experts" in such Prospectus.

/s/ Rosenberg Rich Baker Berman, P.A.
Somerset, NJ
January 9, 2023

Exhibit 99.1

CONSENT OF DIRECTOR NOMINEE

Neuraxis, Inc. (the "**Company**") plans to file a Registration Statement on Form S-1 (together with any amendments thereto, the "**Registration Statement**") with the U.S. Securities and Exchange Commission registering its common stock for issuance. As required by Rule 438 under the Securities Act of 1933, as amended, the undersigned hereby consents to being named in the Registration Statement as a Director Nominee.

August 28, 2022

By: */s/ Timothy Henrichs*

Name: Timothy Henrichs

Exhibit 99.2

CONSENT OF DIRECTOR NOMINEE

Neuraxis, Inc. (the "**Company**") plans to file a Registration Statement on Form S-1 (together with any amendments thereto, the "**Registration Statement**") with the U.S. Securities and Exchange Commission registering its common stock for issuance. As required by Rule 438 under the Securities Act of 1933, as amended, the undersigned hereby consents to being named in the Registration Statement as a Director Nominee.

August 8, 2022

By: */s/ Bradley Watkins*
Name: Bradley Watkins

Exhibit 99.3

CONSENT OF DIRECTOR NOMINEE

Neuraxis, Inc. (the "**Company**") plans to file a Registration Statement on Form S-1 (together with any amendments thereto, the "**Registration Statement**") with the U.S. Securities and Exchange Commission registering its common stock for issuance. As required by Rule 438 under the Securities Act of 1933, as amended, the undersigned hereby consents to being named in the Registration Statement as a Director Nominee.

By: */s/ Jane Elizabeth Keyser*

Name: Jane Elizabeth Keyser

EXHIBIT 107

Calculation of Filing Fee Tables
Form S-1
(Form Type)
NEURAXIS, INC.
(Exact Name of Registrant as Specified in its Charter)
Table 1: Newly Registered Securities

	Security Type	Security Class Title	Fee Calculation or Carry Forward Rule	Amount Registered (1)	Proposed Maximum Offering Price Per Unit	Maximum Aggregate Offering Price	Fee Rate	Amount of Registration Fee	Carry Forward Form Type	Carry Forward File Number	Carry Forward Initial effective date	Filing Fee Previously Paid In Connection with Unsold Securities to be Carried Forward
Newly Registered Securities												
Fees to Be Paid	Equity	Common Stock, par value $0.001 per share(1)(2)	457(o)	$17,250,000	$	$ (3)	$0.00011020	$ 1900.95				
	Equity	Representative's Warrants(4)	457(g)	-			$0.00011020	-				
	Equity	Common Stock underlying Representative's Warrants(6)	457(g)	$ 1,242,000	$	$ (5)	$0.00011020	$ 136.87				
Fees Previously Paid				$		$		$				
Carry Forward Securities												
Carry Forward Securities												
	Total Offering Amounts					$18,492,000	0.00011020	$ 2,037.82				
	Total Fees Previously Paid					-	-	$				
	Total Fee Offsets					-	-	-				
	Net Fee Due							$ 2,037.82				

(1) Includes up to an additional 15% of the aggregate offering price to cover the underwriter's option to purchase securities to cover over-allotments, if any.

(2) Pursuant to Rule 416(a) promulgated under the Securities Act of 1933, as amended, or the Securities Act, we are also registering an indeterminate number of shares of common stock as may from time to time become issuable by reason of stock splits, stock dividends, or similar transactions.

(3) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rules 457(o) under the Securities Act.

(4) No fee required pursuant to Rule 457(g) under the Securities Act.

(5) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rules 457(g) under the Securities Act.

(6) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(g) under the Securities Act. The representative's warrants are exercisable at a per share exercise price equal to 120% of the public offering price. As estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(g) under the Securities Act, the proposed maximum aggregate offering price of the representative's warrants is $1,242,000, which is equal to 120% of $1,035,000 (which is 6% of $17,250,000).